

Dividend Yield

Dividend payout has historically proved to be a good indicator of management quality and continues to be a keenly watched. High Dividend yield stocks also tend to be good bets as a defensive investment strategy.

As it is close to dividend payout time after the annual results, we looked at stocks with high dividend yields out of the MOSL coverage universe based on company announcements. Some companies have not declared record dates as of yet. For these, we have given the months in which the record dates are likely based on past trend. A list of shortlisted companies is presented below:

Company	CMP	EPS		DPS		Div Yld		P/E or P/ABV		Target	Upside	Announced \ Expected Ex-Date
		FY11	FY12E	FY11	FY12E	FY11	FY12E	FY11	FY12E			
Chennai Petro	232	34.3	34.9	12	10	5.2	4.3	6.8	6.6	260	12%	Aug. / Sept.
IL&FS Investmart	34	3.4	3.5	1.5	1.5	4.4	4.4	10	9.9	60	76%	July / Aug.
NIIT Tech	191	31	31	7.5	8	3.9	4.2	6.2	6.2	250	31%	July / Aug.
Andhra Bank*	145	22.6	27.2	5.5	6	3.8	4.1	1.3	1.1	195	34%	15-Jun-11
Tata Motors DVR	606	136.5	150.5	20.5	20.5	3.4	3.4	4.4	4	N.A.	N.A.	19-Jul-11
J&K Bank*	790	126.9	158.5	26	30	3.3	3.8	1.1	1	975	23%	July/Aug
OBC*	351	51.5	57.3	10.4	12.5	3	3.6	1.1	1	488	39%	14-Jun-11
Bajaj Auto	1351	90.4	103.1	40	45	3	3.3	14.9	13.1	1545	14%	29-Jun-11
Deepak Fertilizer	179	20.8	25.1	5	5.5	2.8	3.1	8.6	7.1	200	12%	July / Aug.
PTC India	85	5.7	8.4	2.1	2.2	2.5	2.6	14.8	10.1	127	50%	September
Union Bank*	323	39.5	53	8	10	2.5	3.1	1.7	1.4	425	32%	16-Jun-11

*Price to Adjusted Book value (P/ABV)

Further, there are three more companies that have a high dividend yield but have paid part of the dividend during the year as interim dividend.

Bank	CMP	EPS		DPS		Div Yld		P/E or P/ABV		Target	Upside	Announced \ Expected Ex-Date
		FY11	FY12E	FY11	FY12E	FY11	FY12E	FY11	FY12E			
Hero Honda	1858	100	115	105	105	5.7	5.7	18.5	16.2	1891	2%	Aug/Sep
Final dividend = Rs. 35, Rs. 70 interim paid out, yield ~2% even on final dividend												
ACE	45	4.4	5.6	2	2.5	4.4	5.6	10.2	8	80	78%	July/Aug
Final dividend = Rs. 1, Re. 1 interim paid out, yield=2.3% even on final dividend												
REC*	216	26	29.7	7.5	8.5	3.5	3.9	1.7	1.5	310	44%	Aug/Sep
Final dividend = Rs. 4, Rs. 3.5 interim paid out, yield=1.8% even on final dividend												

*Price to Adjusted Book value (P/ABV)

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