

High dividend yield stocks offer a safe haven to investors where safety has greater priority compared to high returns. Hence, even if the market remains volatile, going ahead, an investor can still get a decent return on investment, thanks to good dividend yielding stocks. The dividends are paid no matter what direction the stocks move and can provide a higher yield on investment in a weak market.

Exhibit 1: High dividend yield stocks

Company Name	Idirect Code	Ex Dividend Date	Dividend %	Face Value (₹)	Dividend yield (%)	Dividend per share (₹)	CMP (₹) (27/08/2012)	Mcap (₹ cr)	Stock return (%)	
									1 month	3 month
Tamil Nadu Newsprint & Paper	TAMNEW	12/9/2012	50	10	4.4	5.0	114	789	1.2	16.3
Munjal Auto Industries	GUJCYC	13/09/2012	100	2	4.4	2.0	45.65	228	-11.4	-20.0
Gujarat Industries Power Company	GUJIP	7/9/2012	25	10	3.6	2.5	68.6	1038	6.7	11.4
Neyveli Lignite	NEYLIG	30/08/2012	28	10	3.4	2.8	82.3	13808	1.1	15.9
H P C L	HINPET	30/08/2012	85	10	2.7	8.5	316.45	10716	-5.1	5.3
Electrosteel Castings	ELECAS	30/08/2012	50	1	2.7	0.5	18.7	611	3.6	-2.9
Titagarh Wagons	TITWAG	6/9/2012	80	10	2.6	8.0	305.35	612	1.1	-0.1
PTC India	POWTRA	12/9/2012	15	10	2.6	1.5	57.1	1684	3.6	5.6
Mangalore Chemicals & Fertilizers	MANCHE	18/09/2012	12	10	2.6	1.2	46.05	546	0.9	15.1
HEG	HEG	7/9/2012	50	10	2.5	5.0	203.75	814	-1.3	-1.9
Indian Oil Corporation	INDOIL	5/9/2012	50	10	2.0	5.0	248.4	60310	-4.8	-6.4
IDBI Bank	IDBI	31/08/2012	15	10	1.8	1.5	84.2	10764	-1.1	-3.2
Unichem Laboratories	UNILAB	13/09/2012	150	2	1.8	3.0	170.7	2027	14.3	29.7
Navneet Publications	NAV PUB	20/09/2012	40	2	1.5	0.8	53.55	1276	-4.5	0.2

Source: Capitaline, ICICIdirect.com Research

There are four basic dates associated with the dividend declaration and payment

1. Dividend declaration date: This is the date on which the board of directors announces to shareholders the quantum of dividend that will be paid by the company.
2. Ex-dividend date - On (or after) this date the security trades without its dividend. If an investor buys a dividend paying stock one day before the ex-dividend he/she will still get the dividend. However, if the stock is bought on the ex-dividend date, the investor will not get the dividend.
3. Record date - This is the date on which the company looks at its records to see who the shareholders of the company are. An investor must be listed as a shareholder to ensure the right of a dividend payout.
4. Dividend payable date - This is the date when the company mails the cheques for the dividend amount due to the shareholders who appear on the register of shareholders.

Illustration:

Dividend Declaration Date	Ex-Dividend Date	Record Date	Dividend Payable Date
23/07/2012	25/08/2012	27/08/2012	04/09/2012

From the above illustration, for a person to be eligible for dividend, he/she has to buy the shares before 25/08/2012. To be eligible for dividend, shares can be purchased between July 23, 2012 and August 24, 2012. If the person buys on the ex-dividend date i.e. August 25, 2012, the person would not be eligible for dividend.



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

**ICICIdirect.com Research Desk,
ICICI Securities Limited,
1st Floor, Akruiti Trade Centre,
Road No 7, MIDC
Andheri (East)
Mumbai – 400 093
research@icicidirect.com**

Disclaimer

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities Ltd (I-Sec). The author may be holding a small number of shares/position in the above-referred companies as on date of release of this report. I-Sec may be holding a small number of shares/position in the above-referred companies as on date of release of this report. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This report may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. I-Sec and affiliates accept no liabilities for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Actual results may differ materially from those set forth in projections. I-Sec may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject I-Sec and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.