



RAAM & ASSOCIATES LLP
 COMPANY SECRETARIES & TRADEMARK AGENT &
 IP ATTORNEYS

INTERIM DIVIDEND [SEC 123]

INTERIM DIVIDEND

Dividend paid on shares before the declaration of Final Dividend is Interim Dividend;

FEATURES

- It is declared by the Directors in the Meeting of Board of Directors;
- It is paid any time between two Annual General Meetings;
- It is dividend paid during the financial year;
- It is dividend paid on the basis of less than a full year result.
- It is totally different from the final dividend.

SOURCES

**Surplus in the Profit & Loss
account; or**

**Out of Profits of the
financial year in which such
Dividend is sought to be
declared; or**

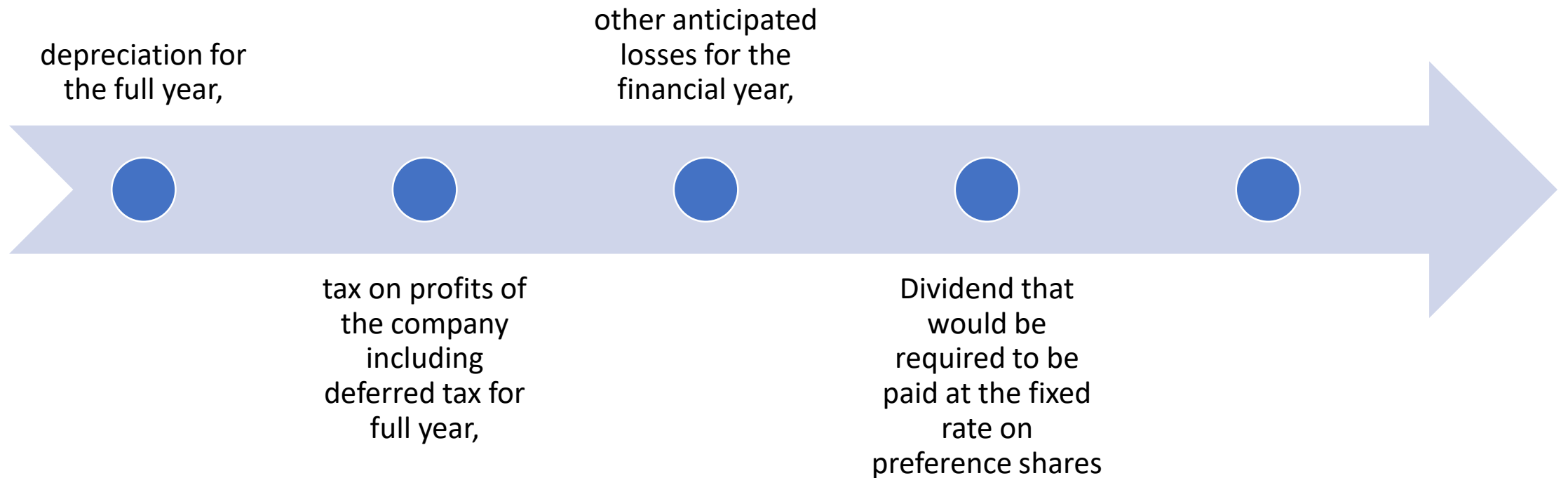
**out of profits generated in
the financial year till the
quarter preceding the date
of declaration of the
interim dividend:**

PAYMENT OF INTERIM DIVIDEND – IN CASE OF LOSS IN CURRENT F.Y.

If the company has incurred loss during the current financial year upto the end of the quarter immediately preceding the date of declaration of interim dividend,

- such interim dividend shall not be declared at a rate higher than the average dividends by the company during the immediately preceding three financial years;

POINTS TO BE TAKEN IN FINANCIAL RESULTS



PROCEDURE

Issue notice of Board Meeting along with Agenda , Notes to Agenda and draft resolution to all the Directors of the Company at least 7 days before the date of Board Meeting;

Conduct the Board Meeting and pass the following resolution i.e.

- To consider declaration of interim dividend to shareholders;
- To consider and decide the book closure period or record date to determine the eligible shareholders;
- To open a separate Bank Account in scheduled Bank for making payment of Interim dividend and for keeping unpaid Dividend;

Prepare and Circulate draft Minutes within 15 days from the conclusion of BM to all the Directors for their comments;

PROCEDURE

Opening of Bank Account and Payment of Dividend

- Company shall open a separate bank account in scheduled bank for payment of interim dividend and credit the said bank account with the amount of interim dividend payable within 5 days of declaration of dividend;
- Company shall make payment of Interim Dividend by way of cheque or warrant or in any electronic mode to the shareholders entitled to receive within in 30 days from the date of declaration of interim dividend;

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