Dividends, buybacks and bonus shares

For the teacher. Every number comes from the filing named next to it.

Part A. A made-up shop

A1: any two, such as take some home or buy more stock. A2: to grow the shop, or to keep cash for bad months. The story is made up.

Part B. Three dividend decisions

B1: ₹14.50 ÷ ₹16.52 × 100 = 87.8%; kept ₹2.02 a share. B2: ₹15.00 ÷ ₹57.19 × 100 = 26.2%; kept ₹42.19 a share.

Where: FY26 annual reports of ITC and Titan; payout as on each Cityfort page

B3: the payout is 0%; Lenskart kept all ₹2.91 of earnings per share. The board cited growth plans and capital needs.

Where: Lenskart FY26 annual report

Part C. A buyback: Infosys

C1: dividends went to every shareholder, for each share held; buyback money went only to shareholders whose shares were bought. C2: it fell by 10 crore, because the bought-back shares were cancelled.

Part D. A bonus issue: HDFC Bank

D1: the same profit is divided over twice as many shares, so ₹92.81 became ₹46.41. D2: changed: the number of shares and every per-share figure. Not changed: the bank's profit, its business and each shareholder's share of the bank.

Exit ticket

1: deciding how much profit to pay out as dividend and how much to keep in the business. 2: a dividend pays every shareholder for each share held; a buyback pays only those whose shares are bought, and the share count falls. 3: no; reserves move into share capital and no cash comes in.

Notes

- Payouts are dividend per share ÷ consolidated basic earnings per share, as each Cityfort page works them out.
- Never award marks for a view on which decision is right. A full answer gives the reason from the filing.
- Every card uses the FY26 annual report, plus the Infosys buyback filings of Sep and Dec 2025 and HDFC Bank's FY25 annual report.

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