Dividends, buybacks and bonus shares

Name: Class: Date:

A company that makes a profit can pay part of it to shareholders, keep it, or buy back its own shares. You will read what five real companies did.

Ground rule: In this lesson there is no winner. We explain differences; we don't rank companies or say which is better to own.

What to do

1. Read the made-up shop story and answer Part A.
2. Read your group's dividend card when your teacher says so.
3. Use a calculator for the payout.
4. Answer the questions. Every number you need is on this page.

Part A. A made-up shop

A made-up shop makes ₹1 lakh of profit in a year. Its owners decide what to do with it.

1. Name two things the owners could do with the profit.

2. Why might they leave some of it in the shop?

For learning only. Cityfort is not a SEBI-registered adviser and does not recommend buying or selling any security. Prices shown are dated and may be out of date.

Groups: take one card each. Every group reports back to the class.

Name: _____ Class: _____ Date: _____

Part B. Three dividend decisions

Payout = dividend per share ÷ earnings per share × 100. Kept per share = earnings per share − dividend per share.

1. ITC, FY26: dividend per share ₹14.50, consolidated earnings per share ₹16.52. Work out the payout and the amount kept per share.

2. Titan, FY26: dividend per share ₹15.00, consolidated earnings per share ₹57.19. Work out the payout and the amount kept per share.

3. Lenskart, FY26: no dividend, consolidated earnings per share ₹2.91. What is its payout? What reasons did the board give?

Part C. A buyback: Infosys

Infosys bought back and cancelled 10 crore shares in Dec 2025. In FY26 it paid ₹18,653 crore in dividends and ₹18,058 crore for the buyback.

1. Who received the dividend money? Who received the buyback money?

2. What happened to the number of Infosys shares after the buyback?

For learning only. Cityfort is not a SEBI-registered adviser and does not recommend buying or selling any security. Prices shown are dated and may be out of date.

Part D. A bonus issue: HDFC Bank

HDFC Bank's 1:1 bonus had a record date of 27 Aug 2025. FY25 consolidated earnings per share: ₹92.81 as first filed, ₹46.41 after the bonus.

1. Why is the restated figure half the first one?

2. Name one thing the bonus changed and one thing it did not change.

Exit ticket

1. What is the dividend decision?

2. How is a buyback different from a dividend?

3. Does a bonus issue bring the company any new money? Why?

For learning only. Cityfort is not a SEBI-registered adviser and does not recommend buying or selling any security. Prices shown are dated and may be out of date.

Word bank

Dividend	Cash a company pays its shareholders out of profit, a fixed amount for each share.
Earnings per share	The year's profit divided by the number of shares.
Payout	The share of earnings per share paid out as dividend: dividend per share ÷ earnings per share × 100.
Retained earnings	Profit the company keeps instead of paying out. It belongs to the shareholders and stays in the business.
Buyback	The company buys some of its own shares from shareholders and cancels them.
Bonus issue	Free new shares given to shareholders in a fixed ratio, made from the company's reserves.
Record date	The date that decides who gets a dividend or bonus: the shareholders on the company's register that day.

Sentence starters

- In FY__, ___ paid ___ of its earnings per share as dividend, because ___ ÷ ___ × 100 = ___.
- ___ kept ₹___ of each share's earnings in the business.
- A bonus issue changes ___, but it does not change ___.

student page

Scan the code or type: **cityfort.in/class/giving-back**

For learning only. Cityfort is not a SEBI-registered adviser and does not recommend buying or selling any security. Prices shown are dated and may be out of date.

For learning only. Cityfort is not a SEBI-registered adviser and does not recommend buying or selling any security. Prices shown are dated and may be out of date.