

Policy on the corporate action

A corporate action is an event initiated by a public company that affects the securities (equity or debt) issued by the company. Corporate actions are monetary like dividends, interest etc and non monetary Rights, Bonus, Split, demerger, consolidation etc.

Corporate actions for the shares held in Pool, Ben and margin accounts are allocated to the clients as and when it is received from the registrars.

Separate bank account is maintained for the Monetary CA. All the credits received in this bank account are recorded and are posted in the dividend ledger.

Monetary CA:

Monetary CA like dividends, interest, and fractional payment of the non monetary CA are accounted in the Dividend ledger.

LD back office has the provision for auto allocation of CA based on the record date. In the auto corporate action process the details of scrip, record date, CA amount, amount received towards each ben and pool account are updated. Software identifies the details of client account who are eligible for the CA and accordingly pass the journal voucher credit to the client account debiting the dividend account.

Post passing the ledger details are verified.

Non Monetary CA:

We have a policy of daily reconciliation of the ben and pool accounts. Any non cash corporate action received in these accounts are allocated to the client as and when the CA is affected.

LD back office has the provision of auto allocation of non cash CA based on the details provided. In the auto corporate action process the details of scrip, record date, CA ratio, shares received towards each ben and pool account are updated. Software identifies the details of client account who are eligible for the CA and accordingly pass the Demat & trade entries to client account. All Non cash CA are allocated in NSE Corporate Action Book-type for easy identification.