"Analysis of Dividend Policies of Selected Indian Companies"

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MASTER OF COMMERCE

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Certificate

This is to Certify that the Project work Titled **"Analysis of dividend policies of selected Indian companies"** is an original record of field works done by **Ms. Komala Madev Moger** with Registration No.**19C011044** in a partial fulfillment of the award of degree of **Master of Commerce** of the **Karnatak University, Dharwad** during 2020-21. The project satisfies the academic requirements in respect of project work prescribed for the Degree of **Master of Commerce** and is a record of her own independent work.

This project is based on the studies carried out by her and has not been submitted to any other University or Institution for the award of any degree or diploma.

13/09/2021

Project Guide

Prof. Mohammed Muneeb

Principal

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CONTENT

CHAPTER -1

INTRODUCTION OF THE STUDY

The project study is based on the analysis of dividend policy of selected Indian companies. For this study I have selected 20 Indian companies.

A dividend is payment made by a corporation to its shareholders in the form of cash or stock. The dividend policy is a financial decision that refers to the proportion of the firm's earnings to be paid out to the shareholders. Here, a firm decides on the portion of revenue that is to be distributed to the shareholders as dividends or to be ploughed back into the firm. The amount of earnings to be retained back within the firm depends upon the availability of investment opportunities. For a joint stock company, a dividend is allocated as a fixed amount per share. Therefore, a shareholder receives a dividend in proportion to their shareholding. For the joint stock company, paying dividends is not an expense; rather, it is the division of an asset among shareholders. Public companies usually pay dividends on a fixed schedule, but may declare a dividend at any time, sometimes called a special dividend to distinguish it from a regular one.

Dividend policy is a guiding principle of a company to decide the portion of its earnings and its pay-out to shareholders to show weather the company goes either for pay dividend to its owners or for retaining a share out of profits to plough back in the firm or at the end of each year and it is the company's decision to how much to return to their stockholders in the form of dividends. In relation to this we talk of three types of dividends, 'the stock dividend which increases the number of share outstanding and generally reduce the price per share, 'the regular dividend which is paid in the form of regular intervals' (quarterly, semi-annually, or annually) and 'the special dividend which is paid in addition to the regular dividend.

CONCLUSION:

This Project report tells us the trends in dividend policy and factors affecting the dividend policy. I have done the technical analysis on Dividend per share (DPS) pattern on the 20 selected Indian companies during the period from the year 2017-2018 This gives the Peer comparison between the different sectors regarding their dividend pattern. There are different graphs for different sectors and in a sector, there are different companies and an attempt is made to show trends of these companies. As a whole in this project, we have discussed the main subject and they are trends in dividend per share and factors affecting dividend policy.