

AN EMPIRICAL STUDY ON ANALYSIS THE DETERMINANTS OF DIVIDEND PAY-OUT RATIO OF INDIAN PHARMACEUTICALS INDUSTRY

Sunita Chaudhary, Research Scholar, Department of Commerce, Banasthali Vidyapith, Banasthali

Dr. Priyanka Vijay, Assistant Professor, Department of Commerce, Banasthali Vidyapith, Banasthali

Article Info

Volume 82

Page Number: 17769-17780

Publication Issue:

January-February 2020

Article History:

Article Received: 18 October 2019

Revised: 14 November 2019

Accepted: 12 December 2019

Publication: 29 February 2020

Abstract:

The purpose of this study to identify trends & determinants of the pharmaceutical industry. The essence of this study is empirical analysis. For the pharmaceutical industry, trends & patterns of dividends & major determinants which impact dividend decisions are researched & studied. The inter-relationship among dividend determinants was explored with the use of multiple correlation analysis. The magnitude of the dependant variable parameters was established & rediscovered through the use of multiple regression-a significant multivariate method. Until then, twelve hypotheses have been checked in order to arrive at the preliminary conclusion of the logical structure. ANOVA was used to evaluate the reliability of dividend determinant variables for the pharmaceutical industry. The extent of the risk associated with each dividend determinant in the pharmaceutical industry was demonstrated by the calculation of the Beta coefficients &, finally, a set of unique & exclusive structural equation models for the pharmaceutical industry was presented to contribute to the philosophy of the subject. The findings of the structural equation applied to the pharmaceutical sector have shown that the specific required changes, such as Earnings Per Share, Debt-Equity Ratio, Revenue Increase, Net Income To Loss Ratio & Operating Profit Ratio, are the main determinants of dividend decisions.

Keywords: Model validity, EPS, DER.

1. INTRODUCTION

Dividend distributions have become a subject of anticipation in financial literature. Academicians and experts have brought together a variety of conceptual templates representing the elements that the chiefs will weigh when deciding on dividend policy decisions. Through dividend policy, we imply the payout strategy that supervisors adopt in deciding the size and

example of the allocation of money to shareholders after some period. Millerand, in the original article

Modigliani (M&M) (1961) insists that, despite the pristine financial markets, the dividend policy does not affect the interest of the company and is thus superfluous. Many financial professionals and a good number of scholastics accepted

That finish with shock in the terms of the reality that the tried & true way of thinking at the time suggested

that a properly supervised dividend policy would affect share prices and shareholder wealth. Dividend judgment, one of the main aspects of the financial management of the company, is not an individual action. Or, maybe, it is a judgment that has been made as a consequence of learning through the many relevant points of view and variables. There are various factors influencing the dividend policies of a business.

1.1. BASIC FACTORS AFFECTING DIVIDEND DECISION

Empirically, during the last number of years, academics have believed that the dividend decision is affected by a series of factors. Most of the factors that have an impact on a company's dividend decision are identified as follows:

Legal provisions: Indian Companies Act, 1956 laid down guidance for the provisions of the law on dividends. These principles will be adopted by businesses if the strategy on dividends is to be developed. According to the rules, a corporation is expected to shift a certain amount of earnings to reserves if the dividend to be charged is higher than 10%.

Magnitude of earnings: some other essential element of the dividend policy is the size of the company's earnings. Therefore, whenever the income of the company rise, the dividend announcement would have a significant effect, because the latter will therefore rise. The dividend is therefore directly related to the quality of earnings to the firm.

Desire of Shareholders: The decision to proclaim the dividends shall be managed by a board of Directors, but it shall also take into account the wants of the shareholders, that also currently rely on the economic interests of the latter condition. Shareholders that are economically poor favor a daily dividend strategy, whereas wealthy shareholders will favor capital returns over dividends. This is, therefore, quite complicated for the Board to accommodate the

competing desires of the various owners, because the distribution strategy must be formulated in the desires of all the parties involved.

Nature of industry: the essence of the industry in which firm works has an effect on the dividend decision. As companies with steady demand during the year are in a place to have strong profits, the dividend strategy will be consistent and conversely.

Age of the Company: The age of the company often determines the amount of profits to be revealed as dividends. A new business would limit itself to a smaller dividend payout owing to the benefits in investment & development funds relative to mature firms that would offer higher dividends.

Taxation policy: the country's tax policy often affects the company's dividend program. The tax threshold specifically influences the sum of income allocated to the corporation for the purposes of the payment of dividends.

Control Aspect: Another element deciding dividend strategy is the danger of losing power. If a corporation announces a large dividend payment, there is a risk that the firm may experience a cash crisis under which it needs to sell new stock, resulting in a dilution of ownership. Holding this danger in mind, a business can pursue a lower level of dividend payments & higher return on investment in order to escape any such hazard.

Liquidity condition: The liquidity status of the organization often defines the degree of the dividend. When a corporation does not have adequate cash capital to render a dividend payment, it will continue to offer a dividend Bonus share.

Future requisites: A corporation with a faming dividend strategy will always recognize its potential ambitions. If it provides for some profitable investment opportunities in the near future, it may be subject to a lower dividend and vice versa.

Business Risk: Business risk is the potential factor that could have an impact on dividend policy. High rates

of market risk render the partnership among actual & planned future productivity less stable. As a consequence, companies with higher rates of market risk are likely to earn smaller dividend payments. Many studies argue that the volatility of the company's earnings may lead to lower dividends being charged, as unpredictable earnings greatly raise the risk of default.

2. LITERATURE REVIEW

Jahangir Chauhan et al . (2019) The goal of study to determine the effect of the dividend program on the competitiveness of Indian (IT) organizations on the BSE. Organizations has select for the inquiry, which relied on the capitalization of the showcase. Correlation Network & Panel Regression Analysis is used to check inference. Relevant findings of the analysis indicate that the chosen firms do not have a specific concept of dividend payouts & so the relationship among the PER & DPR is low-positive. There is connection among ROE-ROA in either scenario. Hausman Test shows also that irregular affects theory is accurate along the same lines, showing that the performance of the chosen organizations has a huge impact on the dividend policy of the chosen organizations. Isolated strategy given all regarded as one of the intertwined regions of the corporate account. Through that way, the inquiry will support both parties through gaining an awareness of the dividend program.

Ritu Gangil et al . (2018) Dividend decisions are a mind-boggling decision; they are the result of different considerations or situations that are shifting across time and industry. The paper discusses the dividend strategy of the FMCG group. FMCG companies registered on NSE 100 for a period of 10 years somewhere between 2007 and 2016. Factor analysis is added to the details to determine the essential variables and afterwards various regressions have been implemented to identify the main component utilized by FMCG companies in the dividend

judgment. Five elements, such as profitability indicators, firm size , liquidity, development openings and market esteem, were concluded after the effect of the factor review. Regression suggested that the openings to growth and productivity are the determinants of the dividend strategy.

Anu Riya K.J et al . (2017) The primary purpose behind financial administration is to increase shareholder capital by making three core decisions, namely dividends, borrowing & outlay decisions. As plain terms, the dividend is amount of the NP of an industry that is paid by the owners. The analysis weakness recognized in this inquiry which contrast of the various companies' dividend policies on the Indian share market & examples taken from the Indian NSE. The primary purpose of endeavor to consider the effect of the dividend program on the usable costs of the chosen organization's script in the NSE. The specialist select Analytical Analysis to show hypothesis and 15 organizations (2007-2016) long-term accounting results were obtained from the listed organizations and the corresponding measures were deliberate to check the idea, NPR, GBR, Earning by Portion, Dividend Income, DPR, Stock Gain & Market Cos. The investigations performed, the parameter gauges were shown within the AMOS designs and the simplified parameter gauges were seen. The regression analysis form showed which substantial effect of the autonomous variables at the discretion of the share rate, even also the influence of the dividend policy determinant, to corresponding variable stock expense.

Farman Ali Khan et al . (2017) The purpose of study to ascertain the contact of competitiveness, prospects for escalation , investment, liquidity, firm scale, power, tax & form of dividend payment analysis in order to create understanding of dividend payment determinants within Pakistan's skilled workplace. To accomplish the purpose of this study, the 2009-2014 multi-year financial details presented by registered

pharmaceutical corporation is utilized & dissected to assess the effect of the chosen inconsistent on dividend payments. The correspondence investigation and, inversely, numerous straight regressions are applied to the information used to conclude the involvement among the factors & effect of the chosen independent factors on the dividend payment. Discoveries show to form of analysis, competitiveness, growth opportunities and productivity are core determinants of the dividend payment of PSX pharmaceutical organizations. These factors are responsible for the 31.90 per cent variation in dividend payments. Many independent considerations, including taxes, threat, company scale and impact unimportant dividend payment decisions of PSX pharmaceutical organizations.

NIRZARI J. SHETH et al . (2016) The primary purpose of this analysis is to clarify the dividend actions of pharmaceutical organizations. Five agencies have been selected for the inquiry, spanning the duration from 2007 to 2016. The test is used to evaluate the association between the dividend and other variables such as equity valuation, profits, certain compensation, net profit and market price connection. With the help of this test, it is concluded that there is a correlation between dividend per share and share value, income, other salary, net benefit and market capital.

N. S. Pandey et al . (2016) The purpose of study to break down the DP determinants of the FMCG segment in India. FMCG organizations recalled for CNX FMCG the sector number for NSE is 15. Just 12 companies has use to the inquiry. The research duration has known for a long time, for example, from 2003-04 to 2012-13. The current article aims to evaluate the determinants of DP of the FMCG division in India. Of this cause, different components impacting DP, like DPR, DER, ERN, CT, EPS & FS are regarded of review. The exact data from the

inquiry indicates to DPR, DER, ERN, CT has a crucial effect on EPS and, respectively, big dividend payment metrics in the FMCG market. OLS were utilized to determine the influence of DER, DPR, ERN, FS, EPS & DP. The DP of large FMCG segment is sturdily affected by DPR, DER, EPS & CT, that expose that the DP of the FMCG segment is essentially affected to selected financial factors study period. The large regression investigation reveal the DP determinants are fundamentally and decisively affected by the DPR, DER and EPS.

Nawaz Ahmad et al . (2016) Dividend payout policy is perhaps the very notorious issue in the corporate account framework. As per Brealy et.al, (2008) the DP Dispute is among the ten big unresolved issues of the commercial Fund that needs more study in series to expand the awareness of the topic. Various explorations are undertaken here in a systematic fashion, and there is no specific agreement among them. Among the surveys conducted around the MM model, there is a commonly known hypothesis that the firm's perfect capital market dividend policy is non-essential. The goal of this research is to decide the impact of the factors chosen on dividend payments in order to increase the awareness of dividend payment determinants within Pakistan's skilled workplace. In order to meet the objective of this exploration, the 2009-2014 multi-year financial information provided by registered pharmaceutical organizations is utilized & dissected to decide the effect of the chosen factors on the organization's DP. Independent factors include profitability, development openings, hazards, liquidity, firm size, influence, taxation and type of review and the dividend payment variable. The connection analysis is related to the details used to assess the relationship between the vulnerable and the independent variables. Many independent considerations, like taxes, threat, company size and power, are not important in influencing the decisions

of Eu pharmaceutical companies on dividend payments.

Pratapsinh Chauhan et al. (2015) find that Maximizing Shareholders' Richness is attractive a novel commercial ordinary in India. Shareholders' wealth is estimated as far as their investment returns are concerned. Traditionally, accounting-based estimates such as ROI, ROE, ROCE, EPS, RONW & FR have been utilized to assess the effectiveness & profitability of a industry association. Be it as it can, the current value of the calculation used in the day has increased such substitute for the conventional secretarial metrics. The cause for financial performance of a trade association is estimated from the shareholder value perspective. Value included refers to the quality of an effort produced within a predefined time. No organization may endure & develop, without a chance of neglecting to bring value to its current & probable shareholders. Thus, the value included is a fundamental compute utilized to estimate the monetary presentation of an undertaking. Through recalling this, this investigation seeks to examine the creation of value in the Indian Pharmaceutical commerce from 2000 to 2009 by means of a regression test.

Saima Qamar et al. (2014) The dividend decision is measured to among the basic decision regions in the meadow of the fund. The indecisiveness of conjecture on the significance of the dividend in assessing the worth of the business has rendered it one of the most appealing topics for the observers to show that they are incorrect, along such lines contributing to severe conceptual experiments and empirical inquiries. Throughout this paper, we try to differentiate between the key factors that decide the conduct of the dividend in the commercial fund & analyze the effect of the exact attributes of the company, such as the Weight, Production, Regulation, Liquidity, Investments & Dividend Tax, and so on, on the dividend decisions of

the Indian reported industry on the NSE in the period 2006-2010. This analysis joins the investigative factor-investigation & regression investigation to break down the details. We consider a strong correlation of dividends by existing year earnings, previous year earnings & indication of past dividends. Regression tests demonstrate the capability of the model industry to have dividends on the basis of projected future profits and an indication of historical dividends.

S. Christina Sheela et al. (2012) In general, this report aims to gauge the financial success of the pharmaceutical sector by the top three entities such as Cipla, Dr. Reddy's Laboratories and Ranbaxy for the duration 2003-2012. In order to achieve our goals in this article, we have calculated the ratios of ROE, ROA implementing the DuPont measures, which have been shown with the point of the tables to display the transition periodically. DuPont Examination (ROI and ROE) is a key instrument for decision-making on operating financial performance. This is an indication of the firm's intensity of procurement. DuPont Model which relies on the Return on Equity (ROE) and Return on Investment (ROI) inquiry. Equity returns are broken down into three constituent: NPR, Gross Asset Turnover & Equity Multiplier. Return on Investment consists of Turnover Income and Operating Earnings. Investment revenue consists of Funds Turnover (Operating Income X Gross Properties) and Benefit Margin (EBIT X Operating Income). It has been examined whenever it has been It was noticed that the production of Cipla Pharmaceutical Monetary was severely disrupted by Dr. Reddy's Laboratories & consequently through Ranbaxy Pharmaceutical. At their point, the three organizations are enormous. In addition, ROE and ROI are the far-reaching proportion to the company's productivity. It allows operational and participating actions to be made in the same manner as spending and tax actions.

Sucharitha R et al . (2010) The article stated that "Dividend and Dividend Policy: An Empirical Analysis in India Pharmaceutical Industry" notes to sound financial efficiency in a pharmaceutical industry may regulated by the proportion of its dividend payment highlights. The over again submit to two key aim of the corporation, i.e. to amplify the abundance of the owners of the corporate & provide adequate assets to finance its development. Along these lines, it could be concluded that the policy of extreme dividends of any organization is based on different components.

3. OBJECTIVES

1. To describe patterns & trends of significant dividend determinants in the pharmaceutical companies
2. Find out the connection among dividend determinants in the pharmaceutical companies
3. To evaluate the magnitude of the relationship between dependent & independent variables by implementing multiple regression analysis
4. To add to the philosophy of the topic by providing specific & exclusive templates to the pharmaceutical sector that decide dividend decisions

4. RESEARCH METHODOLOGY

Research layout is a model for science work. Essentially, because the essence of the analysis is methodological and theoretical. Several data from earlier surveys, business reports are taken into account & multivariate approach is utilized to arrive at relevant determinants which have a larger effect on dividend decisions. This investigate methodology is logical for many financial data such as sales turnover, EPS, DPS, PE, R&D, EBIT, PAT respectively. Used into account for our research

Study period

The study period was chosen from 29 June 2016 to 29 July 2018, i.e. for 2 years. The effect of notable changes in the Indian economy overall & pharmaceutical industry in specific is being studied.

Data source

'Capitoline Plus' & 'Capitalstocks.ole,' made, preserved & market by Capital Market, Mumbai, or 'Prowess,' developed, established & market by Centre for Monitoring Indian Economy (CMIE), were among the prominent ones. Those two sources are the primary data source needed for the analysis.

Tools

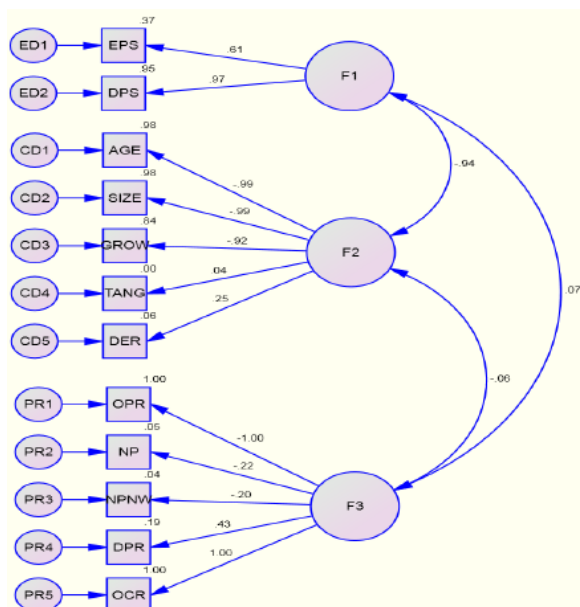
- Trends analysis
- Multiple regressions
- Structural Equation modeling
- ANOVA
- Multiple correlations

Companion used as a part of the pharmaceutical industry

1. Sun Pharma
2. Cipla
3. Dr. Reddy's Laboratories
4. Lupin Limited
5. Cadila Healthcare
6. Divis Labs
7. GlaxoSmithKline Pharmaceuticals Ltd
8. Ipca Labs
9. Aurobindo

5. DATA ANALYSIS AND DISCUSSION

AMOS graphically shows the dividend determinants of the pharmaceutical company



HYPOTHESES

The follow table displays the outcomes of the hypothesis study.

Table 1- Testing of Hypotheses

Hypothesis	Hypothetical Relationship	Result
H1 : There will be positive impact of EPS on dividend in the pharmaceutical industry	Positive	Confirmed
H2 : There will be negative impact of DPS on dividend in the pharmaceutical industry	Positive	Confirmed

H3 : There will be positive impact of AGE on dividend in the pharmaceutical industry	Negative	Not Confirmed
H4 : There will be positive impact of SIZE on dividend in the pharmaceutical industry	Negative	Not Confirmed
H5 : There will be positive impact of GROW on dividend in the pharmaceutical industry	Negative	Not Confirmed
H6 : There will be positive impact of TANG on dividend in the pharmaceutical industry	Positive	Confirmed
H7 : There will be positive impact of DER on dividend in the pharmaceutical industry	Positive	Confirmed
H8 : There will be positive impact of OPR on dividend in the	Negative	Not Confirmed

pharmaceutical industry		
H9 : There will be positive impact of NPS on dividend in the pharmaceutical industry	Negative	Not Confirmed
H10 : There will be positive impact of NPNW on dividend in the pharmaceutical industry	Negative	Not Confirmed
H11 : There will be positive impact of DPR on dividend in the pharmaceutical industry	Positive	Confirmed
H12: There will be positive impact of OCR on dividend in the pharmaceutical industry	Positive	Confirmed

Chi-square =5752.9

Degrees of freedom = 78, Probability level = .000

6. RESULTS AND DISCUSSION

The path chart review reveals to dividend has a positive association by EPS, DPS, TANG, DER, DPR & OCR, which is important at 1% & 5% rates &

negative relationship by AGE , Height, Rise, OPR, NPR & NPNW. The model study reveals that certain variables calculated, except AGE, Scale, Rise, OPR, NPR & NPNW, has effect on the dividend policy of selected companies in the pharmaceutical corporation. Regression Weights for Expectation of Dividend Determinants – The pharmaceutical industry

Table 2- Regression estimates

Latent Variable		Measured Variables	Estimates	SE	R ²	CR	P
F1(ED)	←	EPS	6.679	.700	.61	9.547	***
F1(ED)	←	DPS	16.809	2.163	.97	7.770	***
F2(CD)	←	AGE	.495	.027	.99	18.162	***
F2(CD)	←	SIZE	.138	.025	.99	29.219	***
F2(CD)	←	GROW	-3.238	.089	.92	37.358	***
F2(CD)	←	TANG	3.224	.072	.04	44.578	***
F2(CD)	←	DER	36.500	1.041	.25	35.073	***
F3(PR)	←	OPR	77.63	1.082	1.00	21.666	***
F3(PR)	←	NPR	.415	.047	.22	8.797	***
F3(PR)	←	NPNW	4.230	.261	.20	16.213	***
F3(PR)	←	DPR	3.096	.181	.43	17.092	***
F3(PR)	←	OCR	25.309	.972	1.00	26.043	***

***- Significant at 1% level

Structural Equation representation (that use package) AMOS graphically describes the association among the factors that control the decision of the dividend. The dividend is calculated by three essential concealed variable, specifically Earnings & Dividend (ED), Capital Structure Determinants (CD) & Company Profitability (PR).

Dividend per share (DPS) have positive association by Earnings & Dividend to 16.81 & Earnings per share still have positive connection with Earnings & Dividend by 6.68.

Debt-equity ratio also has maximum effect on the determination of the firm's capital structure by 36.50 led in Tangibility which influences with 3.22, "Existence-of-the-organization" influences by .50, The scale of the company influences to .138 & Revenue development have negative effect on the determination of the firm's capital structure by -3.238. Many factors, such as the presence of the company, the scale of the enterprise, the increase in revenue, the

tangibility & debt-equity ratio, are important for evaluating the firm's financial position at a 1 % level of relevance.

The productivity of the business is calculated by an operating income ratio of 77,63 to 1%. The fixed expense ratio is often a crucial indicator for deciding the profitability of the business by 25.31, accompanied by the net income by 4.23, the dividend distribution ratio is influenced by 3.10 & net benefit ratio still has less degree of impact in evaluating the profitability of the corporation by .42. further ratios, such as the gross income ratio, the net benefit ratio, the NP to the net value, the dividend per share & running expense ratio, are important in assessing the productivity of the business at 1% of the scale. The most important ratios of each visible erratic are seen in table over by value of 2,962 which is meaningful at 1%. Even amongst the listed variables, twelve variables are the important variables that decide the dividend policies of listed firms in the pharmaceutical commerce.

Model fit outline

Table 3 Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.72098990	.7178897	.84568798	.66768956	.96231234
Saturated model	1.00000000		1.00000000		1.00000000
Independence model	.00000000	.00000000	.00000000	.00000000	.00000000

The NFI value would be less than .88, which suggests that the strong model is significantly enhanced. RFI-The rho1 value is 0.72. It is therefore conditional that this is a perfect fit. IFI-The value of delta2 is 0.84. It is therefore interpreted there is a very good fit. TLI-The rho2 value of 0.67 is close to the high range. That specify a really good match. CFI is close to the value of 1. This shows the very strong compatibility of the model.

Table 4 RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.02989762	.01678560	.06278523	.00289783
Independence model	.08787656	.07876567	.09897876	.00098978

The table over indicates which perhaps the RMSEA value is low than .05, showing the small stage of error of estimation in this model & good fit of the model in comparison to the degree of freedom. P similar value was being utilized to evaluate the model & degree of freedom of the hypothesis. It may also be concluded that this model provides a good match in the calculation of dividend determinants in the pharmaceutical companies.

7. FINDINGS OF THE STUDY

Trend review of the pharmaceutical industry for the duration 2000-2012

1. Actual Net Sales of Pharmaceuticals shows a growing trend over almost all of the years. The highest net profits were reached in 2011-2012 (4360.459) and the lowest in 2000-2001 (824.116) and the difference between the real values and the net sales trends is immense in the pharmaceutical business.
2. During the investigation period, the real values of the pharmaceutical company Net Profit and its reports fluctuated in sequence. The largest net profit was generated in 2009-2010 (677,005) and the lowest in 2000-2001 (99,531) and the difference between the real net profit prices and the net profit trend is notable in the pharmaceutical business.
3. In the case of Pharmaceuticals, the real prices of Net Worth and its lists showed a fluctuating pattern and during testing period. Most remarkable Net Worth was recorded in the year 2006-2007(29.915) as well as the all in the year 2004-2005(19.679) and the contrast between the true

values and the pattern values of Net Worth is not enormous in the pharmaceutical business.

4. The true values of Reserves and Surplus and its investments have been rising over almost all the years. The most notable reserves and surpluses were registered in the years 2011-2012 (3760.39) and the least in the years 2000-2001 (486.69) and the difference between the actual values & reserve and surplus levels is important in the pharmaceutical industry.
5. During the examination period, ROCE and its data display a fluctuating pattern. The most increased ROCE was reported in the years 2002-2003 (30,935) & least in the years 2004-2005 (19,746) & difference among the true values & the trend values of ROCE is not visible in the pharmaceutical business.
6. During the examination period, the DPR and its archives showed a fluctuating pattern. The highest DPR was recorded in 2004-2005 (44,388) and the lowest in 2011-2012 (17,632) and the contrast between the actual values and the DPR pattern is not noticeable in the pharmaceutical business.

Various regressions for The pharmaceutical business
The examination of fluctuation of various regression models for DPS of the pharmaceutical business shows that the general essentialness of the model isn't that greater. The co-productive of determination R² value demonstrated that these factors set up clarified the variations of DPS to the degree of 95%.

Model prediction and readiness for estimating dividend determinants of the pharmaceutical business
The basic ratios of all the show factors with the exception of OPR & OCR are over the table value 2.962 & critical at 1 percent level. Amid the chose factors, ten factors are the most powerful factors in deciding the dividend policy of choose organizations in the pharmaceutical business.

8. CONCLUSION

The patterns & trends of dividends and the significant determinants that have an effect on dividend decisions are evaluated & read for the pharmaceutical business. The bury relationship amongn dividend determinants was established and examined by conducting various correlation measures. The degree of interaction between the connecting and the independent variables was identified and rediscovered through the use of multiple regression tests on a large multivariate system. In the meanwhile, twelve hypotheses have been attempted to demonstrate the theoretical belief in the structure of the logical framework. ANOVA was used to check the validity of dividend deciding variables for the pharmaceutical industry. The degree of threat associated with increasing dividend determinant in the pharmaceutical sector has been demonstrated by the measurement of the Beta coefficients to last lead to the manner in which a variety of unique and restrictive structural equation models have been implemented for the pharmaceutical industry.

The findings of the Structural Equation Models related to the pharmaceutical industry have shown which accompanying variables such as Earnings Per Share, Debt-Equity Ratio, Revenue Rise, Net Income To Loss Ratio & OPR are main determinants of dividend decisions.

REFERENCES

- [1] "Do Dividends Really Matter?" No. 57, Graduate School of Business, The University of Chicago.
- [2] "Security Analysis: Principles and Techniques", 3rd ed., New York, Mc Graw Hill Book Company, 1951.
- [3] "Dividend Policy, Growth and the Valuation of Shares," Journal of Business, vol. 34, October 1961.

- [4] “The Investment, Financing and Valuation of the Corporation, Homewood, III, Richard Irwin, 1962.
- [5] “Dividend Policy of Indian Corporate Firms; An Analysis of Trends and Determinants”, NSE Research Initiative, Dec. 2002,
- [6] “Trends in Dividend Payout – A Study of Selected Indian Companies”, Journal of Management Research, Vol. 5, No. 3, Dec. 2005.
- [7] “Dividend payout trends in the post liberalization era: A Case Study of Colgate Palmolive (I) Ltd.” Management Accountant, March 2005,
- [8] Journal of Business Finance & Accounting, 36(3) & (4), 496–522, April/May 2009, 0306-686X doi: 10.1111/j.1468-5957.2009.02126.x
- [9] S. Christina Sheela¹ & Dr. K. Karthikeyan, (2012), “Financial Performance of Pharmaceutical Industry in India uses DuPont Analysis”, European Journal of Business and Management, Vol 4, No.14, 2012, page no. 1 to 8.
- [10] Prof. Pratapsinh Chauhan & Dr. Vijay K Patel, (2013), “A study of shareholder value creation and measurement in Indian Pharmaceutical Industry”, International Journal of Conceptions on Management and Social Sciences, Vol. 1, Issue. 1, Dec’ 2013, page no 1 to 4.
- [11] Anu Riya K.J* , Sreejith P.R, A. Ananth “A Research Paper on Impact of Dividend Policy Determinants of Listed Companies on Indian”, Journal of Finance and Accounting, 2017, Vol. 5, No. 2, 40-43
- [12] NIRZARI J. SHETH “A Study on Dividend Behavior of Indian Pharmaceutical Industry”,] International Journal of Research in Humanities & Soc. Sciences Vol. 4, Issue: 6, August:2016
- [13] Farman Ali Khan and Nawaz Ahmad “Determinants of Dividend Payout: An Empirical Study of Pharmaceutical Companies of Pakistan Stock Exchange (PSX)”, IBIMA Publishing Journal of Financial Studies & Research <http://ibimapublishing.com/articles/JFSR/2017/538214/> Vol. 2017 (2017), Article ID 538214, 16 pages
- [14] Ritu Gangil and Navita Nathani “Determinants of dividend policy: A study of FMCG sector in India”, IOSR Journal of Business and Management (IOSR-JBM) e-ISSN: 2278-487X, p-ISSN: 2319-7668. Volume 20, Issue 2. Ver. I (February. 2018), PP 40-46
- [15] Saima Qamar¹ and Zuhaib Ahmed Bazaz “Factors Influencing Dividend Decision: “A Study of Listed Companies in India””, International Journal of Scientific Research and Reviews IJSRR, 3(1) January -March 2014
- [16] Sucharitha R, “Dividend and Dividend Policy – An Empirical Study in Indian Pharmaceutical Industry” Doctoral dissertation, April 2010, submitted to Bharathiar University, Coimbatore.
- [17] Jahangir Chauhan¹ , Mohd Shamim Ansari² , Mohd Taqi “Dividend Policy and Its Impact on Performance of Indian Information Technology Companies”, International Journal of Finance and Accounting 2019, 8(1): 36-42 DOI: 10.5923/j.ijfa.20190801.03
- [18] Nawaz Ahmad and Farman Ali Khan “Determinants of Dividend Payout: An Empirical Study of Pharmaceutical Companies of PSA”, 28th IBIMA Conference 2016
- [19] Dr. N. S. Pandey and Ashvini. N “A Study on Determinants of Dividend Policy: Empirical Evidence from FMCG Sector in India”, Pacific



January-February 2020
ISSN: 0193-4120 Page No. 17769-17780

Business Review International Volume 1,
Issue 1, June 2016