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**ABSTRACT**

The term dividend refers to the part of firm’s net profit distributed to shareholders. The policy concerning the quantum of profits to be distributed as dividends is known as dividend policy. Dividend decision is considered as one of the most important decisions that the managers make as it affects the availability of firms’ resources for growth and perhaps, the wealth of the share holders. It is therefore, essential to study the dividend practices of a firm. The study tries to analyze the dividend declared by the companies in the same industry differs significantly or not. The study reveals that there is an increasing trend in dividend per share of Ultratech Ltd., Shree Cement Ltd. & Ambuja Cement Ltd. On the other hand there is a decreasing trend in dividend per share of Acc Cement Ltd., RamcoCement Ltd. & J.K.Cement Limited. The study concludes that the dividends declared by the Cement Companies are varied significantly.

**KEYWORDS**

Dividends, trends, wealth, shareholders, valuation.

1. **Introduction:**

Dividends are referred as reward to the shareholders for providing finance to a firm. So far as ‘dividend payout’ is concerned, there are two schools of thought. The first school gives importance on payment of dividend as because without any dividend payout, shares would not have any value, whereas the other school of thought stressed on no relationship between dividend and market price of the share - ‘the irrelevance theory’. Lintner (1956) concluded ‘in developed countries firms target their dividend payout ratio considering current earnings and past dividends’. Miller and Modigliani (1961) suggested ‘irrelevance of dividend policy in measuring the current worth of shares assuming market imperfections, zero transaction costs, perfect certainty and indifferent behavior of investors’. Payout policy in finance has been the primary puzzle in the economics of corporate finance since the work of Black (1976). However, Miller and Scholes (1982) argue that in the real world, dividend decision is inspired more by high taxes on dividends than capital gains and market imperfections.

A dividend is a payment made to shareholders that is proportional to the number of shares owned. It is authorized by the board of directors. Dividends are usually issued by companies that will not reap significant growth by reinvesting profits, and so instead choose to return funds to shareholders in the form of a dividend. Companies may also issue dividends in order to attract income investors, who are looking for a steady source of income, and which can be reliable long-term holders of company shares.

Cement Company is a fast growing Companies in the terms of profitability, market share values. In just some years of its presence in the market, it had the distinction of being one of the fast growing Company’s.

2. **Research objectives:**

- To examine the trends in the distribution of dividends of selected Cement Companies in India
- To ascertain fluctuations in dividend per share
- To analyze the dividend declared by the companies differ significantly or not.

3. **Scope of the study:**

- The present study is mainly intends to analyze the trends of dividend declared by Indian Cement Companies with respect to six top companies.
- Companies listed in BSE are considered for the study.

4. **Data Collection:**

- The study is based on secondary data.
- The data has been collected through data base of BSE & annual reports of the company.

5. **Sample Size:**

Following six Indian Cement Companies are taken into consideration to analyze the trends in dividend:
1) Ultratech Ltd.
2) Shree Cement Ltd.
3) Ambuja Cement Ltd.
4) Acc Cement Ltd.
5) Ramco Cement Ltd.
6) J.K. Cement Limited.

6. **Hypothesis:**

- **H₀ (Null Hypothesis):** There is no significant difference in the mean values of dividend per share among the different Cement Companies.
- **H₁ (Alternative Hypothesis):** There is significant difference in the mean values of dividend per share among the different Cement Companies.

7. **Statistical tools used:**

Arithmetic Mean, Trend analysis, Anova & Average Annual Growth Rate are used. Trend Values = a+bx, Where, a = sum of y that is total number of observations, b =sum of product of x (year) and y(DPS) / sum of x square.

8. **Findings:**

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<tr>
<td>2010</td>
<td>6</td>
<td>13</td>
<td>2.6</td>
<td>30.5</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>2011</td>
<td>6</td>
<td>14</td>
<td>3.2</td>
<td>28</td>
<td>1.25</td>
<td>2</td>
</tr>
<tr>
<td>2012</td>
<td>8</td>
<td>20</td>
<td>3.6</td>
<td>30</td>
<td>2.5</td>
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</tr>
<tr>
<td>2013</td>
<td>9</td>
<td>20</td>
<td>3.6</td>
<td>30</td>
<td>3</td>
<td>6.5</td>
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<tr>
<td>2014</td>
<td>9</td>
<td>22</td>
<td>5</td>
<td>34</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>2015</td>
<td>9</td>
<td>24</td>
<td>2.8</td>
<td>17</td>
<td>1.5</td>
<td>4</td>
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(Source: Annual Reports of the Companies)

**Table 2:** Trend Values (DPS)

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<tr>
<td>2010</td>
<td>6.12</td>
<td>13.58</td>
<td>3.02</td>
<td>31.3</td>
<td>2.04</td>
<td>4.68</td>
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The above table shows an increasing trend in DPS of Ulratech Ltd. over the given years. In the year 2010 DPS value was ₹6 then it increased to ₹9 in the year 2015.

For Shree Cement Ltd., it shows an increasing trend in DPS over the given years. In the year 2010 DPS value was ₹13 then it increased to ₹24 in the year 2015.

For Ambuja Cement Ltd., it shows an increasing trend in DPS over the given years. In the year 2010 DPS value was ₹2.6 then it increased to ₹2.8 in the year 2015.

For Acc Cement Ltd., it shows a declining trend in DPS over the given years. In the year 2010 DPS value was ₹30.5 then it decreased to ₹17 in 2015.

For Ramco Cement Ltd., it shows a declining trend in DPS over the given years. In the year 2010 DPS value was ₹2 then it decreased to ₹1.5 in 2015.

For J.K. Cement Ltd., it shows a declining trend in DPS over the given years. In the year 2010 DPS value was ₹6 then it decreased to ₹4 in 2015.

9. Conclusion:

From the above table it can be conclude that most of the selected Cement companies have shown positive Average Annual Growth Rate (AAGR) except Acc Ltd., which shown -0.0754.

10. References: