

Impact of Dividend Announcements on the Stock Prices and Liquidity: Evidence From India

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(Received: 09/11/2016; Accepted: 05/05/2017)

Abstract

Dividend is the rate of return earned by the investors on their investment and consistent dividend payments have spillover effects on the stock prices. Many researches reveal that the dividend announcements convey positive information about the company and hence make a positive impact on the stock prices. Also very few studies analyzed the impact of dividends on trading volume but none of them gave any conclusions regarding the liquidity in the post announcement period. By using daily stock prices and stock trading volume the present study tries to find out an evidence of whether announcement of dividend has any effect on the stock prices and also on the stock liquidity. For the purpose of conducting the study dividends announced annually by 50 companies forming part of NIFTY 50 index of National Stock Exchange (NSE), India was selected. The study used the annual dividends announced by the companies for a period between January 2011 to December 2015. Using the Market Model of Event Study Methodology it was found that though the dividend announcement had a significant impact on both the stock prices as well as on the stock trading volume but a long term positive impact was recognized in case of stock prices. This suggested that dividends do signal positive information about the company and thereby drive the stock prices higher leading to abnormal gains to the traders. With respect to stock liquidity, it was concluded that the trading volume had a short term significant decrease on account of dividend announcement and hence resulted into a lower liquidity in the post announcement period.

Key Words: Dividends, Stock Prices, Event Study, Liquidity, Average Abnormal Return, Cumulative Average Abnormal Return (CAAR)

JEL Classification: G35

Paper Classification: Research Paper

Introduction

A company is an artificial person managed and operated by its management and uses the resources supplied by its external environment. Thus it is an obligation on part of the company to fulfill the expectations of the stakeholders in the environment. At the same time, it is necessary that the company must also be concerned about its own survival and growth. Therefore before taking any business decision the management must ensure that such decisions benefit not only

the company but also its stakeholders. One of the important stakeholders of a company is the shareholders who receive return on their invested funds in the form of dividend.

Dividend is the rate of return earned by the shareholders of a company on their investment. Whereas from company's point of view dividend is the cost incurred for the capital raised from shareholders. Dividend is paid to preference shareholders at a fixed rate whereas for equity shareholders it varies in line with the profits made. Dividend decision is considered as a very important financial management decision that involves balancing of the interests of the company as well as that of its shareholders.

While deciding the adequate rate of dividend the management must consider two main aspects. The first aspect is to decide an adequate dividend payout ratio. Retention is important since it can be used for funding expansion plans of the company and also provides a cushion for uncertainties in future. At the same time it is equally important to pay dividends in order to retain the confidence of shareholders in the company. Thus it is necessary to strike an appropriate balance between dividend and retention limit.

The second aspect is to understand whether the dividend decision has any impact on the market value of the firm. The market value of the firm is largely influenced by its market capitalization which in turn is determined on the basis of the prices at which firm's stocks are traded. There are various views proposed in the earlier literature regarding the effect of dividend announcements on the value of the firm via analyzing such an impact on the stock prices. The present study makes an attempt to understand the effect of announcements of annual dividends on the stock prices of the firm. It also tries to further evaluate whether the announcement of dividend leads to any change in liquidity levels of the stocks in the market.

Literature Review

Many researchers have been keen to trace the existence of impact of dividend announcements on stock prices. There have been contradictory conclusions drawn in support of and against the impact of dividend decision on firm's stock prices. Almost all the studies reviewed were conducted in foreign countries and used Event Study Methodology in order to trace the impact of dividends. An Indian based study on BSE 30 companies revealed that there is a positive reaction of stock prices to dividend announcements [Savita (2014)]. Apart from studying the reaction of stock prices even the impact on trading volume as a result of dividend announcements was also evaluated [Dasilas & Leventis (2011), (Gurgul, Mestel & Schleicher (2003))] and the study has shown a positive impact on the stock prices and trading volume as a result of higher dividend announcements and vice versa. With an exception to the above findings when dividend announcements made by different companies from different sectors were studied it was found that market reacted inversely to the dividend announcement i.e. increase in dividends resulted into decrease in share prices of the company and vice versa [Berdnikova & Rogova (2014)]. Studies were also conducted to compare the effects of corporate announcements like splits, buybacks, reverse splits and dividend announcements on stock prices [Grinblatt, Masulis, & Titman (1984), Masse, Hanrahan, & Kushner (1997), Gelb (2000), Lakonishok & Lev (1987)]. It was concluded that the prices reacted more rapidly to dividend announcements and generated huge abnormal returns on and around the date of announcement. Studies [Aharony & Swary (1980), Pettit, (1972)] have also tested and proven that dividends have a positive signaling effect. Higher abnormal performance in the stock prices was noticed because it was found that the management usually used annual dividends as a way to communicate about future earning capacity of the firm and

thereby create a positive impact on the stock prices. In addition, it was also suggested that both dividend and earning announcements convey significant information about the company and hence both must be used together by the market participant to evaluate the future prospects of the company [Pettit, (1972)]. With respect to stock market liquidity, the researchers have analysed the relationship between stock market liquidity and stock returns and dividend policy in various foreign markets. [Amihud (2002)] used an illiquidity measure based on daily trading volume and concluded that there is a positive relationship between illiquidity and stock returns. [Chang, Faff, & Hwang (2010)] also analysed and found a negative relationship between stock returns and volume based liquidity measures. Even liquidity between two Chinese stock exchanges i.e. Shanghai stock exchange (SHSE) and the Shenzhen stock exchange (SZSE) were studied by using liquidity measures of the trading volume, the turnover rate and the trading probability [Narayan & Zheng (2011)]. The results indicated that there was negative relationship between liquidity and stock returns in case of Shanghai stock exchange (SHSE). In contradiction to above conclusions a negative relationship was found between liquidity and stock returns [Nguyen & Lo (2013)]. [Banerjee, Gatchev, & A. Spindt (2007), Amihud & Mendelson (1991)] concludes that more liquid the market for the stocks lesser will be the dividends paid so as to compensate the shareholders for bearing stock liquidity risk.

Research Gap

Though there is vast literature available on the topic but it was found that most of studies were conducted in the foreign nations whereas very few studies were conducted in the Indian context [Savita (2014)]. Also some studies evaluated the impact of dividend announcement on trading volume but did not conclude anything about the stock liquidity position. Most of the studies have found positive effect of dividends on stock prices as well as a negative effect of liquidity on stock prices but none of these have stressed on the impact of dividends on liquidity.

Contribution of the Study

The current study provides an addition to existing literature on the topic of dividend announcements and its effect on stock prices and liquidity in Indian context. Also it gives an adequate knowledge about the reason due to which dividends can also impact liquidity. The study will provide a guide to companies to understand the impact of their dividend decisions on the firm's value and also benefit the investors in deciding the timing of their investments.

Objectives of the Study

To evaluate the impact of annual/final dividend announcements on the stock prices of the firm.

To understand the impact on the liquidity position of dividend yielding stocks as a result of final dividend announcement.

Research Methodology

Type of study

The study is purely an analytical study in the area of dividend announcements and its effect on the stock prices and also understands the degree of liquidity of dividend paying stocks.

Sample

A sample of 240 final dividend announcements made by 50 companies forming part of Nifty 50 index of National Stock Exchange, India were used in the study.

Period of study

The study is conducted for a period of five years. It evaluates the impact of final dividend announced during the period 1st January 2011 to 31st December 2015 .

Variables

In order to find out the impact of dividend announcements on stock prices, the daily prices of the selected stocks were collected as well as to analyze the effect on liquidity position of the stocks, the daily trading volumes of the stocks were used.

Method of collection

The data on final dividend announcements were collected from the website of moneycontrol whereas the daily stock prices and trading volume was obtained from the website of National Stock Exchange, India.

Hypotheses

The following two hypotheses were developed in order to test the objectives of the study:

H1: There is a significant impact of final dividend announcements on the stock prices.

H2: There is a significant impact of final dividend announcements on the stock liquidity.

Statistical tools used

The study uses the following statistical tools in the study:

Standard deviation, variance and t-test.

Research model

The Market Model of Event Study Methodology is used in order to meet the objectives of the study. The Event Study Methodology was proposed by Fama and Fisher and is used mainly to find out impact of regulatory and corporate announcements. The methodology follows detailed steps in order to trace the impact of the announcements which differs from one model to another. One of the widely used models is the Market Model used in most of the earlier studies. The detailed steps followed under The Market Model are as follows:

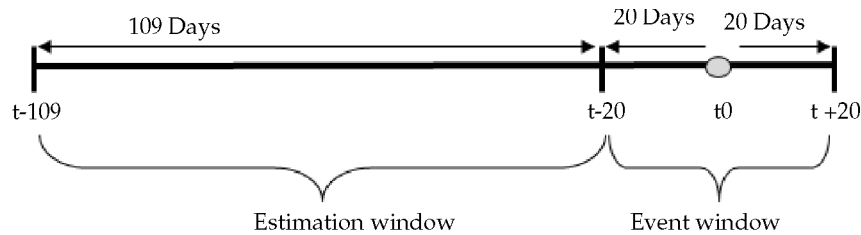
Define the event day

The day of final dividend announcement was taken as the event day. If the event was announced on a non-trading day, the day before the announcement is taken as the event day.

Determine the estimation and event window

Estimation period of 109 days prior to the event window has been taken to calculate the regression coefficients alpha and beta.

41 day Event window has been selected i.e. 20 days before and 20 days after the event day.



Calculate daily stock return, market return, stock volume and market volume

Daily Stock return was calculated as: $R_{it} = P_{it} - (P_{it-1}) / P_{it-1}$

Daily Market return was calculated as: $R_{mt} = I_t - (I_{t-1}) / I_{t-1}$

Daily Stock volume was calculated as: $V_{it} = V_{it} - (V_{it-1}) / V_{it-1}$

Daily Market returns were calculated as: $V_{mt} = V_{mt} - (V_{mt-1}) / V_{mt-1}$

Where, P_{it} is the price of share i on day t and P_{it-1} is the price of share i on day $t-1$

I_t is the Nifty 50 index price on day t and I_{t-1} is the Nifty 50 index price on day $t-1$

V_{it} is the volume of share i on day t and V_{it-1} is the volume of share i on day $t-1$

V_{mt} is the Nifty 50 index volume on day t and V_{mt-1} is the Nifty 50 index volume on day $t-1$

Computation of Expected Return (ER) and Expected Volume (EV)

Expected Return (ER) and Expected Volume (EV) were calculated over the 41 day event window using market model method which provides more sensitive adjustment of return on a stock.

$$E(R_{it}) = \alpha_i + \beta_i \cdot R_{mt}$$

$$E(V_{it}) = \alpha_i + \beta_i \cdot V_{mt}$$

Where, α_i = Alpha coefficient of 'i'th security

β_i = Beta coefficient of 'i'th security

R_{mt} = Daily return on Nifty 50 Index during period 't'

V_{mt} = Daily trading volume of Nifty 50 index during period 't'

Computation of daily Abnormal Return (AR) and Abnormal Volume (AV)

Daily Abnormal Return (AR) and Abnormal Volume (AV) were calculated over the entire 41 day event window using the following equations:-

$$AR_{it} = R_{it} - E(R_{it})$$

$$AV_{it} = V_{it} - E(V_{it})$$

Computation of daily Average Abnormal Return (AAR) and Average Abnormal Volume (AAV):

The daily Abnormal Returns and Abnormal Volume computed in the event window across all 240 event announcements were averaged on daily basis.

Computation of Cumulative Average Abnormal Return (CAAR) and Cumulative Average Abnormal Volume (CAAV):

The daily Average Abnormal Return and Average Abnormal Volume were cumulated in order to make overall interpretations about the impact caused by the event on the stock returns and trading volume.

Analyzing the significant impact

In order to analyze the pre and post event impact on the stock returns and trading volume t-test has been used.

i) t-value for AAR

$$t(AAR) = \frac{AAR}{\sigma/\sqrt{N}}$$

ii) t-value for CAAR

$$t(CAAR) = \frac{CAAR}{\sigma/\sqrt{N}}$$

iv) t-value for AAV

$$t(AAV) = \frac{AAV}{\sigma/\sqrt{N}}$$

v) t-value for CAAV

$$t(CAAV) = \frac{CAAV}{\sigma/\sqrt{N}}$$

Empirical Results and Discussion

Impact of Dividend on stock prices

Table 1: Table showing Average Abnormal Return (AAR) and Cumulative Average Abnormal Return (CAAR) and their corresponding t-statistic values over 41 day window for the period 2011-2015

Pre Announcement					Post Announcement				
Window	AAR	T-TEST	CAAR	T-TEST	Window	AAR	T-TEST	CAAR	T-TEST
-20	0.0004	0.3541	0.0004	0.0950	0	0.0007	0.5526	0.0116	2.5175***
-19	0.0007	0.5410	0.0011	0.2402	1	-0.0022	-1.76793**	0.0094	2.0430**
-18	0.0012	0.9695	0.0023	0.5004	2	-0.0008	-0.6775	0.0086	1.8612**
-17	0.0018	1.4359	0.0041	0.8858	3	-0.0007	-0.5854	0.0079	1.7041**
-16	0.0013	1.0692	0.0054	1.1727	4	-0.0002	-0.1710	0.0077	1.6582**
-15	-0.0019	-1.5461	0.0035	0.7578	5	0.0017	1.3728	0.0094	2.0266**
-14	-0.0012	-0.9584	0.0023	0.5006	6	0.0003	0.2198	0.0096	2.0856**
-13	0.0018	1.4388	0.0041	0.8867	7	-0.0009	-0.7334	0.0087	1.8888**
-12	0.0011	0.8625	0.0052	1.1182	8	0.0001	0.1070	0.0089	1.9175**
-11	0.0023	1.8606**	0.0075	1.6175	9	-0.0002	-0.1504	0.0087	1.8771**
-10	-0.0008	-0.6021	0.0067	1.4559	10	0.0008	0.6679	0.0095	2.0564**
-9	0.0006	0.5074	0.0074	1.5921	11	0.0021	1.7246**	0.0116	2.5192***
-8	0.0022	1.7780**	0.0096	2.0692**	12	0.0020	1.6321	0.0137	2.9572***
-7	-0.0009	-0.7494	0.0086	1.8681**	13	0.0010	0.8367	0.0147	3.1817***
-6	-0.0006	-0.5003	0.0080	1.7339**	14	0.0011	0.9083	0.0158	3.4255***
-5	0.0023	1.8378**	0.0103	2.2271**	15	0.0011	0.8558	0.0169	3.6552***
-4	-0.0015	-1.1727	0.0088	1.9123**	16	0.0008	0.6119	0.0177	3.8194***
-3	0.0016	1.2520	0.0104	2.2484***	17	0.0002	0.1561	0.0178	3.8613***
-2	-0.0004	-0.3418	0.0100	2.1566**	18	-0.0002	-0.1501	0.0177	3.8210***
-1	0.0010	0.7920	0.0110	2.3692***	19	-0.0008	-0.6372	0.0169	3.6410**
0	0.0007	0.5526	0.0116	2.5175***	20	-0.0017	-1.3792	0.0152	3.2798

*** Significant at 1% level

** Significant at 5% level

Source: Own compilation

It can be seen that the daily Average Abnormal Returns show significant positive impact on -11, -8 and -5 days. Though on the date of the event daily Average Abnormal Return stood positive but still it has declined as compared to previous day but does not show any significant impact of the event. The decline in stock prices continues even after the event for almost four days and shows significant negative impact on the next day of the event day. From day +5, the stock prices started rising and showed significant positive impact on day +11. It can be also seen that AAR increased by 1.5 times in the pre event window as compared to 0.2272 times in the post announcement period. This indicates that the investors can easily reap high abnormal gains before the event. While CAAR shows significant positive impact in the pre event window, on the event day as well as on most of the days in the post event window but except on days -7, -6 -4 and -2. Thus it can be said that the dividend announcements have a significant impact on the stock prices and hence we do not accept the null hypotheses.

Impact of Dividend on stock liquidity

Table 2: Table showing Average Abnormal Volume (AAV) and Cumulative Average Abnormal Volume (CAAV) and their corresponding t-statistic values over 41 day window for the period 2011-2015

Pre Announcement					Post Announcement				
Window	AAV	T-TEST	CAAV	T-TEST	Window	AAV	T-TEST	CAAV	T-TEST
-20	-0.1116	-0.2939	-0.1116	-0.2287	0	1.9442	5.1205***	2.0190	4.1373***
-19	0.7764	2.0447	0.6648	1.3623	1	-0.1259	-0.3316	1.8931	3.8793***
-18	-0.1356	-0.3572	0.5292	1.0844	2	-0.6345	-1.6711**	1.2586	2.5791***
-17	0.0293	0.0771	0.5584	1.1443	3	-0.1777	-0.4679	1.0809	2.2150***
-16	-0.1202	-0.3166	0.4382	0.8980	4	-0.3248	-0.8555	0.7561	1.5494
-15	-0.1099	-0.2896	0.3283	0.6727	5	0.1163	0.3062	0.8724	1.7876**
-14	-0.2805	-0.7387	0.0478	0.0980	6	0.2030	0.5347	1.0754	2.2036**
-13	-0.0978	-0.2576	-0.0500	-0.1024	7	-0.0401	-0.1055	1.0353	2.1215**
-12	-0.0912	-0.2402	-0.1412	-0.2893	8	-0.2123	-0.5592	0.8230	1.6864**
-11	0.3312	0.8723	0.1900	0.3894	9	-0.0382	-0.1006	0.7848	1.6082
-10	-0.0289	-0.0760	0.1612	0.3303	10	-0.0723	-0.1904	0.7125	1.4600
-9	0.0203	0.0535	0.1815	0.3719	11	-0.0086	-0.0226	0.7039	1.4424
-8	0.1204	0.3171	0.3019	0.6186	12	-0.0443	-0.1165	0.6597	1.3518
-7	0.1342	0.3534	0.4361	0.8936	13	-0.1056	-0.2780	0.5541	1.1355
-6	-0.0899	-0.2369	0.3461	0.7093	14	-0.3009	-0.7925	0.2532	0.5189
-5	-0.4528	-1.1924	-0.1066	-0.2185	15	0.0577	0.1518	0.3109	0.6370
-4	0.0833	0.2195	-0.0233	-0.0477	16	0.2777	0.7313	0.5885	1.2060
-3	-0.0535	-0.1410	-0.0768	-0.1574	17	-0.0521	-0.1371	0.5365	1.0993
-2	0.0749	0.1972	-0.0019	-0.0040	18	-0.0024	-0.0064	0.5341	1.0944
-1	0.0767	0.2020	0.0748	0.1532	19	0.0501	0.1320	0.5842	1.1971
0	1.9442	5.1205***	2.0190	4.1373***	20	-0.0700	-0.1843	0.5142	1.0537

*** Significant at 1% level

** Significant at 5% level

Source: Own compilation

High volatility was found in trading volume of the selected stocks throughout the entire window. The daily Average Abnormal Volume (AAV) has increased between -2 to 0 days and soon after the event it started decreasing. It can be seen that over the entire 41 day event window the daily Average Abnormal Volume has reached its highest level on the event day and shows a significant positive impact ($p=0.01$). After the event the trading volume is found to be gradually declining on most of the days in the post event period but showed a significant negative impact only on day +2. It can also be seen that when the daily Average Abnormal Volume is cumulated showed a significant positive impact on the day of the event. CAAV also showed a declining trend in the entire post event period but showed a short term significant negative impact soon after the event. Although, no significant impact on trading volume was found in the pre event window but a significant negative impact was found after the event and therefore we do not accept the null hypotheses. Thus it can be said that the liquidity of the selected stocks have decreased after the announcement. Figure 1 below gives a clear picture of the movements of CAAR and CAAV over the window period which is in conformity with the said conclusion drawn.

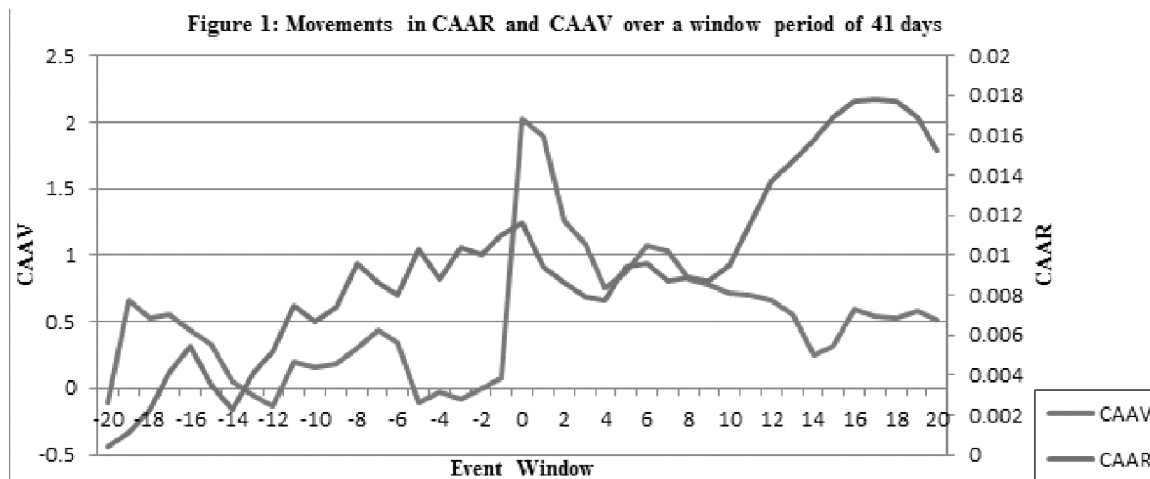


Table 3: Table showing Descriptive Statistics

	Pre Announcement		Post Announcement	
	CAAR	CAAV	CAAR	CAAV
Variance	1.1057E-05	6.2546E-02	1.4915E-05	1.3477E-01
Standard Deviation	3.3252E-03	2.5009E-01	3.8620E-03	3.6711E-01

Source: Own compilation

The Figure 1 indicates that in the beginning of the window period the CAAV was rising whereas CAAR was declining. This indicates lower liquidity wherein higher trading volumes led to lower prices. But as the days were approaching closer to the event day the CAAR started increasing even though there was decline in the CAAV and thus this showed a higher interest of potential investors towards these stocks in order to realize higher abnormal returns. On the event day the CAAV rose extraordinarily and had an adverse significant impact on the CAAR. Eventually on the subsequent day of the event CAAR decreased and later it stabilized and started rising from day +10. However the CAAV that had increased heavily on the event day started decreasing after the event. Since soon after the happening of the event CAAV and CAAR declined and were significant hence it clearly suggests that the event has led to lower stock liquidity. It was also found that the variance and volatility levels of CAAR and CAAV were lower in the pre announcement period hence it suggests that the movements in CAAR and CAAV were higher in the post announcement period.

Conclusion

The study reveals that there is no daily impact of the event but instead an aggregate positive long term impact is found when the daily changes in stock prices are cumulated over the window period. Since the stock prices declined soon after the event but in few days it started increasing thus it can be said that the market took a long time to incorporate dividend information thereby showing inefficiency of the market in absorbing the dividend information. The study also shows a significant post event impact on trading volume but the degree of impact on the stock prices is higher as compared to trading volume. Hence this signifies that there exists a major significant post event impact of dividend announcement on the market value of the firm. The study thereby supports the dividend relevance models suggested by Prof. James E Walter and Myron Gordon.

The study concluded that the dividend announcements had an immediate significant short term impact on stock liquidity and also the amount of variations in CAAV and CAAR were found to be higher after dividend announcement hence it was concluded that the dividend announcement resulted in lower stock liquidity and thereby resulted in lower abnormal returns. Though no significant impact on liquidity was found before the announcement but a significant increase in the AAR in the pre event was found. Thus the traders can invest in these stocks and take the benefit of increased abnormal returns before the announcement but while doing so one must also need to closely consider the liquidity levels of such stocks after the dividend announcement.

However the current study concludes on liquidity by using only trading volume but there are various other measures of liquidity like spreads, depth that could be used in future research to evaluate the impact of dividends on the stock liquidity. Also the study reveals only short term impact of dividends over 41 days window. The said window can be extended in order to trace the existence of long term impact.

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Annexures:

Table 4(a): NIFTY50 companies with their dividend announcement dates and dividend payout (%)														
Company Name	Dividend Date	Dividend (%)	Company Name	Dividend Date	Dividend (%)	Company Name	Dividend Date	Dividend (%)	Company Name	Dividend Date	Dividend (%)			
1. ACC Ltd.	03-02-15	190	6. Bajaj Auto Ltd.	21-05-15	500	11. Bharat Petroleum Corporation Ltd.	28-05-15	225	16. GAIL (India) Ltd.	27-05-15	30	21. Hero MotoCorp Ltd.	07-05-15	1,500
	06-02-14	190		15-05-14	500		29-05-14	170		26-05-14	59		28-05-14	3,250
	07-02-13	190		16-05-13	450		29-05-13	110		28-05-13	56		26-04-13	3,000
	09-02-12	170		17-05-12	450		25-05-12	110		30-05-12	57		02-05-12	2,250
	03-02-11	205		18-05-11	400		30-05-11	140		23-05-11	55		04-05-11	1,750
2. Adani Ports and Special Economic Zone Ltd.	04-05-15	55	7. Bank of Baroda	13-05-14	110	12. Cairn India Ltd.	23-04-15	40	17. Grasim Industries Ltd.	04-05-15	180	22. Hindalco Industries Ltd.	28-05-15	100
	15-05-14	50		13-05-13	215		23-04-14	65		02-05-14	210		29-05-14	100
	15-05-13	50		04-05-12	170		22-04-13	65		06-05-13	225		28-05-13	140
	14-05-12	35		28-04-11	165					05-05-12	225		27-06-12	155
										11-05-11	200		30-05-11	150
3. Ambuja Cements Ltd.	18-02-15	160	8. Bharti Airtel Ltd.	28-04-15	44.4	13. Cipla Ltd.	29-05-15	100	18. HCL Technologies Ltd.	21-07-15	9	23. Hindustan Unilever Ltd.	08-05-15	900
	05-02-14	110		29-04-14	36		29-05-14	100		28-07-14	9		28-04-14	750
	08-02-13	110		02-05-13	20		29-05-13	100		31-07-13	16		29-04-13	600
	31-01-12	90		02-05-12	20		07-06-12	100		25-07-12	16		01-05-12	400
	03-02-11	70		05-05-11	20		29-06-11	100		27-07-11	16		09-05-11	350
4. Asian Paints Ltd.	18-05-15	430	9. Bharat Heavy Electricals Ltd.	26-05-15	31	14. Coal India Ltd.	20-05-13	43	19. Housing Development Finance Corporation Ltd.	29-04-15	650	24. ICICI Bank Ltd.	27-04-15	250
	14-05-14	420		29-05-14	76		18-05-12	5		06-05-14	700		25-04-14	230
	09-05-13	365		23-05-13	164.5		12-05-11	4		08-05-13	625		26-04-13	200
	08-05-12	305		23-05-12	184					07-05-12	550		27-04-12	165
	10-05-11	235		23-05-11	179					10-05-11	450		28-04-11	140
5. Axis Bank Ltd.	29-04-15	230	10. Bosch Ltd.	29-05-15	850	15. Dr. Reddy's Laboratories Ltd.	12-05-15	400	20. HDFC Bank Ltd.	23-04-15	400	25. Idea Cellular Ltd.	28-04-15	6
	25-04-14	200		28-02-14	550		13-05-14	360		22-04-14	342.5		28-04-14	4
	25-04-13	180		27-02-13	600		14-05-13	300		23-04-13	275		25-04-13	3
	27-04-12	160		28-02-12	500		11-05-12	275		18-04-12	215			
	22-04-11	140		28-02-11	400		13-05-11	225		18-04-11	165			

Table 4(b): NIFTY50 companies with their dividend announcement dates and dividend payout (%)

Company Name	Dividend Date	Dividend (%)	Company Name	Dividend Date	Dividend (%)	Company Name	Dividend Date	Dividend (%)	Company Name	Dividend Date	Dividend (%)	Company Name	Dividend Date	Dividend (%)
26. IndusInd Bank Ltd.	16-04-15	40	31. Lupin Ltd.	13-05-15	375	36. Punjab National Bank	08-05-15	165	41. Tata Motors Ltd.	29-05-14	100	46. UltraTech Cement Ltd.	27-04-15	90
	16-04-14	35		07-05-14	150		09-05-13	270		29-05-13	100		23-04-14	90
	18-04-13	30		08-05-13	200		09-05-12	220		29-05-12	200		22-04-13	90
	19-04-12	22		10-05-12	160		04-05-11	220		26-05-11	200		23-04-12	80
	18-04-11	20		12-05-11	150								26-04-11	60
27. Infosys Ltd.	24-04-15	590	32. Mahindra & Mahindra Ltd.	29-05-15	240	37. Power Grid Corporation of India Ltd.	01-06-15	13.1	42. Tata Power Co. Ltd.	19-05-15	130	47. Vedanta Ltd.	29-04-15	235
	15-04-14	860		29-05-14	270		29-05-14	13.1		29-05-14	125		29-04-14	175
	12-04-13	540		30-05-13	260		28-05-13	11.4		30-05-13	115		29-04-13	10
	13-04-12	640		30-05-12	250		29-05-12	13.1		22-05-12	125		24-04-12	200
	15-04-11	400		30-05-11	230		24-05-11	12.5		19-05-11	125		25-04-11	350
28. I T C Ltd.	22-05-15	625	33. Maruti Suzuki India Ltd.	26-08-15	500	38. Reliance Industries Ltd.	17-04-15	100	43. Tata Steel Ltd.	20-05-15	80	48. Wipro Ltd.	21-04-15	350
	23-05-14	600		27-08-14	240		21-04-14	95		14-05-14	100		17-04-14	250
	17-05-13	525		13-08-13	160		16-04-13	90		23-05-13	80		19-04-13	250
	25-05-12	450		14-08-12	150		20-04-12	85		18-05-12	120		25-04-12	200
	20-05-11	445		24-08-11	150		21-04-11	80		26-05-11	120		27-04-11	200
29. Kotak Mahindra Bank Ltd.	05-05-15	18	34. NTPC Ltd.	29-05-15	17.5	39. State Bank of India	22-05-15	350	44. Tata Consultancy Services Ltd.	16-04-15	2,400	49. Yes Bank Ltd.	22-04-15	90
	30-04-14	16		15-05-14	17.5		14-05-14	150		16-04-14	2,000		23-04-14	80
	02-05-13	14		10-05-13	20		14-05-13	415		17-04-13	1,300		17-04-13	60
	08-05-12	12		10-05-12	5		12-05-12	350		23-04-12	1,600		25-04-12	40
	05-05-11	10		10-05-11	8		11-05-11	300		21-04-11	800		20-04-11	25
30. Larsen & Toubro Ltd.	01-06-15	812.5	35. Oil & Natural Gas Corporation Ltd.	28-05-15	10	40. Sun Pharmaceutical Industries Ltd.	11-08-15	300	45. Tech Mahindra Ltd.	26-05-15	120	50. Zee Entertainment Enterprises Ltd.	21-05-15	225
	30-05-14	712.5		29-05-14	5		13-08-14	150		14-05-14	200		21-05-14	200
	22-05-13	616.5		29-05-13	10		28-05-13	250		08-08-13	50		22-05-13	200
	14-05-12	825		29-05-12	40		30-05-11	350		23-05-12	40		21-05-12	150
	19-05-11	725		31-05-11	15					26-05-11	40		23-06-11	200

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