

A COMPARATIVE STUDY ON DIVIDEND POLICY OF SELECTED BANKS IN INDIA

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ABSTRACT

Dividend decision is one among the difficult choices, the management must take in allocating their profit to reinvest, within the company or distribute to shareholders. Investors give attention to dividends because; they get a yield on their investment or chance to sell their stocks at a higher price in the future. The objective of the research is to study the performance of dividends declaration policies of selected banks, included in NSE and BSE and to evaluate earning per share of the banks. The banks that are included in the stock market, namely State Bank of India, Bank of Baroda, HDFC, ICICI are chosen based on the market capitalization for this study, and Data related Provision for Taxation, dividend payout, Liquidity covering for 5 years i.e., from 2012 to 2016 are analyzed. The companies selected are observed to have continuous dividend payment records, and the general trend shows that the dividends have either remained constant or increased; however, instances of decline in dividends have been very rare.

KEYWORDS: Dividend, Provision for Taxation, Dividend Payout & Liquidity etc

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