PREFACE

This study deals with the “CRITICAL ANALYSIS OF DIVIDEND POLICY IN PHARMACEUTICAL INDUSTRY: A CASE STUDY OF SELECTED PHARMACEUTICAL COMPANIES IN MAHARASHTRA”. The pharmaceutical industry plays a vital role in the economic development of India as well as health awareness amongst its people. The pharmaceutical industry is amongst the fastest developing sector; due to this the researcher has decided to study the dividend policy of pharmaceutical industry.

The present study is aimed at analyzing the dividend policy of selected Indian pharmaceutical companies during the period of 1997 to 2006. Further, the present study explains the significant relationship among Dividend Policy with Profit, Cash flow and Growth. An attempt has been made to analyze the different trends in the dividend payout with the help of trend analysis. Dividend Payout Ratio is an important variable which is used for the purpose of analysis of dividend payment trend. Dividend is the major financial decision for every company. Dividend policy is a key decision area in the field of financial management.

Indian pharmaceutical industry is growing in output, value, volume, number of units by steadily and contributing significantly in India’s GDP growth. Indian pharmaceutical industry is highly fragmented sector. The pharmaceutical industry in India meets around 70% of the country’s demand for bulk drugs, pharmaceutical formulations, chemicals, tablets, capsules, orals and injectibles etc. Further, India’s pharmaceutical sector is growing very rapidly. Therefore, a study of some selected companies of Indian pharmaceutical industry for a period of 10 years was carried out for analysis of dividend policy. The study has been carried out with the help of several parameters and genuine efforts have been made to draw some conclusions which are relevant.