CHAPTER – 6

SUMMARY, FINDING AND SUGGESTIONS
# Chapter 6 Summary, Findings and Suggestions

## Chapter 6

### SUMMARY, FINDINGS AND SUGGESTIONS

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6.1 INTRODUCTION

Like a traveller, who after completing his journey, reaches to destination and looks back to see the distance that he has covered for identifying the important landmarks he came across. Review of the important aspects of the study and summing up of the key observations are presented in this chapter.

6.2 SUMMARY

In the present research study, the researcher has prepared and presented the research mainly in six chapters. The highlights of each chapter are as follows:

Chapter - 1 Introduction of Information Technology Sector of India: - Chapter one is concerning introduction of Information Technology sector of India. This chapter includes Concept of Information, Meaning, Definitions, History and Development of Information Technology at world level as well as at domestic, Features, Functions, Structures, Components and Types of Information Technology (Primary & Secondary). Furthermore researcher has been attempting to disclose Development phase of Information Technology in India.

Chapter - 2 Conceptual Framework of Dividend, Dividend Policy and Dividend Discount Models: - In the second chapter of the study researcher discloses theoretical aspect of Dividend, Dividend Policy and Dividend Discount Models as well as Ratio Analysis for their Study. In this chapter researcher mention Meaning, Evolution of Dividend and dividend model their legal Provision as per Amended Companies Act, 2013. Furthermore researcher also discloses Concept, Meaning, Definition and Measurement M.M Model, Gordon Model, Walter Model, Lintner Model Meaning, Definitions, their Calculation and impact on the market as well as impact on the share price.

Chapter – 3 Sample Profile of Selected 10 IT Companies of India

Chapter three is about sample profile of selected 10 IT companies of India. In this chapter researcher has been attempting to disclose number of sampled companies in India with special reference to Bombay Stock Exchange. Researcher also discloses profile of selected 10 IT companies as per 2013 Report of revenue. i.e. TCS, Infosys
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Chapter – 4 Research Methodology
Chapter on Research Methodology indicates research plan of the researcher. This chapter shows Introduction of Research, Review of Literature through various books & thesis, various research papers regarding ,Dividend, Dividend Policy of the various Companies with reference to different Dividend Model and Ratio Analysis. Among them researcher tried to review foreign study as well as domestic study regarding Dividend Model and Ratio Analysis, Statement of Problem, Title of the Study, Period of the Study, Objectives of the Study, Hypothesis of the Study, Data Collection, Sampling Design, Scope of the Study, Nature of the Study, Tools and Statistical Techniques, Chapter Plan of the Study, Significance of the Study and Limitation of the Study.

Chapter – 5 Data Analysis and Interpretation
Data is the blood for the research. But after the collection of data proper tabulation, analysis, interpretation and presentation of data are needed for converting them in meaningful manner. In the chapter five data analysis and interpretation researcher has been tried to find out Dividend distribution Policies of Selected 10 IT companies by using Dividend model such as Gordon Model, Walter Model, during the study period. For that purpose researcher calculate Share Price based on the various model of Dividend and their Impact on the market of Selected 10 IT companies during the study period. Furthermore researcher also used statistical tool like two ways ANOVA, and Correlation during the study period.

Chapter -- 6 Summary, Findings and Suggestions

This chapter includes summary of each chapter and findings of the study, and last but not the least suggestions for increase performance of selected companies.
6.3 FINDINGS OF THE STUDY

✓ Based on table no. 13 Oracle Financial Ltd having highest average share price as per Walter Model with Rs. 794.86 among all Selected Companies during the study period. Whereas Hexaware Technologies Ltd. has lowest share price as per Walter Model with Rs. 31.99 among all Selected Companies during the study period. But higher Covariance can be seen in TCS Ltd (38.13%), second Tech Mahindra Ltd. (34.21%) and lower Covariance in Mphasis Ltd. (12.27%).

✓ Since as per table no. 14 computed value of F at 5% significance level between columns (42.3142) is higher than critical value (2.1526), null hypothesis has been rejected and alternative hypothesis has been accepted. It shows that there is significant difference in the Share Price as per the Walter Model between the selected 10 IT companies.

✓ Based on table no. 15 Infosys Ltd having highest average share price as per Gordon Model with Rs. 489.97 among all Selected Companies during the study period. Hexaware Technologies Ltd. has lowest share price as per Gordon Model with Rs. 32.53 among all Selected Companies during the study period. But higher covariance can be seen in Oracle Financial Services Ltd (223.61%), second Mindtree Ltd. (59.57%) and lower covariance in Hexaware Technologies Ltd. (13.88%).

✓ Since as per table no. 16 computed value of F at 5% significance level between columns (53.2119) is higher than critical value (2.1526), null hypothesis has been rejected and alternative hypothesis has been accepted. It shows that there is significant difference in the Share Price as per the Gordon model between the selected 10 IT companies.

✓ Based on table no. 17 Oracle Financial Services Ltd having highest average share price as per Book Value with Rs. 716.70 among all Selected Companies during the study period. Infosys Ltd having Rs. 545.61. Hexaware Technologies Ltd. has lowest share price as per Book Value with Rs. 32.68 among all Selected Companies during the study period. But higher covariance
can be seen in HCL Technologies Ltd (40.12%), second Tech Mahindra Ltd. (35.20%) and lower covariance in Mphasis Ltd. (6.42%).

✓ Since as per table no.18 computed value of F at 5% significance level between columns (31.4469) is higher than critical value (2.1526), null hypothesis has been rejected and alternative hypothesis has been accepted. It shows that there is significant difference in the Share Price as per the Book Value per Share between the selected 10 IT companies. The results are not as per expectation.

✓ Based on table no.19 Ranking of Selected 10 IT Companies as per Walter, Gordon Model and as Per Book Value basis during the study period it was found that Infosys Ltd. stood at first position which followed by Tech Mahindra Ltd. Furthermore it was also found that Hexaware Technologies Ltd. companies registered lowest rank among sampled companies during the period under review.

✓ Based on Table No.20 it shows the Average Share Price as per Walter Model of Selected 10 IT Companies during the study period. Oracle Financial Services Ltd. is the topper position with Rs.794.86 and Hexaware Technologies Ltd. is lowest average price per share as compared to other selected IT Companies during the study period. The average share price per share of Hexaware Technologies Ltd. is Rs.31.99.

✓ Based on Table no.21 it shows highly positive correlation, it leads to acceptance of (H₁) Alternate hypothesis and reveals there is significant relationship between Share Price as per Walter Model and Book Value per Share of Tata Consultancy Services Ltd. under study period.

✓ Based on table no.22 it shows highly positive correlation, it leads to acceptance of (H₁) Alternate hypothesis and reveals there is significant relationship between Share Price as per Walter Model and Book Value per Share of Infosys Ltd. under study period.

✓ Based on table no.23 it shows highly positive correlation, it leads to acceptance of (H₁) Alternate hypothesis and reveals there is significant
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relationship between Share Price as per Walter Model and Book Value per Share of Wipro Ltd. under study period.

✓ Based on table no.24 it shows highly positive correlation, it leads to acceptance of \( (H_1) \) Alternate hypothesis and reveals there is significant relationship between Share Price as per Walter Model and Book Value per Share of HCL Technologies Ltd. under study period.

✓ Based on table no.25 it shows highly positive correlation, it leads to acceptance of \( (H_1) \) Alternate hypothesis and reveals there is significant relationship between Share Price as per Walter Model and Book Value per Share of Tech Mahindra Ltd. under study period.

✓ Based on table no.26 it shows highly positive correlation, it leads to acceptance of \( (H_1) \) Alternate hypothesis and reveals there is significant relationship between Share Price as per Walter Model and Book Value per Share of Tech Mphasis Technologies Ltd. under study period.

✓ Based on table no.27 it shows positive correlation, it leads to acceptance of \( (H_1) \) Alternate hypothesis and reveals there is significant relationship between Share Price as per Walter Model and Book Value per Share of Tech Oracle Financial Services Ltd. under study period.

✓ Based on table no.28 it shows highly positive correlation, it leads to acceptance of \( (H_1) \) Alternate hypothesis and reveals there is significant relationship between Share Price as per Walter Model and Book Value per Share of Tech Mindtree Ltd. under study period.

✓ Based on table no.29 it shows highly positive correlation, it leads to acceptance of \( (H_1) \) Alternate hypothesis and reveals there is significant relationship between Share Price as per Walter Model and Book Value per Share of Tech Polaris Consulting Services Ltd. under study period.

✓ Based on table no.30 it shows highly positive correlation, it leads to acceptance of \( (H_1) \) Alternate hypothesis and reveals there is significant
relationship between Share Price as per Walter Model and Book Value per Share of Tech Hexaware Technologies Ltd. under study period.

✓ Based on Table No.31 it shows the relationship between share price as per Walter Model and Book Value per share of selected 10 IT Companies during the study period. The correlation of Infosys Ltd. is the highest among all selected units. The correlation of Oracle Financial Services Ltd. is lowest among all the selected IT Companies during the study period.

✓ Based on table No.32 it shows the Average Share Price as per Gordon Model of Selected 10 IT Companies during the study period. Infosys Ltd. is the topper position with Rs.489.97 and Oracle Financial Services Ltd. is lowest average price per share as compared to other selected IT Companies during the study period. The average share price per share of Oracle Financial Services Ltd. is Rs.25.04.

✓ Based on table no.33 it shows highly positive correlation, it leads to acceptance of (H₁) Alternate hypothesis and reveals there is significant relationship between Share Price as per Gordon Model and Book Value per Share of Tata Consultancy Services Ltd. under study period.

✓ Based on table no.34 it shows highly positive correlation, it leads to acceptance of (H₁) Alternate hypothesis and reveals there is significant relationship between Share Price as per Gordon Model and Book Value per Share of Infosys Ltd. under study period.

✓ Based on table no.35 it shows highly positive correlation, it leads to acceptance of (H₁) Alternate hypothesis and reveals there is significant relationship between Share Price as per Gordon Model and Book Value per Share of Wipro Ltd. under study period.

✓ Based on table no.36 it shows positive correlation, it leads to acceptance of (H₁) Alternate hypothesis and reveals there is significant relationship between Share Price as per Gordon Model and Book Value per Share of HCL Technologies Ltd. under study period.
Based on table no.37 it shows negative correlation, it leads to acceptance of (H₁) Alternate hypothesis and reveals there is significant relationship between Share Price as per Gordon Model and Book Value per Share of Tech Mahindra Ltd. under study period.

Based on table no.38 it shows highly positive correlation, it leads to acceptance of (H₁) Alternate hypothesis and reveals there is significant relationship between Share Price as per Gordon Model and Book Value per Share of Mphasis Ltd. under study period.

Based on table no.39 it shows highly negative correlation, it leads to acceptance of (H₀) Null hypothesis and reveals there is no significant relationship between Share Price as per Gordon Model and Book Value per Share of Oracle Financial Services Ltd. under study period.

Based on table no.40 it shows highly positive correlation, it leads to acceptance of (H₁) Alternate hypothesis and reveals there is significant relationship between Share Price as per Gordon Model and Book Value per Share of Mintree Ltd. under study period.

Based on table no.41 it shows highly positive correlation, it leads to acceptance of (H₁) Alternate hypothesis and reveals there is significant relationship between Share Price as per Gordon Model and Book Value per Share of Polaris Consulting & Services Ltd. under study period.

Based on table no.42 it shows highly positive correlation, it leads to acceptance of (H₁) Alternate hypothesis and reveals there is significant relationship between Share Price as per Gordon Model and Book Value per Share of Hexaware Technologies Ltd. under study period.

Based on Table No.43 it shows the relationship between share price as per Gordon Model and Book Value per share of selected 10 IT Companies during the study period. The correlation of TCS Ltd. is the highest among all selected IT Companies. Whereas the correlation of Oracle Financial Service Ltd. is lowest among all the selected IT Companies during the study period.
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✓ Based on table no.44 it shows highly positive correlation, it leads to acceptance of (H₁) Alternate hypothesis and reveals there is significant relationship between Share Price Walter Model and Share price as per Gordon Model of Tata Consultancy Services Ltd. under study period.

✓ Based on table no.45 it shows highly positive correlation, it leads to acceptance of (H₁) Alternate hypothesis and reveals there is significant relationship between Share Price Walter Model and Share price as per Gordon Model of Infosys Ltd. under study period.

✓ Based on table no.46 it shows highly positive correlation, it leads to acceptance of (H₁) Alternate hypothesis and reveals there is significant relationship between Share Price Walter Model and Share price as per Gordon Model of Wipro Ltd. under study period.

✓ Based on table no.47 it shows positive correlation, it leads to acceptance of (H₁) Alternate hypothesis and reveals there is significant relationship between Share Price Walter Model and Share price as per Gordon Model of HCL Technologies Ltd. under study period.

✓ Based on table no.48 it shows positive correlation, it leads to acceptance of (H₁) Alternate hypothesis and reveals there is significant relationship between Share Price Walter Model and Share price as per Gordon Model of Tech Mahindra Ltd. under study period.

✓ Based on table no.49 it shows positive correlation, it leads to acceptance of (H₁) Alternate hypothesis and reveals there is significant relationship between Share Price Walter Model and Share price as per Gordon Model of Mphasis Technologies Ltd. under study period.

✓ Based on table no.50 it shows positive correlation, it leads to acceptance of (H₁) Alternate hypothesis and reveals there is significant relationship between Share Price Walter Model and Share price as per Gordon Model of Oracle Financial Services Ltd. under study period.
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✓ Based on table no.51 it shows positive correlation, it leads to acceptance of 
(H₁) Alternate hypothesis and reveals there is significant relationship between 
Share Price Walter Model and Share price as per Gordon Model of Mindtree 
Ltd. under study period.

✓ Based on table no.52 it shows positive correlation, it leads to acceptance of 
(H₁) Alternate hypothesis and reveals there is significant relationship between 
Share Price Walter Model and Share price as per Gordon Model of Polaris 
Consulting Services Ltd. under study period.

✓ Based on table no.53 it shows positive correlation, it leads to acceptance of 
(H₁) Alternate hypothesis and reveals there is significant relationship between 
Share Price Walter Model and Share price as per Gordon Model of Hexaware 
Technologies Ltd. under study period.

✓ Based on Table no.54 it shows the relationship between share price as per 
Walter Model and share price as per Gordon Model of selected 10 IT 
Companies during the study period. The correlation of TCS Ltd. is the highest 
among all selected units. Whereas the correlation of HCL Technologies Ltd. is 
lowest among all the selected IT Companies of India.

6.4 SUGGESTIONS OF THE STUDY

1) Dividend payout policy of Oracle Financial Services Ltd. is not good sign for 
the Company as per their policy Company has not paid any kind of dividend 
up to four Financial year which is endanger for their share price as well as 
reliance of the share holder.

2) Whereas Hexaware Technologies Ltd. has liberal Dividend payout policy 
which is not good sign for the company because Company has not retain their 
earning for expansion as well as for innovation in future out of their earning. 
Due to that the share price of Hexaware Technologies Ltd. is lower compared 
to all Selected IT Companies under the study period.

3) So far as concern to Share Price per Walter Model Oracle Financial Services 
Ltd., Infosys Ltd., Tech Mahindra Ltd., Mindtree Ltd., Mphasis Ltd., TCS Ltd.
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stood at very good position during the study period, since it’s Return on assets, Earning per share and Dividend per share ratio are high. It shows strengthen financial condition. Company should try to maintain this position over a period of time.

4) So far as concern to Share Price per Gordon Model Infosys Ltd., Infosys Ltd., Tech Mahindra Ltd., Mindtree Ltd., Mphasis Ltd., TCS Ltd. stood at very good position during the study period, since it’s Return on assets, Earning per share and Dividend per share ratio are high. It shows strengthen financial condition. Company should try to maintain this position over a period of time.

5) Though Hexaware Technologies Ltd. also have low EPS during the study period. But its dividend payout ratio is very high. But company has fully enjoyed trading on equity so that it is suggested that company should try to reduce their owner’s capital over a period of time.

6) Infosys Ltd., HCL Technologies Ltd., and TCS Ltd. has efficient dividend payout policies compared to their earning so that it is suggested that company should try to maintain their payout policies in future for better responses of share holder of the company.

6.5 CONCLUSION

In this chapter researcher has try to summarize each chapter and findings of the study, and try to give suggestion as per knowledge of the researcher. In the present study researcher has conclude that overall performance of selected 10 IT companies are satisfactory. But Hexaware Technologies Ltd., Polaris Ltd., Mphasis Ltd., Wipro Ltd., HCL Ltd., have lower earning per share compared to other selected Companies under the study period. At last researcher founds that Dividend announcements/policy affects significant impact on share prices of companies. Hence, researcher should accept the theory of Walter and Gordon’s i.e. prices of shares are significantly affected by dividend announcements/policy. Walter model Reveals payout and Retention ration among the companies and which may have favorable impact on the share price of the company. While Gordon model shows dividends are highly relevant and dividend policy significantly affects value of the companies.