

## A STUDY OF DIVIDEND POLICY OF A PRIVATE SECTOR COMPANY IN INDIA

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### **ABSTRACT**

*This study examined the dividend policy of a private sector company in India. A company has to make a policy regarding dividend to be paid to its shareholders out of the net profit after tax. In this study, Indian 2<sup>nd</sup> largest private sector steel-making company-Tata Steel Limited- had been selected. The study used the secondary source of data, i.e., Annual Reports of Tata Steel Limited. In this study, the dividend payout ratio and retention ratio were used for the analysis covering a period of 10 years starting from FY08. It was found in the analysis that the Tata Steel Limited had a high retention and a low dividend payout policy for the study period, which had also helped the company to be consistent with the amount paid as the dividend to its shareholders in all the years in this study.*

**KEYWORDS:** *Dividend Policy, Dividend Payout, Retention Ratio, Net Profit after Tax*