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A STUDY ON DIVIDEND POLICY WITH REFERENCE TO FMCG SECTOR

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Abstract: This research explores the dividend policies in the Fast-Moving Consumer Goods (FMCG) sector, focusing on the factors influencing dividend distributions among top FMCG companies. By examining a decade's worth of data from major FMCG firms, the study investigates the relationship between dividend policies and various financial indicators, including profitability, company size, market capitalization, and liquidity. Utilizing quantitative methods like regression analysis, the research identifies significant trends and patterns in dividend payouts. It also examines the impact of external factors, such as economic conditions and regulatory changes, on these policies. The results indicate that while profitability and cash flow stability are key determinants of dividend decisions, market conditions and company-specific strategies are also important.

***Index Terms* -** Consumer Dividend Policy, FMCG Sector, Profitability, Firm Size, Market Capitalization, Liquidity, Economic Conditions, Regulatory Changes, Cash Flow Stability, Dividend Payout, Financial Metrics, Corporate Finance, External Factors, Investor Insights, Policymakers, Corporate Managers.

I. INTRODUCTION

The financial management has four key activities undertaken in decision process, financing decision, investment decision, allocation decision, and profit distribution decision. Under financing decision, the quantum, source, cost of capital is studied; the selection of suitable plans to make investments according to its risk & return, life, profitability is the part of investment decision. An appropriate distribution of collected funds in long-term and short-term assets (working capital) refers to allocation decision. The dividend distribution decision involves activities in relation to distribution of profit as a return back of earnings to its original investors, i.e.shareholders. The dividend decision is much closely related to financing decision; therefore, it is also discussed along with financing decision. A dividend is payment made by a corporation to its shareholders in the form of cash or stock. The dividend policy is a financial decision that refers to the proportion of the firm’s earnings to be paid out to the shareholders. Here, a firm decides on the portion of revenue that is to be distributed to the shareholders as dividends or to be ploughed back into the firm. The amount of earnings to be retained back within the firm depends upon the availability of investment opportunities. Dividends are usually settled on a cash basis, store credits (common among retail consumers' cooperatives) and shares in the company (either newly-created shares or existing shares bought in the market.) Further, many public companies offer dividend reinvestment plans, which automatically use the cash dividend to purchase additional shares for the shareholder.

II. Need of the Study

Need of the study or significance of study is to give a clear picture of the major factors affecting the dividend policy that investors should consider to analyse performance of different companies and their dividend policy. This study thoroughly examines the intricate realm of dividend policy, a crucial aspect of financial management. It delves into the pivotal role of dividends as a means of distributing profits to shareholders and their impact on corporate financial decision-making. By exploring the interconnected nature of financing decisions, investment decisions, profit allocation decisions, and profit distribution decisions, the research aims to provide a comprehensive understanding of the factors influencing dividend policy.

The study investigates the determinants that guide firms in striking a balance between dividend distributions and retained earnings, considering factors such as risk and return, profitability, and investment opportunities. Furthermore, it scrutinizes various forms of dividend disbursements, including cash dividends, stock dividends, and dividend reinvestment plans, and their implications for both shareholders and companies.

Through empirical analysis and theoretical frameworks, this research seeks to enhance the existing knowledge base in financial management and offer valuable insights to practitioners, policymakers, and scholars alike.

III. Objectives of the Study

1. To find out the reasons for giving out dividend and the company's strength and value.
2. To find out the effect of dividend on stock price and the dividend payout.
3. To find out how some features determine the behaviour of firms' dividend payout.
4. To analyse the factors affecting/ influencing the dividend policy.

IV. Scope of the Study

The study is confined to FMCG sector. To analyse the dividend pay-out of 5 companies which will lead to know what are the trends that affect the most on dividend decision of a company. It will also help us to analyse the growth, profit and age of the firm of the companies for the last 5 years which will be used for the future growth and investment opportunity.

V. Research Design

The Research which will be carried out by me is descriptive and analytical research.
DATA SOURCES:
Primary data
The primary data information is gathered from BSE
Secondary data:
Sources have been used for the collection of the data used in the research.
1. Collecting data from NSE, SEBI & Investopedia websites etc.
2. Collecting Information from books.
3. Collecting data from Magazines.
Sample Size:
5 years of data is collected.

Sampling Technique:
Yearly dividend pay-out of 5 FMCG companies.

Descriptive analytics framework

- Dividend Payout Ratio:

The research aims to calculate the dividend payout ratio for each company for each year, which is the ratio of dividends paid to net income and analyzes the trends and patterns in the dividend payout ratios over the 5-year period for each company.
The dividend payout ratios across the 5 companies is compared to identify any significant differences or similarities.

- Dividend Growth Rate:

The research also calculates the year-over-year dividend growth rate for each company over the 5-year period. Analyze the trends and patterns in the dividend growth rates for each company. It compare the dividend growth rates across the 5 companies and identify any significant differences or similarities.

- Dividend Stability:

This paper analyzes the consistency and stability of dividend payments for each company over the 5-year period and identify any instances of dividend cuts or omissions and the reasons behind them.

- Industry Comparisons:

The dividend payout metrics (payout ratio, yield, growth rate, stability) of the 5 FMCG companies with industry averages or benchmarks is identified and analyzed.

- Graphical Representations:

The paper utilizes various graphical representations to visualize the trends and patterns in dividend payouts, yields, growth rates, and stability over the 5-year period for each company and for the overall sample.

VI. THEORITICAL FRAMEWORK

1. Determinants of dividend policy: A study of FMCG sector in India by Ritu Gangil , Navita Nathani
   The dividend policies of FMCG businesses listed on the NSE 100 between 2007 and 2016 are examined in depth in this paper. It uses multiple regression and factor analysis to identify the main variables affecting dividend decisions. Five key characteristics are identified by the findings: market value, growth potential, liquidity, profitability, and firm size. The data shows that in the FMCG industry, growth prospects and profitability primarily influence dividend policies.

2. AN EMPIRICAL ANALYSIS ON DETERMINANTS OF DIVIDEND POLICY OF FMCG SECTOR IN INDIA by N. S. Pandey,B.B. Mansur, Ashvini N.
   This research looks into the variables influencing dividend policy (DP) in the FMCG industry in India. It focuses on 12 businesses that are listed in the CNX FMCG index and spans a ten-year period from 2003–04 to 2012–13. It examines factors such as company size (FS), earnings (ERN), corporate tax (CT), dividend payout ratio (DPR), debt equity ratio (DER), and earnings (ERN). The results show that ERN, CT, DPR, and DER all have a substantial impact on EPS and are accurate indicators of dividend payments. The impact of these variables on DP is evaluated using ordinary least square models (OLS), which show a robust relationship between DPR, DER, EPS, CT, and the FMCG industry's overall dividend policy.

3. IMPACT OF DIVIDEND POLICY ON SHAREHOLDERS' VALUE: A STUDY OF INDIAN FIRMS by Sujata Kapoor
   This research delves into dividend policy, a topic of interest in finance since Joint Stock Companies began. Dividends are earnings shared among shareholders, reflecting how managers distribute cash over time. Management aims to maximize shareholder wealth by offering fair returns on investments. However, the exact impact of dividend policy on shareholder wealth remains uncertain, leading to extensive study and debate in finance.

4. THE RELATIONSHIP BETWEEN DIVIDEND POLICY AND SHAREHOLDERS' WEALTH: EVIDENCE FROM FMCG SECTOR IN INDIA by Dr. Ramachandran Azhagaiah, Sandanam Gejalakshmi
   This study examines the relationship between dividend policy (DP) and shareholders' wealth (SW) in India's FMCG sector. Out of 16 NSE-listed firms, 13 consistently paying dividends over ten years are analyzed. Key variables like earnings per share (EPS), dividends per share (DPS), and retained

earnings per share (RPS) are considered. Statistical tests including ADF, White-Heteroskedasticity, and Granger causality tests are applied, revealing significant relationships between DPS, RPS, and EPS, indicating long-term associations in dividend distribution and earnings.

5. DETERMINANTS OF DIVIDEND POLICY: AN EMPIRICAL STUDY OF THE INDIAN CORPORATE SECTOR by Ms. Harpreet Kaur, Dr. Ruchi Malhotra

   This study aims to explore the factors influencing dividend policy in India's Corporate Sector across five key sectors. It includes 75 companies that consistently paid dividends from 2011-12 to 2020-21, with 15 from each sector chosen based on market capitalization and listing under the S&P BSE Index. Panel regression is employed on collected secondary data, with the Dividend Payout Ratio (DPR) as the predicted variable and six experimental variables: tangibility, leverage, liquidity, growth, firm size, and risk. Results indicate a negative correlation between leverage and tangibility with DPR, while the remaining four variables show a positive association, collectively explaining 67.5% of the variation in DPR.

6. AN ANALYSIS OF DIVIDEND POLICIES OF INDIAN COMPANIES FROM VIEW POINT OF SHAREHOLDERS by DR. AVANI SHAH

   This study explores the dividend policies of Indian companies, analyzing shareholder loyalty, satisfaction levels, and the impact of investment purposes on shareholder demographics. Utilizing questionnaires and analytical tools, the research aims to validate findings and offer insights into enhancing dividend policy effectiveness, thereby contributing to shareholder value maximization.

7. Examining Validity of Known Dividend Models in Indian Companies by Dr. Shaveta Gupta , Dr. Balram Dogra , Dr. AK Vashisht

   This study aims to assess the applicability of these models in the Indian context by examining 172 BSE-listed companies across Engineering, FMCG, IT, and Textiles sectors with continuous dividend payments from 2004-08. Findings suggest that Lintner's model exhibits a strong fit among the surveyed Indian companies. Despite being extensively studied, the dividend decision remains a puzzle, attracting attention for decades and inspiring various explanatory models such as Lintner's, Brittain's, Watt's, and Aharony's and Swary's.

8. Determinants of Dividend Policy by Dr. Hamendra Kumar Porwal, Dr. Rohini Singh

   This study focuses on FMCG companies, examining the impact of factors such as earnings per share, financial leverage, business maturity, net cash flow for investment, current ratio, and total assets on dividend payments. Through correlation and regression analysis of FMCG firms listed on the Nifty 50 Index, it is observed that earnings per share and net cash flow significantly influence dividend payment patterns in this sector.

9. A Study on Equity Research of Selected FMCG Companies Listed on NSE by Shubhangi Anil Patil, Viraj Vijay Jadhav

   The FMCG sector in India is rapidly expanding, driven by changing lifestyles, increased awareness, and government initiatives. It ranks as the fourth largest sector in the country, with significant growth anticipated due to budgetary focus on agriculture, healthcare, and infrastructure. Rural areas have witnessed particularly strong growth in recent years. Projections suggest a 13-14% growth rate over the next 5-10 years, with the sector expected to reach $220-240 billion by 2025. Notably, companies like Marico Ltd, Godrej Industries Ltd, Dabur India Ltd, Emami Ltd, and Nestle India Ltd, listed on the NSE, are examined for performance, using parameters like Price/Earnings ratio and Return on Equity to guide investors in making long-term investment decisions.

10. ANALYSIS OF DIVIDEND PAY-OUT TRENDS OF SELECTED COMPANIES IN FMCG SECTOR: EVIDENCE FROM INDIA BY VolanathMondal

The sample size of the study consists of six FMCG companies which have been selected by following a purposive sampling procedure from the list of top 20 companies in Bombay Stock exchanges (BSE) based on market capitalization on date 31.12.2019.The DPR of the HUL, ITCL, and CPL were higher than the grand mean DPR as ascertained based on the DPR of all the six FMCG companies understudy during the period.The analysis of the correlation between CR and DPR made in this study failed to draw any specific inference regarding the nature of the association between them. The regression results also conformed to the outcome of the said correlation analysis. The outcome of the study failed to conform to the theoretical argument that tax ratio has a negative effect on dividend payment.The result of multiple correlations of DPR on PDPR, CR and TR reveals that the joint impact of the selected variables on DPR was found to be statically significant in 66.67 percent of the selected companies.

These theoretical frameworks can be used to analyze the dividend policies of the selected FMCG companies and their impact on firm value, cost of capital, and investor preferences. Additionally, factors such as firm characteristics, industry dynamics, and macroeconomic conditions can be incorporated into the analysis to provide a comprehensive understanding of dividend policy dynamics.

VII. INDUSTRY PROFILE

The Fast Moving Consumer Goods (FMCG) sector is the key contributor of the Indian economy. This fourth largest sector of Indian economy provides employment to around 3 million people which accounts for approximately 5% of the total factory employment in the country. These products are daily consumed by each and every strata of the society irrespective of social class, income group, age group etc. FMCG sector is more lucrative because of low penetration levels, well established distribution network, low operating cost, lower per capita consumption, large consumer base and simple manufacturing processes for most of products resulting in fairly low capital investments.
The industry is highly competitive due to presence of multi-national companies, domestic companies and unorganized sector. A major portion of the market is captured by unorganized players selling unbranded and unpackaged products. More than 50 per cent of the total revenues of FMCG companies come from products worth Rs.10 or less1 .This has made the proliferation of localized brands which are offered in loose form in small towns and rural part where brand awareness is low.Fast-moving consumer goods (FMCG) sector is India’s fourth-largest sector with household and personal care accounting for 50% of FMCG sales in India. Growing awareness, easier access and changing lifestyles have been the key growth drivers for the sector. The urban segment (accounts for a revenue share of around 55%) is the largest contributor to the overall revenue generated by the FMCG sector in India. However, in the last few years, the FMCG market has grown at a faster pace in rural India compared to urban India. Semi-urban and rural segments are growing at a rapid pace and FMCG products account for 50% of the total rural spending.

PRESENT SCENARIO OF THE INDUSTRY

The covid 19 epidemic is often regarded as one of humanity's worst calamities, impacting many countries' economic cycles. On a more predictable note. The Indian economy was severely harmed because it was already moving at a much slower pace. The rate of growth of the Gross Domestic Product was also slowing, and it was predicted to slow even more due to the impact of Covid 19. Due to import limitations, the pandemic has halted the growth of several industries. Out of the sectors that were affected by the outbreak, the FMCG industry stood out as having a more consistent performance and showing signs of improvement. To be noted, this sector was experiencing a slowdown in consumer demand when this pandemic hit the world all of a sudden. As a result of the increased demand for consumer goods, this lockdown has had a favourable influence on the FMCG sector. It reveals that during the early stages of the shutdown, in the months of April and May, the sector was oscillating. While the NSE was performing as expected, the FMCG sector, particularly Britannia Industries Limited, had fared admirably. This simply means that consumer goods demand is relatively higher. As a result, we can see that the industry grew not only during the first pandemic, but also in the months that followed. Thus, even if the economy goes downward, whenever there arises an unprecedented scenario, the humankind will always try to safeguard itself and in turn that will certainly cause a high demand in the FMCG sector.

PESTEL ANALYSIS

Political

- Tax Structure: Complicated tax structure, high in direct tax and changing tax policies are challenges for this sector.
- Infrastructure Issues: Performance of FMCG sector is very much dependent on government spending on Agricultural, Power, and Transportation Infrastructure.
- Regulatory Constraints :Multiplicity permits and licenses for various states, prevailing outdated labor laws, cumbersome and lengthy export procedures are major constraints.
- Policy framework: FDI into Retail sector (single-brand & multi-brand retail), License rules in setting up of Industry, Changes in Statutory Minimum Price of commodities are-barriers for growth of this sector.

Economic

The lifting of trade restrictions and import duties actually provided customers with greater number of products to choose from and enhanced competition which led to lower prices ,hence decrease in inflation and improvement inequality of products provided to gain greater market share this also helped in pushing up productivity and thus increase in exports.

Domestic market was protected through tariffs as all the import duties were not lifted; it was lifted from items where market was already established, however where market was still developing duties were still levied upon. This will also enable foreign companies present in India to import stuff from abroad and sell it in India and make more efficient use of their extensive distribution network on the other hand it also provides opportunities to local suppliers and distributors to offer their services to companies who do not exist in India but want to sell their products here. Now that companies could import from anywhere, there will be more options for them to look for suppliers in the world and source the best amongst them in terms of price and quality.

Social

- Change in consumer Profile: Rapid urbanization, in-creased literacy, increase in nuclear families and rising per capita income, have all caused rapid growth and change in demand patterns, leading to an explosion of new opportunities. Around 45 per cent of the population in India is below 20 years of age and the young population is set to rise further.
- Change in Lifestyle: In past decade changes are taking place in consumption pattern of Indian consumer with more spending on discretionary (52%) than necessities (e.g. food, clothing). In last decade the apparel, footwear and healthcare segments have registered highest growth whereas essentials such as cereals, edible oil, fruits and vegetables shown decline.
- Rural focus: As market is getting saturated, companies are focusing on rural area for penetration by providing consumers with small sized or single-use packs such as sachets.

Technological

The technology part comes easy to this sector as the manufacturing setup required for these kinds of products is not as high tech as other industries plus it can be outsourced through a third party contract which is very common in this industry. Initial setup cost is a little high that’s why not all the starters can think of entering in this market plus it is owned by giants like Unilever and P&G who make it difficult for other companies to survive through their strategic moves. The distribution setup is difficult to establish with reliable links and this iswhere new entrants fail most. They make the product but cannot make it available to all the markets at the same time.

ENVIRONMENTAL

These FMCG manufacture products from raw materials that are grown in the fields and are result of agricultural activities in the region, therefore they are careful in protecting and preserving the environment. Some of the efforts include setting up of green houses, use of herbal waste, supporting rag _ pickers, establishing green buildings and procedures that are green, minimize consumption of clean and fresh water. The constraint on energy is reduced by using alternative sources of energy like herbal waste. Government also has made some anti-dumping laws which prohibits manufacturing facilities to contaminate any clean source of water flow.

Legal / Law

Government replaced various indirect taxes imposed on FMCG with a more direct approach ,i.e. GST. This will help in lowering prices as al lthe taxes imposed increase the cost of production and producer passes it on to consumer. They cannot underpay agricultural sector for profit maximization, also they cannot fool customers in any way by claiming something for their product which it is incapable of doing in actual. The law also forbids FMCG industry to artificially increase prices by making a product scarce. The law for marketing products states that one company cannot mock product of another company by explicitly taking its name or showing its picture. But the most important law that authorities miss is consumer privacy protection rights. These firms tend to find out contact details of their consumers and potential ones and then spam them through every channel.

VIII. COMPANY PROFILE

8.1 HINDUSTAN UNILEVER

Hindustan Unilever Limited, often abbreviated as HUL, stands as a prominent player in the Indian consumer goods sector. Offering an extensive array of products spanning household and personal care categories, HUL has cemented its position as a frontrunner in the market. Recognized for its innovative approaches, product excellence, and expansive distribution channels, HUL remains a trusted and widely recognized brand in India, catering to the diverse needs of consumers.

HISTORY

The origins of Hindustan Unilever Limited (HUL) trace back to the late 1800s when Lever Brothers, a British soap enterprise, established its presence in India. The company's Indian operations commenced with the introduction of Sunlight soap during the 1880s. Lever Brothers India Limited officially formed in 1931, formalizing its business in the Indian market. Over time, Lever Brothers broadened its product offerings and geographical reach across the nation.

In 1956, Lever Brothers India Limited merged with Hindustan Vanaspati Manufacturing Company, leading to the creation of Hindustan Lever Limited (HLL). This amalgamation diversified HLL's product portfolio beyond soap and detergents into food and other consumer goods.

In 2007, HLL underwent a name change to Hindustan Unilever Limited to align with its status as a subsidiary of Unilever, a global consumer goods conglomerate. Today, HUL stands as one of India's foremost FMCG companies, offering an extensive array of products spanning home care, personal care, foods, and beverages. Its history reflects a tradition of innovation, expansion, and dedication to meeting the evolving demands of Indian consumers.

HUL offers a wide range of products and services across various categories, catering to the diverse needs and preferences of consumers. These include:

1. Home Care Products:
   - Laundry detergents (e.g., Surf Excel, Rin, Wheel)
   - Fabric conditioners (e.g., Comfort)
   - Household cleaners (e.g., Domex, Vim)
   - Air fresheners and room fresheners (e.g., Ambi Pur)
2. Personal Care Products:
   - Skin care products (e.g., Fair & Lovely, Dove, Ponds)
   - Hair care products (e.g., Clinic Plus, Sunsilk, Tresemme)
   - Oral care products (e.g., Closeup, Pepsodent)
   - Deodorants and perfumes (e.g., Axe, Rexona)
   - Bathing soaps and shower gels (e.g., Lux, Lifebuoy)
3. Foods and Beverages:
   - Tea (e.g., Brooke Bond, Lipton)
   - Coffee (e.g., Bru)
   - Packaged foods (e.g., Knorr, Kissan)
   - Ice creams (e.g., Kwality Wall's)
   - Nutrition and health products (e.g., Horlicks, Boost)

4. Water Purification:
   - Water purifiers (e.g., Pureit)
5. Health and Hygiene Products:
   - Hand sanitizers (e.g., Lifebuoy)
   - Sanitary napkins (e.g., Whisper)
   - Baby care products (e.g., Johnson's Baby)
6. Beauty and Cosmetics:
   - Cosmetics and makeup products (e.g., Lakme, Elle 18)
7. Home Care Services:
   - Customer support and assistance
   - Product maintenance and repair services

8.2 NESTLE

Nestlé, a well-known multinational corporation in the food and beverage sector, stands out for its extensive global presence and diverse product offerings. Established in 1866 by Henri Nestlé, the company has evolved into one of the largest and most varied food enterprises worldwide. Nestlé operates in over 180 nations and employs around 290,000 individuals, with its headquarters located in Vevey, Switzerland.

The company's success is deeply rooted in its dedication to delivering nutritious and high-quality food and beverage items to consumers. Nestlé's broad product range covers numerous categories, including baby food, bottled water, cereals, chocolate, coffee, dairy, drinks, ice cream, and pet care. This wide array of offerings caters to the diverse preferences of consumers across different regions and demographics.

Additionally, Nestlé places a strong emphasis on innovation and research, constantly striving to develop new products and enhance existing ones. Sustainability and environmental responsibility are also key priorities for the company, as it seeks to minimize its ecological footprint and make positive contributions to the communities where it operates.

HISTORY

Nestlé, a renowned multinational food and beverage corporation, boasts a lengthy and illustrious history originating from its establishment in 1866 by Henri Nestlé, a Swiss entrepreneur. Initially, Nestlé commenced operations as a modest enterprise focused on producing infant formula, aiming to combat the prevalent issue of high infant mortality rates in Europe during that era.

Henri Nestlé's pivotal breakthrough came with the creation of Farine Lactée, a nutritious concoction comprising cow's milk, wheat flour, and sugar. This product proved instrumental in saving the lives of infants unable to breastfeed, laying a solid groundwork for Nestlé's subsequent expansion into global markets.

During the late 19th and early 20th centuries, Nestlé remained committed to innovation and product diversification. It introduced a range of new offerings, including condensed milk, chocolate, and coffee, thereby establishing itself as a prominent figure in the worldwide food industry. Nestlé's steadfast dedication to quality, ingenuity, and customer satisfaction propelled its swift ascent and prosperity.

Throughout the 20th century, Nestlé continued its trajectory of growth through strategic acquisitions, collaborations, and the exploration of new product categories. Its foray into diverse markets and offerings, such as pet care, bottled water, and frozen foods, further solidified its stature as a global force.

In recent years, Nestlé has prioritized adapting to evolving consumer preferences and societal shifts while upholding its foundational principles of quality, nutrition, and sustainability. Embracing digitalization and technological advancements, Nestlé has sought to enhance its operations and cater to the changing demands of consumers in today's dynamic market environment.

Presently, Nestlé stands as one of the preeminent players in the food and beverage sector, boasting a broad portfolio of renowned brands and products. Operating across nearly every corner of the globe, Nestlé remains dedicated to innovation and evolution, ensuring it continues to meet the diverse needs of consumers in the modern era.

PRODUCTS AND SERVICES OFFERED

1. Dairy Products: Nestle produces a variety of dairy-based items, including milk, yogurt, cheese, and ice cream. These products are available in various flavors and formulations to cater to different tastes and nutritional requirements.
2. Coffee: Nestle is renowned for its coffee brands such as Nescafe and Nespresso, offering a wide range of coffee products including instant coffee, ground coffee, and coffee capsules. These products cater to coffee enthusiasts seeking convenience, quality, and a rich coffee experience.
3. Bottled Water: Nestle Waters is a prominent player in the bottled water industry, offering a diverse range of brands such as Pure Life, Perrier, and S.Pellegrino. These brands provide consumers with purified, mineral, and sparkling water options, catering to hydration needs and preferences.
4. Confectionery: Nestle's confectionery division produces a variety of chocolate and candy products under well-known brands like KitKat, Aero, Smarties, and Milkybar. These products are enjoyed by consumers of all ages as indulgent treats and snacks.
5. Infant Nutrition: Nestle Nutrition specializes in providing nutritionally balanced products for infants and young children, including infant formula, baby food, and toddler snacks. These products are formulated to support healthy growth and development during the crucial early years of life.
6. Nutritional Supplements: Nestle Health Science offers a range of nutritional supplements and therapeutic products designed to address specific dietary needs and health conditions. These products cater to individuals seeking targeted nutritional support for various health concerns.
7. Professional Food Services: Nestle Professional provides food and beverage solutions for businesses in the hospitality, healthcare, and foodservice industries. These offerings include culinary ingredients, beverage systems, and menu optimization services tailored to the unique requirements of commercial clients.

Nestle offers a wide range of products and services designed to meet the diverse needs and preferences of consumers. Their product lineup includes dairy items like milk, yogurt, cheese, and ice cream, as well as coffee products such as Nescafe and Nespresso. Nestle Waters provides bottled water options like Pure Life and Perrier, while their confectionery division produces popular treats like KitKat and Aero. Additionally, Nestle offers infant nutrition products, nutritional supplements, and professional food services. Overall, Nestle's offerings span various food and beverage categories, catering to consumers' tastes and nutritional requirements.

8.3 COLGATE PALMOLIVE

Colgate-Palmolive is a renowned global consumer products corporation that specializes in household, healthcare, and personal care items. It is one of the most widely recognized brand names worldwide, particularly known for its iconic Colgate toothpaste.

Tracing its roots back over 200 years to 1806 as a soap and candle maker, Colgate later ventured into oral care products in the late 1800s. In 1928, Colgate merged with Palmolive-Peet, forming the modern Colgate-Palmolive Company.

Currently, Colgate-Palmolive operates in more than 200 countries and territories globally, with its products present in over two-thirds of households around the world. Its major product categories include oral care, personal care, home care, and pet nutrition.

In addition to its flagship Colgate toothpaste line, some of Colgate's major brands include Palmolive, Protexa, Irish Spring, Softsoap, Ajax, Tom's of Maine, and Hill's Science Diet and Prescription Diet pet foods.

Based in New York City, Colgate-Palmolive is a Fortune 500 corporation employing around 34,000 people worldwide. It is consistently ranked among the most ethical and sustainability-focused companies globally.

Colgate takes pride in its longstanding dedication to oral health education, community outreach initiatives, and environmental sustainability efforts across its operations and supply chain.

HISTORY

Initial Entry:

- Colgate first established a small marketing presence in Mumbai (then Bombay) in 1937.
- In 1945, it set up a manufacturing facility in Sewri, Mumbai to produce toothpowder.

Expansion from 1950s-1970s:

- Launched the iconic Colgate Dental Cream toothpaste in India in 1959.
- Opened new manufacturing plants in Kalka (1964) and Aurangabad (1976) to meet growing demand.
- Introduced other personal care products like Palmolive shampoo, soap and talcum powder.

Growth Period in 1980s-1990s:

- Acquired 50% stake in Ciba's Indian subsidiary in 1983 to enter home care segment.

- Established new facilities in states like Karnataka and Gujarat.
- Innovative launches included Colgate Gel, Colgate Total toothpastes.
- Acquired Tom's of Maine brand in 1995 which was later brought to India.

2000s and Beyond:
- Acquired oral care brands like Colgate Herbal and Active Salt in early 2000s.
- Entered pet nutrition by acquiring Hill's Pet Nutrition India in 2013.
- Focus on premiumization with products like Colgate Optic White, Slim Soft.
- Committed to local manufacturing across 7 plants under Make in India.
- Emphasis on rural market penetration and distribution expansion.

PRODUCTS AND SERVICES
Colgate-Palmolive India offers a wide range of products across several consumer categories, which include:

Oral Care Products:
- Toothpastes: Colgate Dental Cream, Colgate Active Salt, Colgate Total, Colgate MaxFresh, Colgate Herbal, Colgate Swarna Vedshakti, Colgate Zig Zag, Colgate Kids
- Toothbrushes: Colgate Slim Soft, Colgate ZigZag, Colgate Kids
- Mouthwashes: Colgate Plax

Personal Care Products:
- Soaps: Palmolive Naturals, Palmolive Thermal Plus, Palmolive Luminous Oils
- Shampoos: Palmolive Shampoos (Anti-Hairfall, Vitamin Boost, Dandruff Solutions)
- Deodorants: Palmolive Deos
- Shower Gels: Palmolive Shower Gels

Home Care Products:
- Dishwashing Liquids: Palmolive Dishwashing Liquids
- Household Cleaners: Palmolive Surface Cleaners

Pet Nutrition Products:
- Hill's Science Diet (pet foods for dogs and cats)
- Hill's Prescription Diet (therapeutic pet foods)
Services:
- Oral Health Education Programs: Colgate organizes dental health awareness campaigns, school programs, and mobile dental vans.
- Product Use Guides: Provides usage guides and tips for various products through packaging, websites, and other channels.

8.4 MARICO
Marico, a consumer goods company based in India, has established itself as a significant player in the health, beauty, and wellness sectors. With a presence in several countries, including Bangladesh, South East Asia, Middle East, Egypt, and South Africa, Marico offers a range of products under various brands, such as Parachute, Saffola, Livon, Mediker, and Nihar Naturals. The company's portfolio includes hair care, skin care, edible oils, and nutraceuticals, among others.
Marico's growth has been marked by a series of innovations and strategic moves. In the 1990s, the company repositioned its non-sticky hair oil as a market leader, expanded its distribution network, and entered the international market. Marico has since acquired several companies, including Mediker, and established manufacturing facilities overseas. The company has also launched new brands and products, such as Saffola breakfast, Masala Oats, Parachute Advanced Body Lotion, SetWet, and Saffola Active Slimming Nutri-shake, among others.
Marico's success can be attributed to its strong brand portfolio, innovative product launches, and strategic expansion into new markets. The company's vision is to provide consumers with high-quality products and services, and its mission is to empower its members, pursue excellence, create wealth, and foster innovation. Marico's values include integrity, transparency, and respect for people, and its code of conduct emphasizes ethical business practices and responsible citizenship.

HISTORY

Marico is a prominent Indian multinational consumer goods company that has been providing health, beauty, and wellness products and services for over 30 years. The company's origins trace back to the 1970s when Bombay Oil Industries Limited (BOIL) was established, which later became Marico. Marico's flagship brand is Parachute, a coconut-based hair oil. The company has a significant presence in several countries, including Bangladesh, South East Asia, Middle East, Egypt, and South Africa.

Marico's growth has been characterized by a series of innovations and strategic moves. In the 1990s, the company repositioned its non-sticky hair oil as the market leader and expanded its distribution network. In 1994, Marico set up its first overseas office in Dubai and entered the international market. The company also launched Revive cold water starch and listed on the Indian Stock Exchanges in 1996. In 1999, Marico expanded its operations by acquiring Mediker and setting up its first overseas manufacturing facility in Bangladesh. In 2003, Marico Innovation Foundation was formed to execute the company's corporate social responsibility, and the company set up copra collection centres to procure directly from farmers, increasing their margins.

Marico has continued to innovate and expand its product portfolio, launching new brands and entering new markets. In 2010, the company launched Saffola breakfast, Masala Oats in India, and in 2011, it entered the skin-care category with the launch of Parachute Advanced Body Lotion. In 2012, Marico launched its male grooming brand, SetWet, and in 2015, its market cap topped ₹25,000 crore. In 2017, the company acquired South Africa's leading hair styling business, Isoplus, and launched Saffola Active Slimming Nutri-shake, marking its entry into the nutraceuticals category. In 2018, Marico invested in Revolutionary Fitness and launched a new brand, True Roots, that delays hair greying.

Marico's success can be attributed to its strong brand portfolio, innovative product launches, and strategic expansion into new markets. The company's vision is to offer top-notch products and services to consumers, and its mission is to empower its members, pursue excellence, create wealth, and foster innovation. Marico's values include integrity, transparency, and respect for people, and its code of conduct emphasizes ethical business practices and responsible citizenship.

PRODUCTS AND SERVICES

Marico offers a diverse range of products and services in the areas of health, beauty, and wellness. Some of the key products and brands offered by Marico include:

- Hair Care:
  - Parachute Coconut Oil
  - Parachute Advansed
  - Nihar Naturals
  - Hair & Care
  - Hair Code
  - Livon
  - Set Wet

- Edible Oils:
  - Saffola Edible Oil

- Skin Care:
  - Kaya Skin Clinics
  - Sundari range of Spa skin care products

-*Health Foods:
  - Masala Oats

- Male Grooming:
  - Set Wet

- Fabric Care:
  - Revive Cold Water Starch

8.5 ITC

ITC Limited, initially called the Imperial Tobacco Company of India Limited, is a prominent Indian conglomerate company that has expanded into several business areas, including tobacco manufacturing, food processing, retailing, and financial services. The company, based in Kolkata, West Bengal, India, has a global presence with a market capitalization of over ₹4,38,601Cr and over 36,500 employees across 90 countries and 60 locations in India.

ITC Limited has diversified its business portfolio to include FMCG, Hotels, Packaging, Paperboards, Specialty Papers, and Agri-Business. The company's history includes expanding from tobacco manufacturing to the hospitality industry with the opening of its first hotel, the Chola Sheraton in Chennai, in 1975. ITC Limited also ventured into the paper and packaging industry, setting up a paper manufacturing plant in Bhadrachalam, Andhra Pradesh.

In the 1990s, ITC Limited underwent significant restructuring and transformed into a diversified conglomerate with a focus on sustainable development. Today, the company operates in various sectors, including Hotels, Paperboards and Packaging, Agri-Business, and Information Technology. ITC Limited is known for its innovation, social responsibility, and sustainability, which has contributed to its success. The company's resilient and sustainable business model positions it well for continued expansion in the future, even in the face of economic ups and downs.

HISTORY

ITC Limited, formerly known as the Imperial Tobacco Company of India, is a prominent Indian conglomerate company that has expanded into various business sectors, including tobacco manufacturing, food processing, retailing, and financial services. The company's name was initially an acronym for Imperial Tobacco Company of India Limited, but it was later changed to India Tobacco Company Limited in 1970 and then abbreviated to I.T.C Ltd in 1974, which is now simply known as 'ITC limited'.

ITC Limited was established in 1910 as a subsidiary of the British American Tobacco Company, with its headquarters in Kolkata, India. The company has diversified its presence in various industries, including FMCG, hotels, software, packaging, and agribusiness. ITC Limited is known for its strong emphasis on sustainability and corporate social responsibility, having received several accolades and awards for its commitment to environmental conservation, rural development, and social initiatives.

The company's history includes entering the hotel business by acquiring a hotel in Chennai in 1975, which was later renamed 'ITC-Welcomgroup Hotel Chola'. Over the years, ITC's Hotels business has become a leader with more than 100 self-owned and managed properties across India. In 1979, ITC ventured into the Paperboards business, which later became the market leader. The division merged with the Tribeni Tissues Division in 2002 to form the Paperboards & Specialty Papers Division. ITC's paperboards are known for their technological excellence and high productivity.

In 1985, ITC established Surya Tobacco Co. in Nepal, which later became a subsidiary of ITC. In 1990, ITC acquired Tribeni Tissues Limited, a speciality paper manufacturing company, and established the Agri-Business Division for the export of agri-commodities. In 2000, ITC diversified into the Greeting, Gifting, and Stationery products business with the launch of the Expressions range of greeting cards. It also entered the Lifestyle Retailing business with Wills Sport’s range of relaxed wear for men and women. Additionally, ITC spun off its IT business into a subsidiary named ITC Infotech India Limited.

In 2001, ITC entered the food business with the introduction of 'Kitchens of India' ready-to-eat Indian gourmet dishes. In 2002, ITC entered the confectionery and staples segments with the launch of brands like Mint-o, Candyman, and Aashirvaad Atta (wheat flour). It also introduced the brand Sunfeast in the biscuits segment and Bingo! in the branded snacks category. ITC expanded its safety matches business by marketing popular brands like iKno, Mangaldeep, Aim, Aim Mega, and Aim Metro. In 2003, ITC entered the market of Agarbattis (incense sticks), forging a partnership with the cottage sector.

ITC Limited is a significant player in the Indian market, with a presence in multiple industries and a diverse portfolio of products and services. It has garnered a reputation for its commitment to quality, customer satisfaction, and ethical business practices. The company's resilient and sustainable business model positions it well for continued expansion in the years to come.

PRODUCTS AND SERVICES OFFERED

ITC Limited is a large Indian conglomerate with a diversified presence across several business sectors. Here are some of the major products and services offered by ITC:

1. Fast Moving Consumer Goods (FMCG):
   - Foods: ITC is a major player in the packaged foods segment, offering products such as atta, salt, spices, ready-to-eat meals, snacks, biscuits, and confectionery under brands like Aashirvaad, Sunfeast, Bingo!, Yumiries, and Mint-O.
   - Personal Care Products: ITC offers personal care products like soaps, shampoos, deodorants, and skincare products under brands like Vivel, Fiama, Engage, and Charmis.
   - Education and Stationery Products: ITC's stationery products include notebooks, paper, and other writing instruments sold under the brand Classmate.

2. Hotels:
   - ITC Hotels is a prominent chain of luxury hotels in India, with properties located across major cities and tourist destinations.

3. Paperboards and Packaging:
   - ITC is one of the largest producers of paperboards and specialty papers in India, catering to various industries such as packaging, graphic arts, and stationery.

4. Agri-Business:
   - ITC is involved in the sourcing, processing, and export of various agri-commodities, including wheat, rice, soybean, shrimp, and other food products.

5. Information Technology:
   - ITC Infotech is the company's wholly-owned subsidiary that provides IT services, solutions, and business process outsourcing services to clients across various industries.

6. Lifestyle Retailing:
   - ITC operates a chain of lifestyle retail stores under the brand name "Wills Lifestyle" and "John Players," offering fashion apparel, accessories, and other lifestyle products.

7. Cigarettes and Tobacco Products:
   - ITC is one of the leading manufacturers of cigarettes and other tobacco products in India, with popular brands like Classic, Gold Flake, Navy Cut, and Capstan.

8. Paperboards and Specialty Papers:
   - ITC is a major producer of paperboards, specialty papers, and paper products used in various industries, including packaging, printing, and writing.

9. Incense Sticks:
   - ITC manufactures and markets incense sticks under the brand name "Mangaldeep."

IX. DATA INTERPRETATION

HINDUSTAN UNILEVER

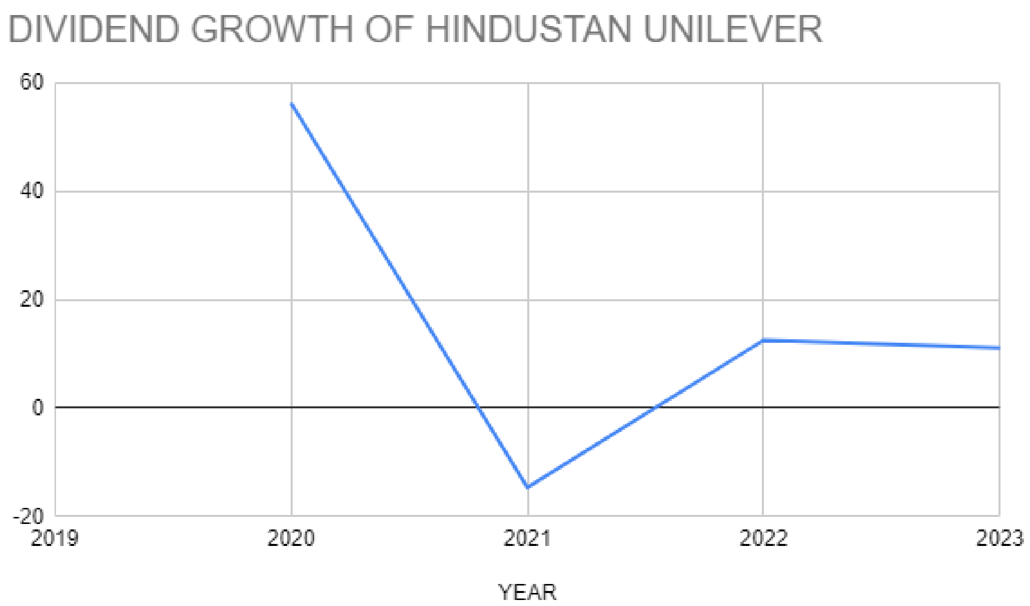
Table 1 Dividend Payout of HUL

YEAR	DIVIDEND				GROWTH %
	Interim	Final	Special	Total	
2019	11	13	0	24	
2020	14	14	9.5	37.5	56.25
2021	15	17	0	32	-14.66
2022	17	19	0	36	12.5
2023	18	22	0	40	11.1

Table 1.1 Dividend Payout of HUL

Mean	33.9
Minimum	24
Maximum	40

Graph 1 Dividend Growth of HUL



INTERPRETATION

The company has been consistently paying dividends over the years, with the total dividend amount increasing annually from 2019 to 2023. The dividend is paid in two installments, an interim dividend and a final dividend, with no special dividends paid during this period, except for one-time special dividend of 9.5 in 2020.

In 2019, the company paid a total dividend of 24, split into an interim dividend of 11 and a final dividend of 13.
In 2020, the total dividend increased significantly to 37.5, with an interim dividend of 14, a final dividend of 14, and a special dividend of 9.5. This represented a substantial growth of 56.25% compared to the previous year.
However, in 2021, the total dividend dropped to 32, reflecting a decrease of 14.66% from the previous year. This was due to the absence of a special dividend and a slight increase in the interim dividend to 15 and the final dividend to 17.
The company bounced back in 2022, with the total dividend rising to 36, an increase of 12.5% compared to 2021. The interim dividend was 17, and the final dividend was 19.
In 2023, the total dividend further increased to 40, marking an 11.1% growth over the previous year. The interim dividend was 18, and the final dividend was 22.
Overall, the dividend payments have shown an upward trend, except for a temporary dip in 2021. The company has maintained a consistent dividend policy, with the final dividend typically being higher than the interim dividend. The special dividend paid in 2020 contributed to a significant growth in the total dividend for that year.

NESTLE

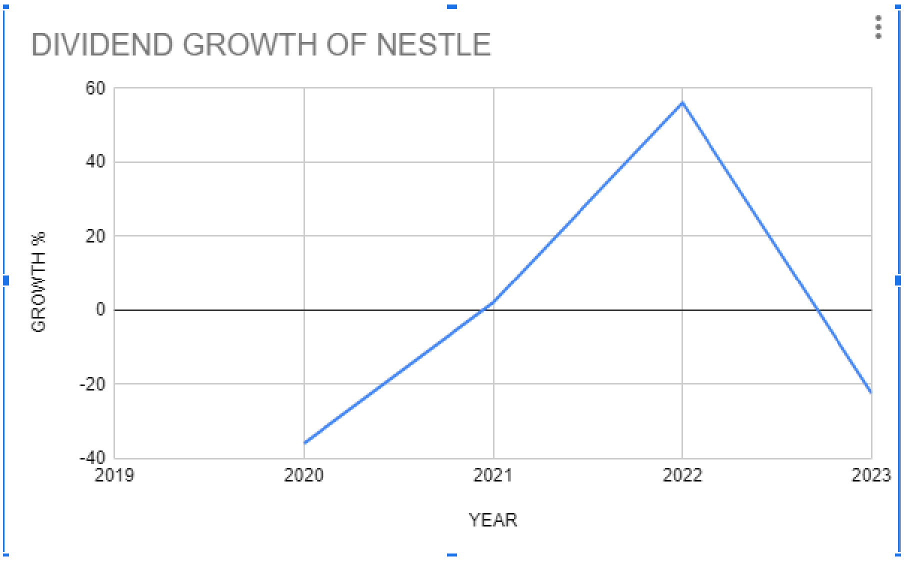
Table 2 Dividend Payout of Nestle

YEAR	DIVIDEND				GROWTH %
	Interim	Final	Special	Total	
2019	101	25	180	306	
2020	135	61	0	196	-35.94
2021	135	65	0	200	2.04
2022	172	140	0	312	56
2023	167	75	0	242	-22.4

Table 2.1 Data Analysis of Nestle

Mean	251.2
Minimum	196
Maximum	312

GRAPH 2 DIVIDEND GROWTH OF NESTLE



INTERPRETATION

The company's dividend payments have experienced significant fluctuations over the years, both in terms of the total dividend amount and the components that make up the dividend.

In 2019, the company paid a total dividend of 306, consisting of an interim dividend of 101, a final dividend of 25, and a special dividend of 180. This suggests that the company had a strong financial performance in that year, allowing for a substantial special dividend payment.

However, in 2020, the total dividend dropped sharply to 196, a decrease of 35.94% compared to the previous year. This was primarily due to the absence of a special dividend. The interim dividend increased to 135, while the final dividend rose to 61.

In 2021, the total dividend showed a slight recovery, increasing by 2.04% to 200. The interim dividend remained unchanged at 135, and the final dividend increased marginally to 65.

The year 2022 witnessed a significant surge in the total dividend, which jumped to 312, reflecting a 56% growth compared to the previous year. This substantial increase was driven by an increase in both the interim dividend (172) and the final dividend (140).

However, in 2023, the total dividend took a downturn again, declining by 22.4% to 242. The interim dividend decreased to 167, while the final dividend dropped to 75. No special dividend was paid during this year.

Overall, the dividend payments have been marked by considerable volatility, with significant changes in the total dividend amount and its components from year to year. The presence or absence of special dividends seems to have a major impact on the total dividend paid. Additionally, the interim and final dividend components have fluctuated independently, suggesting that the company's dividend policy may be influenced by various factors, including financial performance, cash flow, and strategic considerations.

COLGATE PALMOLIVE

Table 3 Dividend Payout of Colgate Palmolive

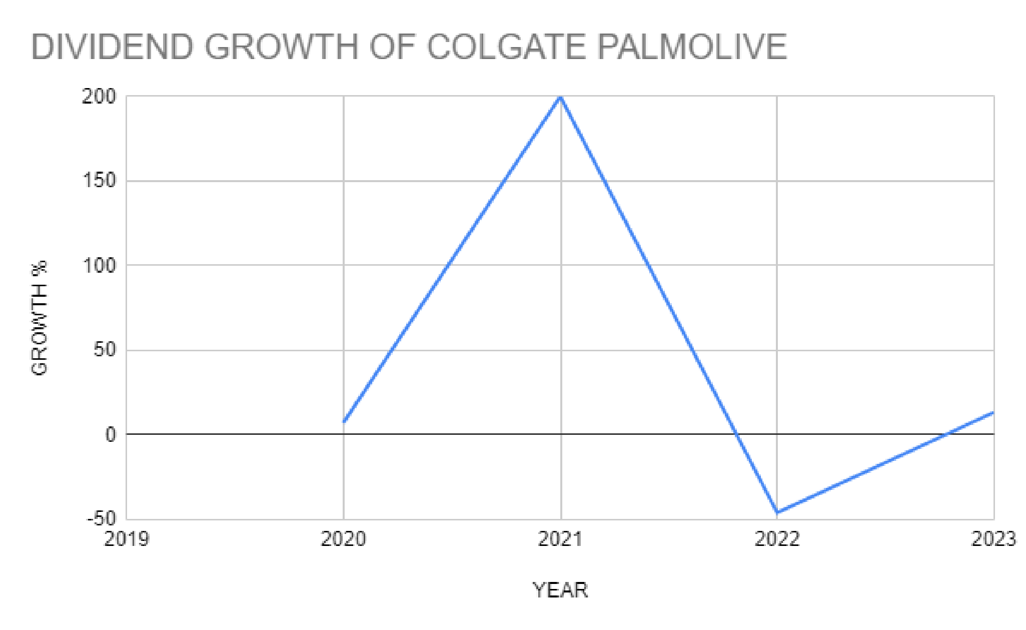
YEAR	DIVIDEND				GROWTH %
	Interim	Final	Special	Total	
2019	40	48	0	98	
2020	0	105	0	105	7.14
2021	85	80	150	315	200
2022	95	65	0	160	-46.03

2023	80	105	0	185	13.5

Table 3.1 Data Analysis of Colgate Palmolive

Mean	172.6
Minimum	98
Maximum	315

GRAPH 3 DIVIDEND GROWTH OF COLGATE PALMOLIVE



INTERPRETATION

The company's dividend payments have exhibited significant variations over the years, with occasional special dividends and fluctuations in the interim and final dividend components.

In 2019, the company paid a total dividend of 98, consisting of an interim dividend of 40 and a final dividend of 48. No special dividend was paid in this year.

In 2020, the total dividend increased marginally to 105, representing a growth of 7.14% compared to the previous year. However, this increase was primarily due to the absence of an interim dividend and a higher final dividend of 105.

The year 2021 saw a substantial increase in the total dividend, which surged to 315, reflecting a remarkable growth of 200% over the previous year. This significant jump was driven by the payment of a special dividend of 150, along with an interim dividend of 85 and a final dividend of 80.

However, in 2022, the total dividend experienced a sharp decline, dropping to 160, a decrease of 46.03% compared to 2021. This was due to the absence of a special dividend and a decrease in both the interim dividend (95) and the final dividend (65).

In 2023, the total dividend rebounded to 185, marking an increase of 13.5% compared to the previous year. The interim dividend decreased to 80, while the final dividend increased to 105. No special dividend was paid during this year.

Overall, the dividend payments have been characterized by significant fluctuations, primarily driven by the presence or absence of special dividends. The company seems to have a flexible dividend policy, with occasional special dividend payments during years of strong financial performance.

The interim and final dividend components have also varied independently, suggesting that the company's dividend decisions may be influenced by various factors, such as cash flow, earnings, and strategic considerations.

MARICO

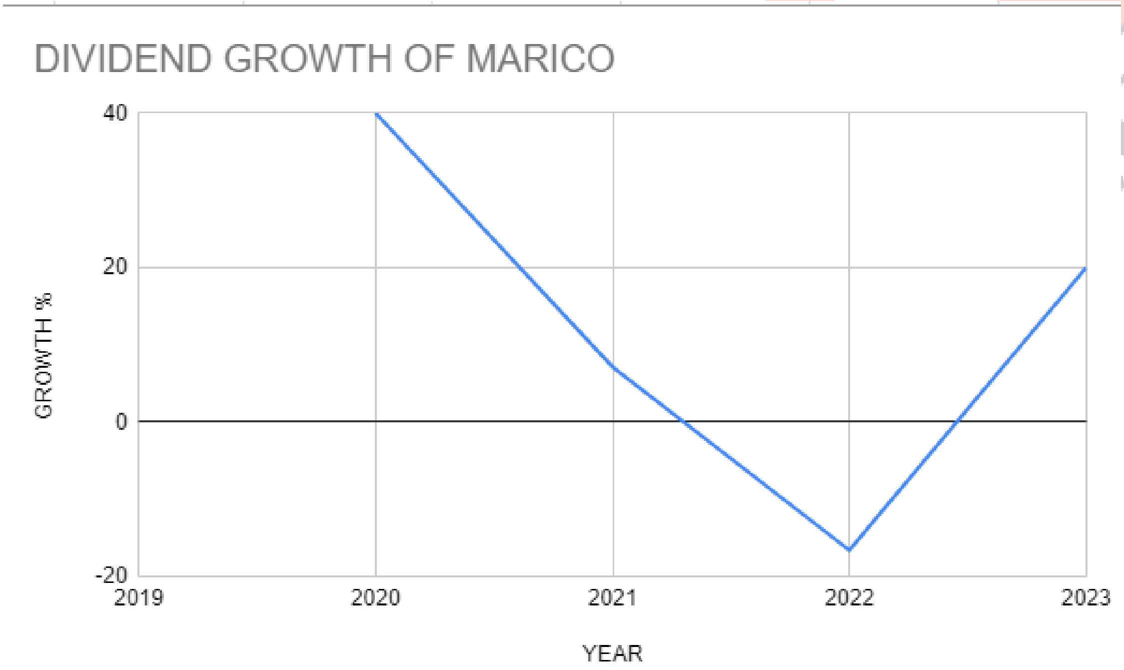
TABLE 4 DIVIDEND PAYOUT OF MARICO

YEAR	DIVIDEND				GROWTH %
	Interim	Final	Special	Total	
2019	5	0	0	5	
2020	7	0	0	7	40
2021	7.5	0	0	7.5	7.14
2022	6.25	0	0	6.25	-16.6
2023	7.5	0	0	7.5	20

TABLE 4.1 DATA ANALYSIS OF MARICO

Mean	6.65
Minimum	5
Maximum	7.5

GRAPH 4 DIVIDEND GROWTH OF MARICO



INTERPRETATION

The company has been paying dividends consistently over the years, with the total dividend amount being solely comprised of interim dividends. No final or special dividends were paid during the period from 2019 to 2023.

In 2019, the company paid a total dividend of 5, which was solely an interim dividend.

In 2020, the total dividend increased to 7, representing a growth of 40% compared to the previous year. This increase was driven entirely by the interim dividend, as there were no final or special dividends.

The year 2021 saw a further increase in the total dividend, which rose to 7.5, reflecting a growth of 7.14% over the previous year. Again, this increase was attributed to the interim dividend, as no final or special dividends were paid.

However, in 2022, the total dividend decreased to 6.25, marking a decline of 16.6% compared to 2021. This decrease was solely due to a reduction in the interim dividend, as the company did not pay any final or special dividends.

In 2023, the total dividend rebounded to 7.5, representing a growth of 20% over the previous year. This increase was driven by the interim dividend, as no final or special dividends were paid during this year.

Overall, the dividend payments have been relatively stable, with the total dividend amount consisting solely of interim dividends. The company has maintained a consistent dividend policy, with fluctuations in the total dividend amount being driven by changes in the interim dividend payments.

It's worth noting that the absence of final and special dividends throughout the period from 2019 to 2023 suggests that the company may have a more conservative dividend policy, focusing on regular interim dividend payments rather than additional dividend components.

ITC

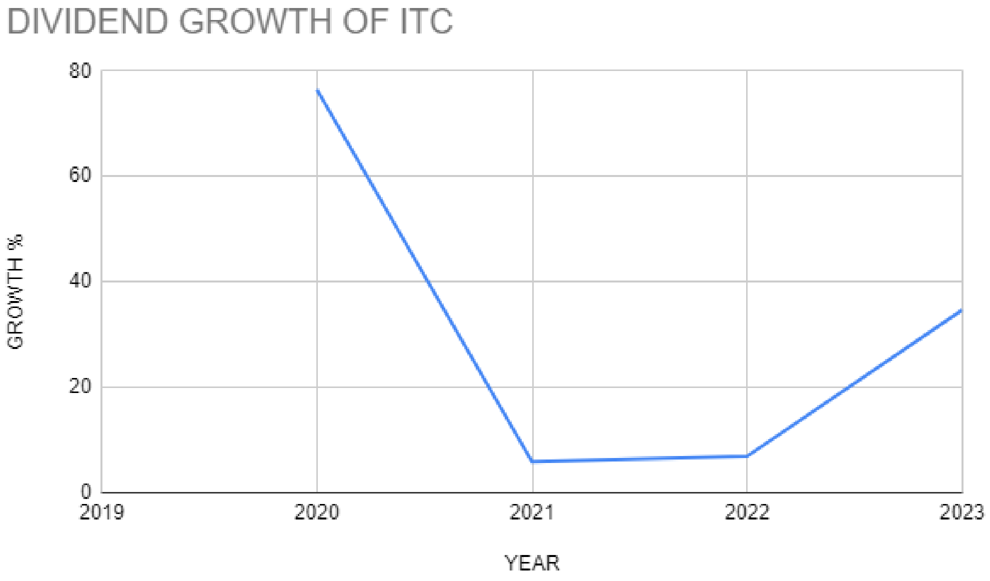
TABLE 5 DIVIDEND PAYOUT OF ITC

YEAR	DIVIDEND				GROWTH %
	Interim	Final	Special	Total	
2019	0	5.75	0	5.75	
2020	0	10.15	0	10.15	76.52
2021	5	5.75	0	10.75	5.91
2022	5.25	6.25	0	11.5	6.9
2023	6	6.75	2.75	15.5	34.7

TABLE 5.1 DATA ANALYSIS OF ITC

Mean	10.73
Minimum	5.75
Maximum	15.5

GRAPH 4 DIVIDEND GROWTH OF ITC



INTERPRETATION

The company's dividend payments have been primarily focused on final dividends, with occasional interim dividends and a special dividend payment in the most recent year.

In 2019, the company paid a total dividend of 5.75, which was solely comprised of a final dividend. No interim or special dividends were paid during this year.

In 2020, the total dividend increased significantly to 10.15, representing a growth of 76.52% compared to the previous year. This increase was driven entirely by a higher final dividend of 10.15, as no interim or special dividends were paid.

The year 2021 saw a further increase in the total dividend, which rose to 10.75, reflecting a growth of 5.91% over the previous year. This increase was attributed to the introduction of an interim dividend of 5, while the final dividend remained at 5.75. No special dividend was paid during this year.

In 2022, the total dividend grew to 11.5, marking an increase of 6.9% compared to 2021. This growth was driven by an increase in both the interim dividend (5.25) and the final dividend (6.25). No special dividend was paid in this year.

In 2023, the total dividend experienced a substantial increase, reaching 15.5, reflecting a growth of 34.7% over the previous year. This significant increase was due to higher interim and final dividends, as well as the introduction of a special dividend of 2.75.

Overall, the dividend payments have shown an upward trend, with the final dividend being the primary component of the total dividend for most years. The company has maintained a consistent practice of paying final dividends, while intermittently introducing interim dividends and, in the most recent year, a special dividend payment.

The substantial growth in the total dividend in 2023, driven by increases in all three components (interim, final, and special), suggests that the company experienced a strong financial performance during that year, enabling it to reward shareholders with higher dividend payments.

X. FINDINGS AND CONCLUSION

FINDINGS

10.1.1 HINDUSTAN UNILEVER

The company has demonstrated a consistent practice of distributing dividends to its shareholders over the past five years, from 2019 to 2023. The total dividend amount has generally increased annually, with the exception of a temporary decline in 2021.

While the dividend amounts have fluctuated year-over-year, the overall trend has been positive, with the mean total dividend paid during this period being 33.9. The minimum total dividend was 24, paid in 2019, and the maximum was 40, paid in 2023, indicating a general upward trajectory in dividend payouts.

Notably, in 2020, the company distributed a special dividend of 9.5 in addition to the regular interim and final dividends. This one-time payment contributed to a significant increase of 56.25% in the total dividend for that year, likely reflecting exceptional financial performance or a strategic decision to distribute excess cash to shareholders.
Despite the temporary setback in 2021, when the total dividend declined by 14.66%, the company swiftly recovered and continued to increase its dividend payouts in the subsequent years, demonstrating its commitment to maintaining a consistent and growing dividend policy.

10.1.2 NESTLE

The total dividend amount distributed to shareholders fluctuated significantly, with the mean payout being 251.2. The minimum total dividend was 196, paid in 2020, while the maximum was 312, paid in 2022, indicating a substantial range in the dividend amounts.
For instance, in 2019, the company paid a sizeable special dividend of 180, contributing to a relatively high total dividend of 306. However, the subsequent year, 2020, witnessed a sharp decline of 35.94% in the total dividend, primarily due to the absence of a special dividend payout.
While 2021 saw a minor recovery in the total dividend, amounting to 200 (a 2.04% increase), the company experienced a remarkable surge in 2022, when the total dividend soared to 312, reflecting a 56% growth. This substantial increase was driven by higher interim and final dividend payments.
Unfortunately, the most recent year, 2023, brought another downturn, with the total dividend dropping by 22.4% to 242. This decrease was attributable to lower interim and final dividend payments, and the absence of a special dividend.

10.1.3 COLGATE PALMOLIVE

The total dividend amount distributed to shareholders fluctuated significantly, with the mean payout being 172.6. The minimum total dividend was 98, paid in 2019, while the maximum was 315, paid in 2021, indicating a wide range in the dividend amounts.
For instance, in 2019, the total dividend of 98 consisted solely of an interim dividend of 40 and a final dividend of 48, with no special dividend paid. The following year, 2020, saw a modest increase in the total dividend to 105, driven entirely by a higher final dividend payment.
However, 2021 witnessed a remarkable surge in the total dividend, reaching 315, reflecting a substantial 200% growth over the previous year. This significant increase was attributed to the payment of a special dividend of 150, in addition to interim and final dividend payments.
Unfortunately, the subsequent year, 2022, brought a sharp decline in the total dividend, dropping to 160, a decrease of 46.03% compared to 2021. This decrease was due to the absence of a special dividend and lower interim and final dividend payments.
In the most recent year, 2023, the total dividend rebounded to 185, marking an increase of 13.5% over the previous year, driven by higher interim and final dividend payments, with no special dividend paid.

10.1.4 MARICO

The total dividend amount has ranged from a minimum of 5 in 2019 to a maximum of 7.5 in 2021 and 2023, with a mean of 6.65 over the five-year period.
In 2019, the company paid a total dividend of 5, which was entirely an interim dividend.
The following year, 2020, saw an increase in the total dividend to 7, reflecting a growth of 40% compared to the previous year. This increase was driven solely by a higher interim dividend payment.
In 2021, the total dividend rose further to 7.5, representing a growth of 7.14% over the previous year. Again, this increase was attributed to a higher interim dividend payment.
However, in 2022, the total dividend decreased to 6.25, marking a decline of 16.6% compared to 2021. This decrease was due to a lower interim dividend payment.
In the most recent year, 2023, the total dividend rebounded to 7.5, reflecting a growth of 20% over the previous year. This increase was driven by a higher interim dividend payment.

10.1.5 ITC

The total dividend amount has fluctuated over the past five years, from 2019 to 2023, with a mean of 10.73, ranging from a minimum of 5.75 in 2019 to a maximum of 15.5 in 2023.
In 2019, the company paid a total dividend of 5.75, which consisted solely of a final dividend payment. No interim or special dividends were paid during this year.
The following year, 2020, witnessed a significant increase in the total dividend to 10.15, reflecting a growth of 76.52% compared to the previous year. This increase was driven entirely by a higher final dividend payment of 10.15, with no interim or special dividends paid.
In 2021, the total dividend rose to 10.75, representing a growth of 5.91% over the previous year. This increase was attributed to the introduction of an interim dividend of 5, while the final dividend remained unchanged at 5.75. No special dividend was paid during this year.
The year 2022 saw a further increase in the total dividend to 11.5, marking a growth of 6.9% compared to 2021. This increase was driven by higher interim and final dividend payments, with no special dividend paid.
In the most recent year, 2023, the total dividend experienced a substantial increase, reaching 15.5, reflecting a growth of 34.7% over the previous year. This significant increase was due to higher interim and final dividend payments, as well as the introduction of a special dividend of 2.75.

10.2 CONCLUSION

The dividend payment policies and trends among the five companies – Hindustan Unilever, Nestle, Colgate-Palmolive, Marico, and ITC – have exhibited significant variations over the past five years, from 2019 to 2023.
Hindustan Unilever has demonstrated a consistent practice of distributing dividends, with the total dividend amount generally increasing annually, except for a temporary decline in 2021. The company paid a special dividend in 2020, contributing to a significant increase in the total dividend that year. Despite the setback in 2021, Hindustan Unilever swiftly recovered and continued to increase its dividend payouts, indicating a commitment to a consistent and growing dividend policy.
Nestle's dividend payments have been marked by substantial volatility, with the total dividend amount fluctuating significantly. The presence or absence of special dividends has had a major impact on the total dividend paid in certain years.
Colgate-Palmolive's dividend payments have also experienced significant variations, primarily driven by the presence or absence of special dividends. The company seems to have a flexible dividend policy, with occasional special dividend payments during years of strong financial performance.
Marico has maintained a relatively stable dividend payment policy, with the total dividend amount consisting solely of interim dividends. The company has maintained a consistent approach, with no significant deviations in its dividend policy during this period.
ITC's dividend payments have primarily focused on final dividends, with occasional interim dividends and a special dividend payment in the most recent year. The company has maintained a consistent practice of paying final dividends, with intermittent variations in the interim and special dividend components.
In terms of which company provides better dividends, Hindustan Unilever stands out as the most attractive option for investors seeking consistent and growing dividend payouts. The company's commitment to maintaining a consistent and growing dividend policy, coupled with the occasional payment of special dividends, demonstrates a shareholder-friendly approach and a strong financial position.
While other companies like Nestle and Colgate-Palmolive have experienced significant fluctuations in their dividend payments, Hindustan Unilever's overall trend has been positive, with a steady increase in dividend payouts over the years, barring a temporary setback in 2021.
It's important to note that a comprehensive analysis of each company's financial statements, profitability, cash flow, and dividend payout ratio would provide further insights into the sustainability of these dividend payments and the companies' ability to maintain or increase their dividend payouts in the future.

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