

**EFFECT OF OWNERSHIP STRUCTURE ON DIVIDEND
DECLARATION AND CORPORATE SOCIAL RESPONSIBILITY
(CSR) EXPENDITURE: AN EMPIRICAL STUDY OF THE SELECTED
LISTED COMPANIES IN INDIA**

CS Mamta Pagaria¹ , Prof. Hanuman Prasad²

¹Research Scholar , Faculty of Management Studies , Mohan Lal Sukhadia University, Udaipur (Raj.)

²Director and Chairman , Faculty of Management Studies , Mohan Lal Sukhadia University , Udaipur
(Raj.)

ABSTRACT:

The ownership structure is the foundation of corporate governance. Dividend declaration is the return of the investments made by the shareholders. Besides earning profit, Corporates have a big responsibility towards the Society in which they operate and function. While the dividend declaration is the prerogative of the owners and management of the corporation, expenses on corporate social responsibility has become the Government's directive under the statute. This papers studies the effect of ownership structure on the dividend declaration and corporate social responsibility expenditure. The statistical data interpretation of the selected population of data - Consumer goods industry companies of the NIFTY fifty stock exchange, reveals that there is not much significant co-relation between the pattern of ownership structure & dividend declaration and so is the case with the pattern of ownership structure and corporate social responsibility expenditure.

INTRODUCTION:

Ownership structure is the amount of claims held by insiders and outsiders in any business entity. It is the distribution of rights and duties between individuals who are in the management but not the owners and the owners who are not the managers. It is not only defined by the distribution of equity with regard to votes and capital but also by the identity of the equity owners. In corporate parlance, Ownership structure can be distinguished by the level of concentration of ownership rights as well as by the identity of the owner. Ownership structure includes inside owners who may be in the form of managers and employees or outside owners who may be individuals, organizations or state. Owners may also be foreigners or native ones. In company form of business, ownership structure is the structure that defines how the ownership and control of a company is distributed.

Dividend is the return on investment to the shareholders given by the company in the form of reward which may be in cash or otherwise. There can be different modes of dividend, such as

cash payments, stocks or any other form. Company's dividend is decided by its shareholders and it requires shareholders' approval. However, it is not mandatory for a company to pay dividend. In other words, it can be said that dividend is a part of profit which is shared by the company to its shareholders.

The decision of dividend declaration not only depends on the available profit for the year and liquidity with the company but also on ownership structure of the company. Concentrated ownership, Institutional ownership and Managerial ownership plays a vital role in dividend policy. Shareholders are always interested in receiving good returns for their investment by way of dividend pay-outs whereas managers prefer retaining profits in the company for maintaining higher controls over the resources.

Dividend policy and declaration is one of the major financing decision of the company and its significance in the corporate governance can never be ignored. In this backdrop, the paper studies the effect of ownership structure in the form of Promoters shareholding – Indian and Foreign, Non-promoters shareholding – Institutional and non-Institutional and shareholding of directors and key managerial personnel, on the dividend declaration by the listed Companies of National Stock Exchange (NSE) under the Consumer goods Industry category.

Dividend policy is a major finance factor so is the corporate Social responsibility a major non-finance factor in corporate governance. Charity is an age old phenomenon in India. Since Vedic times, people in India have been voluntarily performing the act of 'giving back' to the society through which they earn. In recent years' this voluntary act in India has been given a mandatory recognition by the Government of India in the form of certain provisions inserted in the amended Companies Act (2013). With the global drive of big capitalists to 'give back' to the Society, Government of India also thought of making 'Charity' as mandatory for the big Corporates in India fulfilling certain conditions. Provisions of Corporate Social Responsibility (CSR) are contained in section 135(1) to 135(5) of the Companies Act, 2013. The effect of the introduction of this section in the Companies Act, 2013 is that every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees or more during any financial year shall spend two percent of the average net profits of the company made during the three immediately preceding financial years in pursuance of the Corporate Social Responsibility policy formed and recommended by the Corporate Social Responsibility Committee.

The companies may see CSR activity as a compliance activity along with virtuous action by a responsible corporate citizen and a strategic brand building exercise.

With this background and since seven years have passed since the new provision has come into effect, this paper tries to analyse the impact of Ownership structure on the spending by the Corporates for the Society.

Through this research paper, we examine the effect of ownership structure classified into Indian and Foreign promoters' shareholding, Non-promoters shareholding further classified into institutional and non-institutional and shareholding of Directors and Key Managerial Personnel on Dividend declaration and initiatives on Corporate Social Responsibility (CSR) by the listed Companies of National Stock Exchange (NSE) under the Consumer goods Industry category.

Significance of the Study:

With the passage of time and seven years after the introduction of the legislative provisions under the Companies Act, 2013 regarding the Corporates' Social Responsibility, there are certain questions which are still to be answered like whether the expenditure on Corporate

Social responsibility is merely a compliance exercise of the legislative provision or the Corporates have gone beyond merely compliance and really had an developed an urge to 'give back' something to the society of which they are part of. The another question which may arise is that whether the willingness to 'give back' to the society depends merely on the compliance of the legislative provision irrespective of the owners' mind set or rather depends on the owners' perspective to serve the society and the role which the ownership structure plays in achieving this perspective if at all it exists.

A very little research has been done to examine the effect of ownership structure on the corporate social responsibility of a firm. Moreover, earlier researches suggests that ownership is associated to Corporate Social responsibility in developed countries but in developing countries there are no such studies which establish any such association between the two. The purpose of this paper is to empirically investigate the impact of ownership structure on Corporate Social Responsibility (CSR) in India as one of developing countries

Review of Literature:

Arshad, Z., Akram, Y., Amjad, M., & Usman, M. (2013) investigated the potential alliance between ownership structures, dividend payout policy. The results did not support the association between dividend decision, dividend payout policy and ownership structure. The investigation further concluded that the size of the Board has no major effect on the firms' dividend policy but dividend payout has positive relationship with size and board of directors and leverage Return on Equity.

Ezeagba, C. E. (2017) examined the effect of ownership structure on dividend policy .The findings of the study showed that there is no significant relationship between managerial shareholding and dividend policy.

Syed, Z., Wasim, U., & Baqir, H. (2011) investigated to find out the impact of ownership structure on dividend payout behavior of firms. The results also concluded that when the ownership is varied, there is more distribution of dividend to meet the demands of investors by the management due to market power. Minority shareholders do not have enough power to compel the management and controlling shareholders for dividend payout. They investigated the dividend policy of the listed companies in perspective of ownership control. The researchers also came to the conclusion that when there is more presence of owners' in the board of directors, the cash dividend level is higher and there is a significantly positive relationship between them.

Mancinelli, L., & Ozkan, A. (2006) investigated the relationship between dividend policy and ownership structure of firms in Italy and derived that there is highly concentrated ownership structure in Italy and the agency problem arises due to conflicting interests between minority and large shareholders. This paper therefore attempts to test the rent extraction hypothesis by relating the firm's dividend pay-out ratio to various ownership variables, which measure the degree of concentration in terms of the voting rights of large shareholders. The results of the empirical analysis reveal that firms make lower dividend pay-outs as the voting rights of the largest shareholder increase.

Setiawan, D., Bandi, B., Phua, L. K., & Trinugroho, I. (2016) examined the effect of ownership structure on dividend policy .The result of this research shows that ownerships have a positive effect on dividend payout. Researchers divided the sample into three categories – Government controlled firms, family controlled firms and foreign controlled firms. This research shows that government- and foreign-controlled firms have a positive impact on dividend pay-out. However, family firms have a negative effect on the dividend

pay-out. Family firms pay lower dividends because they prefer to control it themselves. At the expense of minority shareholders, family firms earn benefit from the resources and thus family firms engage in expropriation to minority shareholders.

This study does not analyse the impact of other corporate governance mechanism such as board structure on dividend decisions. This study provides evidence that ownership concentration positively affects dividend pay-out and Government & foreign-controlled have a positive effect whereas there is negative effect on dividend payout in case of family-controlled firms

Ramli, N. M. (2010) studied the effect of large shareholders and dividend policy of Malaysian companies using panel data and found that there is concentrated Ownership structure in Malaysia. The result showed that companies make higher dividend pay-out as the shareholding of the largest shareholder increase. The magnitude of dividend pay-out is also larger when there is a presence of the substantial second largest shareholder in the company.

Thanatawee, Y. (2013) examined the relationship between dividend policy and ownership structure in Thailand. The results showed that firms are more likely to pay dividends when they have higher ownership concentration or the largest shareholder is an institution. According to him higher dividends are paid when the largest shareholder, especially an institution has more equity. It is also found that both the likelihood of paying dividends and the magnitude of dividend pay-outs increase (decrease) with higher institutional (individual) ownership, the findings mostly driven by the ownership of domestic investors.

Al-Najjar, B., & Kilincarslan, E. (2016) investigated the impact of ownership structure on dividend policy of listed firms in Turkey. They tried to uncover the effects of family involvement (through ownership and board representation), non-family blockholders (foreign investors, domestic financial institutions and the state) and minority shareholders on dividend decisions. The empirical results showed that foreign and state ownership are associated with a less likelihood of paying dividends, while other ownership variables like minority shareholders family involvement and domestic financial institutions are not significant in affecting the dividend payments. However, all the ownership variables have a significantly negative impact on dividend pay-out ratio and dividend yield. The paper revealed that cash dividends are not used as a monitoring mechanism by investors in Turkey and the expropriation argument through dividends for Turkish families is relatively weak.

Mehrani, S., Moradi, M., & Esk, H. (2011) Ownership structure is an influential factor on firm's dividend policies. They examined the relationship between dividend policy and ownership structure in Tehran Stock Exchange through four regression models. Institutional ownership was negatively associated with dividend pay-out. The study indicated that if institutional investors are present in the ownership structure, there is less usage from dividend which is a good corporate governance sign. Moreover, positive relationship was founded between dividend pay-out and concentrated institutional ownership. However, there was not a significant relationship between managerial ownership and dividend pay-out.

Al-Shubiri, F. N., Al Taleb, G., & Al-Zoued, A. A. N. (2012) examined the possible association between ownership structures, dividend pay-out policy. The results consistently supported the association between ownership structure and dividend pay-out policy. The results suggested that ownership structure approach is highly relevant to an understanding of corporate dividends policy in Jordan. The study revealed a negative correlation between the dividend distribution to shareholders and the state ownership, and also between the dividend per share and the institutional ownership. The results also indicated that the higher the ownership of the five largest shareholders, the higher the dividend payment. A strong effect

of free cash flow on dividend policy was evident from the regression results conducted on five models. The study also suggested that larger firms are less likely to pay dividends and the firms with better investment opportunities are more likely to pay dividends in contradiction to firms with high leverage.

Mehdi, M., Sahut, J. M., &Teulon, F. (2017) studied the impact of the ownership structure and board governance on dividend policy in emerging markets. The authors' tested the effects of corporate governance on dividend policy change during crisis periods. The results provided evidence that dividend pay-out decision increases with institutional ownership and board activity. The authors found that the dividend policy of firms with CEO duality and without CEO duality is not dependent on the same set of factors in the emerging countries. It is shown that the dividend policy of firms with CEO duality is significantly affected by the ownership concentration and board independency. The authors' finally concluded that in the recent financial crisis, dividend decision is inversely related to CEO duality, board size and the frequency of board meetings.

Huda, N., & Abdullah, M. N. (2013, December) studied the relationship between ownership structure and dividend policy. By using multiple regression and correlation analysis, the authors concluded that institutional ownership has a significant negative impact whereas board ownership has a significant positive impact on the dividend per share. The study further found that leverage showed a significant negative effect and ROE showed a significant positive effect on the dividend policy of a firm.

Abdelsalam, O., El-Masry, A., &Elsegni, S. (2008) examined dividend policies in an emerging capital market, in a country undergoing a transitional period. They examined the effect of board of directors' composition and ownership structure on dividend policies. It was found that there is a significant positive association between institutional ownership and firm performance, and both dividend decision and pay-out ratio. The results confirmed that firms with a higher return on equity and a higher institutional ownership distribute higher levels of dividend.

This study provided additional evidence of the applicability of the signalling model in the emerging market of Egypt. It was found that the payment of higher dividend was considered necessary to attract capital during this transitional period despite the high institutional ownership and the closely held nature of the firms.

Kumar, J. (2006) examined the association between ownership structure, corporate governance and firm's dividend pay-out policy. They examined the pay-out behaviour of dividends and the association of ownership structure for Indian corporate firms and attempts to explain the observed behaviour with the help of well-known dividend models of Linter (1956), Waud (1966), and Fama and Babiak (1968). The results consistently supported the potential association between ownership structure and dividend pay-out policy. They found evidence of dividends dependence on past dividends after controlling for unobserved firm heterogeneity. They found evidence in support of the hypothesis that a positive association exists between dividends and earnings. They further found that past investment opportunities are positively associated whereas debt equity are found to be negatively associated with dividend. The authors also found that corporate ownership is negative and related in square and corporate and directors' ownership is positive and related in level. Institutional ownership has inverse effects on dividends in comparison to corporate ownership in levels, as well as in its squares.

Miko, N. U., &Kamardin, H. (2015) examined the effect of ownership structure on the corporate dividend policy in the line with agency context. The empirical results depicted a

positive association between dividend pay-out and institutional ownership as well as block-holders ownership, but a negative association with managerial ownership. The results revealed that the higher the institutional and block-holders shareholdings the higher will be the firm dividend pay-out. The result also suggested that dividend policy is used by managers expropriate the shareholders wealth. In line with the result, it is recommended that conglomerate firms in Nigeria should encourage more shareholdings by institutions as well as block-holders to reduce the opportunistic practices through dividend policy.

Abdullah, N. M. H., Ahmad, Z., & Roslan, S. (2012) investigated the relationship between types of ownership structure and dividend payments of listed companies. The study examined the explanatory power of two alternative models of dividend policy, the full adjustment model and the partial adjustment model modified which are moderated by the possible effects of five types of ownership structure, namely managerial ownership, institutional ownership, ownership dispersion, foreign ownership and ownership concentration. Only ownership concentration variable are found to be positively and statistically significant in influencing dividends in both type of dividend model. The findings were consistent with agency theory since high dividend payments can be used for mitigating agency conflict as dividends can be substituted for shareholder monitoring. Further, the empirical results revealed that the partial adjustment model is better in compared to the full adjustment model in explaining the variation in dividends with variables associated with ownership classes.

Mossadak, A., Fontaine, R., & Khemakhem, H. (2016) investigated the existence of relationships between the structure of ownership and dividend policy in an emerging market. Results showed that ownership concentration has a positive impact on the level of dividends. These results were consistent with the conclusions by Shleifer and Vishny and Easterbrook who argue that in a situation of ownership the principle shareholders require a high level of dividends in order to reduce agency costs. Their regression analysis did not show a significant relationship between the institutional ownership and dividend policy. In respect to foreign ownership, the results showed that more the level of foreign ownership increases, the more the level of distribution of dividends increases. This result is consistent with Cook and Jeon that also found a positive relationship.

Al-Qahtani, T. H., & Ajina, A. (2017) studied the relationship between the ownership structure and dividend payout policy. Results showed that the presence of managerial ownership increase the distribution of dividends which constitutes a tool of management control. This study also indicated the existence of a negative correlation between family ownership and the level of dividend distribution supporting the agency theory.

Sharma, D. K., & Wadhwa, R. (2013) studied the impact of ownership structure such as institutional shareholding, promoter's shareholding, and foreign institutional shareholding on Dividend Policy of Companies. Analysis of the study showed that all shareholding patterns have an impact on the dividend policy of the companies on the companies under study.

Kulathunga, K. M. K. N. S., & Azeez, A. A. (2016) investigated the association between ownership structure types and dividend policy. They found there is a negative association between institutional, managerial ownership structures and dividend policy and significant positive association between concentration ownership structures and dividend policy. The firm size, free cash flow, future growth opportunity variables are also matter for the dividend policy.

Roy, A. (2015) investigated whether the corporate governance (CG) practices adopted by the firm have any impact on dividend policy. They also studied the association between the firm's ownership structure and dividend policy. The author also tried to understand whether the

family run firms in India having concentrated ownership have significantly different approach to dividend policy compared to non-family-run companies. The use of debt by firms in their capital structure acts as an additional monitoring mechanism and they propose to analyse whether this has any impact on dividend policy. He concluded that the CG variables, namely, board size, independent directors and the proportion of non-executive directors on the board have significant impact on the dividend policy of the firm. The proportion of cash and cash equivalent to total asset, used as a measure of firm liquidity, also has an influence on the dividend policy. Growth opportunities have a positive influence on the dividend policy of firms.

Gupta, A., & Banga, C. (2010) analysed that dividend decision of a firm is an outcome of various considerations. These considerations differ across time and industry. They re-examined various factors that have a bearing on the dividend decision of a firm by using a two-step multivariate procedure of first factor analysis on the data to extract prominent factors from various variables and secondly multiple regression is conducted on such factors. The results of factor analysis indicate that profitability, liquidity, leverage and ownership structure are the major factors and the regression on these factors showed liquidity and leverage as the determinants of the dividend policy for Indian companies.

Rahman, N. (2002) investigated the dividend smoothing behaviour of firms using a large sample of firms. Results showed that the levels of dividend smoothing in the firms vary substantially across countries. Findings of the study concluded and extended the findings of previous research that the dividend policy of the firms in other countries differs materially from the dividend policy in U.S. firms. Researcher proposed that an extension of the agency view of dividends may explain the diversity of dividend smoothing behaviour. They also argued that the agency view of dividends implies that both firm- and country-level ownership structures are potentially important determinants of the dividend smoothing decisions of the firms. They found that the both country level ownership and firm concentrations are negatively associated with dividend smoothing. Results showed that the effects of country-level ownership are much stronger than the effects of firm level ownership.

Deodhar, S. (2015) discussed the mandatory provisions of CSR as per the Companies Act 2013. Earlier CSR was voluntary action of the companies, is now turned into mandatory requirement. The paper lays out the provisions of the CSR - process of its implementation, responsibilities of the company board and the CSR committee, list of activities that qualify for the CSR compliance, and penalties for violation. The author's paper discussed the arguments against industry response, mandatory CSR and the issue of anchoring CSR spending to the minimum mandatory requirement.

Sahasranamam, S., Arya, B., & Sud, M. (2019)—Their study drew a light on sociological perspectives of institutions and agency theory to explore variations in the motivation of different owners to pursue a CSR. This study contributes to the discussion on the effect of ownership on one CSR dimensions. Furthermore researcher examines the combined effect of institutional and agency arguments in influencing community-related CSR. Results suggest that incorporating features of the institutional environment that shape the interests of stakeholders can provide a better understanding of the impact of ownership on CSR in globalization.

Subramaniam, N., & Muttakin, M. B. (2014) – examined whether the extent and type of corporate social responsibility (CSR) disclosures made by Indian public listed companies are associated with firm ownership and board characteristics. They found that the extent of CSR disclosure is positively associated with foreign ownership, government ownership and board

independence and negatively associated with CEO duality. They further concluded that there is negligible effect on the extent of CSR disclosure of promoter ownership. They also found that in CSR disclosure, environmental information expands with foreign ownership and board independence while Information on employees/ human resources has a positive association with foreign ownership but decreases with CEO duality.

Soliman, M., El Din, M., &Sakr, A. (2013) - examined the effects of ownership on the firms' corporate social responsibility (CSR). Results revealed that there is a significant, positive relationship between CSR ratings and ownership by institutions and foreign investors. In contrast, shareholding by top managers is negatively associated with firm's CSR rating. Finally they got to know that different owners have differential impacts on the firm's CSR engagement.

Saleh, M., Zulkifli, N., & Muhamad, R. (2010)– explored corporate social responsibility (CSR) disclosure and its relation to institutional ownership (IO) of Malaysian public listed companies (PLCs). Results indicated that there are positive and significant relationships between CSR disclosure (CSR D) and IO. This result give indication that Malaysian PLCs are able to attract and maintain their institutional investors while they engage in social activities. Finally the conclusion came out with this study is that Companies should be encouraged to be involved in CSR activities as one of their strategies in attracting investment and their reputation and image.

Oh, W. Y., Chang, Y. K., &Martynov, A. (2011) -The authors studied the effects of ownership on the firms' corporate social responsibility. Research work in the end indicated a significant, positive relationship between CSR ratings and ownership by institutions and foreign investors. In contrast, shareholding by top managers is negatively associated with firm's CSR rating while outside director ownership is not significant. Finally they concluded that different owners have differential impacts on the firm's CSR engagement.

Sufian, M. A., &Zahan, M. (2013)- examined present scenario of CSR disclosures made by listed companies in their annual reports, and whether there is an association between CSR disclosure and various corporate ownership structure variables. In this research work multivariate analysis has been used showing that the ownership concentration of firm has a positive association with CSR disclosure. But this study does not found any association of other variables of ownership structure such as number of shareholders, foreign ownership and board size on CSR disclosure.

Kiliç, M., Kuzey, C., &Uyar, A. (2015)- analysed the nature, extent and trend of corporate social responsibility (CSR) reporting in the Turkish banking industry under five sub-themes, namely, environment, energy, human resources, products and customers and community involvement and also investigated the impact of ownership and board structure on CSR reporting by the banks. The results of the research work showed that CSR reporting of the banks improved during the period of time taken in sample study. Finally the results gave a clear indication that there is a significant positive effect of size, ownership diffusion, board composition and board diversity on the CSR disclosure of the banks.

Research Gap:

So far no research has been made in India on studying the effect of ownership structure on dividend declaration on the listed Companies of National Stock Exchange (NSE) under the Consumer goods Industry category. Few studies have been made on the topic which covers the study generally. There is no direct such study for the industry selected by us.

Similarly, there are few researches in India which have been made on the Corporate Social responsibility. These few studies which have been made in this field are also relatively old or were made one or two years after the insertion of the mandatory provision regarding the corporate social responsibility in the Companies Act, 2013. The studies which have been made in Indian perspective in this field also directly does not analyse the effect of the ownership structure on the Corporate Social responsibility. The studies which have been made on this topic mainly discusses what the corporate social responsibility is, what are the mandatory provisions regarding this and what the listed companies have disclosed in their Annual Report regarding the corporate social responsibility. There are many papers which studied ownership structure and Corporate Social responsibility independently but there few and that too, international papers, which relatively and empirically studies these two variables and draws and conclusions.

The research paper tries to fill this gap and examines the effect of ownership structure on the Dividend declaration and Corporate Social responsibility under the selected listed companies of the National Social Exchange. The research helps in analysing whether there is any impact of shareholding/ ownership pattern on the dividend declaration and the expenditure incurred on Corporate Social Responsibility which will help drawing conclusions whether or not the dividend decision and corporate social responsibility depends on the ownership pattern of the companies.

Objectives of the study:

1. To analyse the ownership structure of the selected companies listed under the NSE.
2. To analyse the dividend declared by the selected listed companies under the NSE.
3. To analyse the effect of the ownership structure on the dividend declaration of the selected companies listed under the NSE.
4. To analyse the corporate social responsibility expenditure of the selected listed companies under the NSE.
5. To analyse the effect of the ownership structure on the corporate social responsibility of the selected companies listed under the NSE.

Hypothesis of the Study:

1. The ownership structure has direct co-relation with the declaration of dividend in the selected companies.
2. The ownership structure has direct co-relation with the initiatives in Corporate Social responsibility.

Methodology of the Study:

Sample Selection:

The National Stock Exchange of India (NSE) is the leading stock exchange in India and the second largest in the world by numbers of trades in equity shares. The NIFTY 50 index is National Stock Exchange of India's benchmark broad based stock exchange index for the Indian equity market. NIFTY 50 stands for National Index Fifty, and represents the weighted

average of 50 Indian company stocks in 14 sectors. For the purpose of this study, Consumer goods Industry companies of the NIFTY 50 index were considered as the sample size.

Source and Collection of Data:

The study mainly depended on secondary data. The required information for the study was collected from the annual reports of selected Consumer goods industry companies of the NIFTY 50 Index from the individual company's websites and published data on the ministry of company affairs official website - www.mca.gov.in and National Stock exchange's website - www1.nseindia.com. The other required data were collected from various books, journals and magazines.

Period of the Study:

The study analysed the annual reports of selected Consumer goods industry companies under the NIFTY 50 Index from 1st April 2017 to 31st March, 2020.

Analysis:

Table 1: Promoters Shareholding, CSR Expenditure and Dividend Distribution of Selected Companies

Industry	Consumer goods					
Name of the company	Year	Promoters' shareholding	Non-promoters' shareholding	Shareholding of Directors & KMP	Excess CSR exp.	Total Dividend %
		Total %	Total %	Director & KMP %	Total %	Total %
Asian Paints Ltd.	2019-2020	52.79	47.21	3.61	29.79	1200%
	2018-2019	52.79	47.21	4.36	0.67	1050%
	2017-2018	52.79	47.21	4.11	0.17	870%
Britannia Industries Ltd.	2019-2020	50.63	49.37	0.05	0.0	3500%
	2018-2019	50.66	49.34	0.04	0.00	1500%
	2017-2018	50.70	49.30	0.01	9.93	1250%
Hindustan Unilever Ltd.	2019-2020	67.18	32.82	0.00	1.08	2500%
	2018-2019	67.19	32.81	0.01	1.82	2200%
	2017-2018	67.19	32.80	0.01	3.47	2000%
ITC Ltd.	2019-2020	0.00	99.88	0.00	0.10	1015%
	2018-2019	0.00	99.83	0.01	0.13	575%
	2017-2018	0.00	99.80	0.01	0.18	515%
Nestle India Ltd.	2019	62.76	37.24	0.00	0.63	3420%
	2018	62.76	37.23	0.00	0.00	1150%
	2017	62.76	37.15	0.00	0.11	860%
Titan Company Ltd.	2019-2020	52.91	47.09	0.02	0.78	400%
	2018-2019	52.91	47.09	0.07	30.94	500%
	2017-2018	52.91	47.09	0.09	12.80	375%

As it is evident from the above table, that almost all the sample companies are having majority shareholding of promoters except ITC ltd. The Hindustan Unilever Ltd is having promoters holding around 67% which is higher than other companies. All the selected companies are meeting CSR expenditures as expected, although Asian Paints Ltd in year 2019-20 has made 29.79% higher CSR expenditure. Likewise Titan Ltd in year 2018-19 has contributed 30.94% more funds to CSR activities. Thus it is clear from the above table that almost all the selected companies are meeting CSR expenditures as expected.

As far as dividend declaration is concerned Britannia Industries Ltd is declaring highest dividend in previous three years i.e. 3500% in year 2019-20, 1500% in year 2018-19 and 1250% in year 2017-18. Likewise, Hindustan Unilever Ltd also declared heavy dividends in last three year i.e. 2500%, 2200% and 2000%. The reason for this is quite obvious as all these selected companies are old and massive and present market value of these companies are phenomenal.

Table 2: Regression analysis between Promoters contribution and Corporate Social Responsibility Expenditures

Regression Model Summary			
R	R ²	Adjusted R ²	Standard error of the estimate
0.13	0.019	-0.042	10.05
ANOVA			
Model	df	F	p-value
Regression	1	0.31	0.581

A linear regression analysis was performed to examine whether the promoters contribution variable significantly predicted excess corporate social responsibility expenditures. The regression model indicated that the predictors explained 0.019 of the variance and a collective significant effect was not found. As the calculated statistics such as F=0.31, p = 0.581, R² = 0.019 concluded that there is no significant impact of promoters contribution on CSR expenditures. The r statistics i.e. 0.13 also indicates very small impact of promoters contribution on CSR expenditures. Although, there is a notion that the higher the promoters' shareholding is the higher would be CSR expenditure. On the contrary, the statistics suggest that all the companies make CSR expenditure as per standard norms and shareholding pattern does not affect this practice.

Table 3: Regression analysis between Non Promoters contribution and Corporate Social Responsibility Expenditures

Regression Model Summary			
R	R ²	Adjusted R ²	Standard error of the estimate
0.138	0.019	-0.04	10.05
ANOVA			
Model	df	F	p-value
Regression	1	.31	0.582

The linear regression examined whether the non-promoters contribution variable significantly predicted excess corporate social responsibility expenditures. The regression model indicated that the predictors explained 0.019 of the variance and a collective significant effect was not found. As the calculated statistics such as $F=0.31$, $p = 0.582$, $R = 0.138$ concluded that there is no significant impact of non-promoters shareholding on CSR expenditures. The r statistics i.e. 0.138 also indicates very small impact of non-promoters shareholding on CSR expenditures.

Table 4: Regression analysis between Shareholding of Directors & KMP and Corporate Social Responsibility Expenditures

Regression Model Summary			
R	R ²	Adjusted R ²	Standard error of the estimate
0.19	0.038	-0.02	9.95
ANOVA			
Model	df	F	p-value
Regression	1	0.64	0.43

As it is seen from the above table that, likewise other parameters, the shareholdings of directors and key managing person also does not hold a high impact on CSR expenditures. The $R=0.19$ suggest a weak linear correlation between both the variables. In addition to this, F value i.e. 0.64 with a p value of 0.43 indicates no significant effect of shareholdings of directors and key managing person on CSR expenditures.

Table 5: Multiple Regression Analysis between Promoters, Non promoters, Directors/KMP shareholding and Dividend Distribution

R	R Square	Adjusted R Square	Std. Error
0.457	0.209	0.104	918.45

A multiple regression analysis between Promoters, Non promoters, Directors/KMP and Dividend Distribution has been performed. The R statistics i.e. 0.457 indicates that a moderate relationship exist between all above mentioned variables. Although R square value of 0.209 indicates that only around 20% of the movement in the dependent variable is explained by all the independent variables. Hence it can be concluded that apart from shareholding patterns other variables also influence dividend distribution policy.

Conclusion:

As per the analysis and statistical tests, it is clear that promoters' shareholding does not impact the CSR expenditure in the selected industry. Similar is the case with the non-promoters' shareholding and directors and key managerial persons' shareholding on CSR expenditure. The multiple regression analysis between promoters, non-promoters, directors & key managerial persons and dividend distribution showed that there is no significant but a moderate relationship between these variables and dividend declaration. To conclude, it can be said that the statistical results does not support the hypothesis that ownership structure has significant effect on Corporate Social Responsibility expenditure which is rather mainly governed by the standard norms. Similarly, significant co-relation between ownership structure and dividend distribution is also not proven by the statistical data interpreted in the sample selected for study and the results are contrary to the hypothesis. Thus, dividend

distribution and expenditure on corporate social responsibility not only depends on the pattern of the ownership structure but number of other factors also contribute to the same.

Bibliography:

Arshad, Z., Akram, Y., Amjad, M., & Usman, M. (2013). Ownership structure and dividend policy. *Interdisciplinary Journal of contemporary research in business*, 5(3), 378-401.

Ezeagba, C. E. (2017). Effect of Ownership Structure on Dividend Policy: Evidence from Selected Firms in the Nigeria Stock Exchange (2011-2015). *NG-Journal of Social Development*, 417(4260), 1-15.

Syed, Z., Wasim, U., & Baqir, H. (2011). Impact of ownership structure on dividend policy of firm (evidence from Pakistan). In *International Conference on E-business, Management and Economics* (Vol. 3, No. 1, pp. 22-26).

Mancinelli, L., & Ozkan, A. (2006). Ownership structure and dividend policy: Evidence from Italian firms. *European Journal of Finance*, 12(03), 265-282.

Setiawan, D., Bandi, B., Phua, L. K., & Trinugroho, I. (2016). Ownership structure and dividend policy in Indonesia. *Journal of Asia Business Studies*.

Ramli, N. M. (2010). Ownership structure and dividend policy: Evidence from Malaysian companies. *International Review of Business Research Papers*, 6(1), 170-180.

Thanatawee, Y. (2013). Ownership structure and dividend policy: Evidence from Thailand. *International Journal of Economics and Finance*, 5(1), 121-132.

Al-Najjar, B., & Kilincarslan, E. (2016). The effect of ownership structure on dividend policy: evidence from Turkey. *Corporate Governance: The international journal of business in society*.

Mehrani, S., Moradi, M., & Esk, H. (2011). Ownership structure and dividend policy: Evidence from Iran. *African Journal of Business Management*, 5(17), 7516-7525.

Al-Shubiri, F. N., Al Taleb, G., & Al-Zoued, A. A. N. (2012). The relationship between ownership structure and dividend policy: An empirical investigation. *Revista de Management Comparat International*, 13(4), 644.

Mehdi, M., Sahut, J. M., & Teulon, F. (2017). Do corporate governance and ownership structure impact dividend policy in emerging market during financial crisis?. *Journal of applied accounting research*.

Huda, N., & Abdullah, M. N. (2013, December). Relationship between ownership structure and dividend policy: Empirical evidence from Chittagong Stock Exchange. In *Proceedings of 9th Asian Business Research Conference* (Vol. 1, p. 22).

Abdelsalam, O., El-Masry, A., & Elsegini, S. (2008). Board composition, ownership structure and dividend policies in an emerging market: Further evidence from CASE 50. *Managerial finance*.

Kumar, J. (2006). Ownership structure and dividend payout policy in India. *Corporate Governance and Dividend Payout in India, Journal of Emerging Market Finance*, 5(1), 15-58.

Miko, N. U., & Kamardin, H. (2015). Ownership structure and dividend policy of conglomerate firms in Nigeria. *Academic Journal of Interdisciplinary Studies*, 4(2), 279-279.

Abdullah, N. M. H., Ahmad, Z., & Roslan, S. (2012). The influence of ownership structure on the firms dividend policy based Lintner model. *International Review of Business Research Papers*, 8(6), 71-88.

Mossadak, A., Fontaine, R., & Khemakhem, H. (2016). The relationship between ownership structure and dividend policy in an emerging market: A Moroccan study. *Universal Journal of Accounting and Finance*, 4(2), 89-95.

Al-Qahtani, T. H., & Ajina, A. (2017). The Impact of Ownership Structure on Dividend Policy the Evidence from Saudi Arabia. *Journal of Emerging Issues in Economics, Finance and Banking*, 6(1), 2187-2202.

Sharma, D. K., & Wadhwa, R. (2013). Ownership structure and dividend policy-A study of Bombay Stock Exchange-500. *Global Journal of Management and Business Studies*, 3(4), 429-434.

Kulathunga, K. M. K. N. S., & Azeez, A. A. (2016). The impact of ownership structure on dividend policy: Evidence from listed companies in Sri Lanka. In *International Conference on Qualitative and Quantitative Economics Research (QQE)*. Proceedings (p. 80). Global Science and Technology Forum.

Roy, A. (2015). Dividend policy, ownership structure and corporate governance: An empirical analysis of Indian firms. *Indian Journal of Corporate Governance*, 8(1), 1-33.

Gupta, A., & Banga, C. (2010). The Determinants of Corporate Dividend Policy. *Decision (0304-0941)*, 37(2).

Rahman, N. (2002). Ownership structure and dividend smoothing: Cross-country evidence. Available at SSRN 2543785.

Deodhar, S. (2015). India's mandatory CSR, process of compliance and channels of spending.

Sahasranamam, S., Arya, B., & Sud, M. (2019). Ownership structure and corporate social responsibility in an emerging market. *Asia Pacific Journal of Management*, 1-28.. Ownership structure and corporate social responsibility in an emerging market. *Asia Pacific Journal of Management*, 1-28.

Subramaniam, N., & Muttakin, M. B. (2014). Firm ownership and board characteristics: Do they matter for corporate social responsibility disclosure of Indian companies. *Sustainable Accounting Management and Performance Journal*, 6(2), 166-189.

Soliman, M., El Din, M., & Sakr, A. (2013). Ownership structure and corporate social responsibility (CSR): An empirical study of the listed companies in Egypt. Available at SSRN 2257816.

Saleh, M., Zulkifli, N., & Muhamad, R. (2010). Corporate social responsibility disclosure and its relation on institutional ownership. *Managerial Auditing Journal*.

Oh, W. Y., Chang, Y. K., & Martynov, A. (2011). The effect of ownership structure on corporate social responsibility: Empirical evidence from Korea. *Journal of business ethics*, 104(2), 283-297.

Sufian, M. A., & Zahan, M. (2013). Ownership structure and corporate social responsibility disclosure in Bangladesh. *International Journal of Economics and Financial Issues*, 3(4), 901.

Kiliç, M., Kuzey, C., &Uyar, A. (2015). The impact of ownership and board structure on Corporate Social Responsibility (CSR) reporting in the Turkish banking industry. *Corporate Governance*, Vol. 15 Iss 3 pp. 357 - 374