

ABSTRACT

The major objective of any organization is to attain the optimal capital structure and the proper dividend decision which enhances the firm value. It was always a challenge to make a proper decision and it is also a vital issue in corporate finance. Capital structure and dividend policy are the examples of financing and investment decisions that affect the level of funds available in the firm. So, this study is conducted, to examine the impact of capital structure and dividend policy on firm value of select Pharmaceutical Companies in India. This research study has selected 31 companies belonging to Pharmaceutical industry in India. It is categorized into three sections; Large Capital Companies, Mid Capital Companies and Small Capital Companies. These sample companies were selected on the basis of Average Market Capitalization and their enlistment in BSE. The Descriptive Statistics, Correlation, Multiple Regression Analysis, Panel Data Regression Analysis, Compound Annual Growth Rate and Trend Analysis were the tools used to analyze the data from 2007 to 2021. This study also gives a theoretical contribution to the future researchers. From the research the analysis indicates confirmation of Pecking Order Theory and Trade off Theory in the case of capital structure and the Dividend Relevance Theory according to the dividend policy of select Pharmaceutical Companies in India

This research study findings on implementation will enhance the financial strength and financial stability in Pharmaceutical Industry. This industry will contribute significantly to the economic development of India.

Keywords : Capital Structure, Dividend Policy, Firm Value, Panel Data Regression and Pharmaceutical Companies in India.