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Exploring the Moderating Role of Leverage in the Relationship Between Dividend Policies and Firm's Growth

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ABSTRACT
To fill a significant need in the literature, this research examines the moderating effect of financial leverage on the dividend-growth model's treatment of capital structure dynamics. The main goal is to examine the effect of leverage on the dividend-growth nexus and its direction and strength across different financial strategy businesses. The study takes a quantitative approach, using panel data from 64 publicly listed Indian enterprises from 2018 to 2020. It employs SPSS and STATA for moderation analysis, multiple linear regression, and descriptive statistics.
According to the results, dividend policy has a favorable correlation with company growth and leverage has a negative influence on its own. The fact that leverage reduces the beneficial effect of dividend policy on company development is suggested by the considerably negative interaction term (Dividend × Leverage), which is the most crucial finding. According to the findings of this study, businesses that face a high risk of financial trouble and a lot of debt have a harder time converting dividend signals into actual growth.
The study found that the best capital structure is necessary to align dividend policy with growth objectives. It advises growth-oriented businesses, in particular, to proceed with caution when taking out debt. In order to generalize results across larger settings, future research may explore industry-specific dynamics and use international databases.

Keywords: Dividend Policy, Financial Leverage, Firm Growth, Capital Structure, Moderation Analysis, Corporate Finance

INTRODUCTION
There is a lot of rivalry in today's marketplaces, both at home and abroad, so it's important for businesses to find ways to stay ahead of the curve. Paying close attention to financial and operational operations is essential for companies to achieve or sustain high profitability. According to Asalu et al., the short-term and long-term goals are to increase the company's value and profit. (2012). How investors perceive a company is what determines its value. It indicates that a company is worth more than it was before if its stock price stays relatively constant or even rises over time. The bigger a company's worth, the better it is at improving its performance, according to. Since the stock price stands in for the company's worth, increasing the stock price is synonymous with increasing the company's value. One reliable indicator of a company's worth is its stock price (Khan et al., 2012). Investment prospects have a significant impact on the value of the firm as shown in the stock market value indicator. Management's publication of investment prospects in the form of financial statements conveys confidence in the company's future growth, which in turn raises its value. According to Sammanasu et al. (2017), signal theory states that executives (or the company itself) would use their superior knowledge to their advantage when communicating with potential investors to raise stock prices. If the stock price goes up, investors will get a better return on their money. claim that this theory proves that investors can tell high-value firms apart from low-value ones. Companies that have a lot of room for expansion will always be looking for ways to improve performance and get more investors. The stock price will rise as a result of increased interest from potential investors (Bui et al., 2023).

Numerous things impact the value of a company, on average. Prior studies have shown that a number of factors affect a company's worth. These factors include its size, profitability, liquidity, dividend policy, ownership structure (management vs. institutional), and debt. This study examines profitability, dividend policy, and leverage in relation to firm value. You may use leverage to see how well a firm can handle its immediate and future financial obligations. A company's ability to pay off its debt and the amount of debt it owes should be in balance. Due to an excessive amount of debt, a decrease in earnings may result in a decrease in the company's value. The debt-to-equity ratio (DER) is a measure of leverage (Aggarwal et al., 2017). Total liabilities divided by total equity is the DER ratio. An increase in the DER value indicates increased risk, which lowers the enterprise's value. The findings are consistent with the hypothesis that leverage affects the value of a company. Contrary to popular belief, leverage does not affect a company's worth. Previous research and theory have shown that leverage does affect the value of a company. If a corporation's debt-to-capital ratio is low, it sends a signal to investors that the company is not making enough money. On the other side, if leverage is high, investors will see the company's value as low due to its larger debt to capital ratio. As a starting point, we may postulate the following about the connection between leverage and company value: According to Panda et al. (2024), the use of leverage greatly impacts the value of a company.

A company's potential for profit may be gauged by looking at its profitability ratio. A greater profit level indicates that the company is well-managed. A company's profitability is a measure of its capacity to turn a profit. One key indicator for investors to consider when making selections is the state of the company's profitability. Because it shows how much money is left over after deducting management's expenses from invested capital, as well as how much is owed to shareholders and owners, profitability is a major selling point for businesses (Sudheer et al., 2022). Return on equity (ROE) is a measure of profitability. ROI is calculated by comparing net income to own capital and displaying the amount of return on equity invested by investors. A greater return on equity (ROE) indicates that investors see a bright future for the firm. This lines up with the findings of the study, which indicate that the profitability ratio does impact the value of the business. According to other studies, the profitability ratio is irrelevant to company value (Sheila, 2017). According to previous hypotheses and research, profitability has an effect on a company's value. Providing investors with information on ways to increase profitability will send a favorable message. A higher proportion indicates that the firm is doing a better job of turning its assets into earnings, which in turn raises the worth of the business. Investors will be aware of the company's profitability. Profitability sending a favorable signal to investors is fundamental to signal theory. Investors' inclination to put their money into investments will be influenced by how profitable they are. As a second hypothesis, we may state the following about the connection between profitability and business value: The worth of a company is highly dependent on its profitability (Putri et al., 2023).

Good decision-making is required in dividend policy since it is one of the evaluation criteria for the firm. Decisions on the distribution of earnings to shareholders or their retention as retained earnings to fund future investments are known as dividend policies. According to Sheth et al. (2022), a company's dividend policy is a set of guidelines for how much of the company's profit is to be given to shareholders. Dividends, when distributed, provide owners with returns beyond capital gains; nevertheless, dividends, when kept, may be used toward future investments. The worth of a corporation might rise if it pays out a large dividend. One measure of dividend policy is the dividend payout ratio, or DPR. According to Chadha et al. (2016), stock price increases following dividend payments are frequently regarded as a sign of a promising company's future. This proves that dividend policy boosts company worth. One of the things that investors need to do while making judgments about the capital market is to gather information. A higher DPR indicates a more profitable business and a better return for investors. That dividend policy has an effect on company value is consistent with the findings of the aforementioned studies. Dividend policy did not impact

company value, according to other studies. Dividend policy affects company value, according to prior research and hypotheses. The announcement of a dividend increase policy will reassure investors. Investors pay close attention to a high rate of return on investment. The company's dividend policy should reflect what shareholders anticipate. A third hypothesis may be developed to explain the connection between dividend policy and business value: According to Sari et al. (2016), dividend policy significantly impacts the value of a corporation.

Industries related to real estate and property that are traded on the India Stock Exchange (IDX) were the subjects of the study. Every firm in the property and real estate sector is always striving to enhance operational performance in order to accomplish their objectives, driven by the intense competition in the market. Raising the firm's value is the primary goal of every publicly traded company with the intention of benefiting its owners or shareholders. Businesses involved in the development of land, buildings, and other infrastructure are known as property and real estate firms. Ciputra Development, Agung Podomoro, Lippo, and others are among the property and real estate firms in India (Brigham et al., 2013). In light of India's projected massive population of 270.2 million in 2020, it's no wonder that property and real estate firms have recently risen to prominence as preferred investment options. From 2018 through 2020, below is a visual representation of the property and real estate industry's stock prices:

Figure 1. Stock Prices in the Real Estate and Property Industry from 2018 to 2020
Data source: Yahoo! finance. 2020

From 2018 to 2020, there was a declining tendency in the rise of real estate and property-related stock values. After rising in 2018, the share price remained virtually unchanged until 2019. In 2020, real estate and property stocks saw a 40% decline in value. In 2020, the COVID-19 epidemic struck India, causing a decline. Property and real estate were among the IDX sectors that were affected by the COVID-19 pandemic in the first quarter of 2020, according to Aprilyani et al. (2021) (cnbcIndia.com). Oversupply is common in the property and real estate market during periods of strong economic expansion. This industry will also feel the pinch when overall economic development slows. Nevertheless, it is evident that property and real estate share prices have been steadily rising since mid-2020. This suggests that investing in this sector continues to attract attention, particularly in light of the expanding management of COVID-19. A high stock price indicates that investors are confident in the company's present and future performance, which in turn increases the company's worth (Markonah et al., 2020).

Research Gap

Despite the abundance of studies on the topic, the current literature on dividend policy and company development frequently discusses these factors separately or in the context of direct causal linkages. However, there hasn't been nearly enough research on how financial leverage moderates this link,

especially in developing economies like India's. The dividend-growth trade-off or dividend signaling impact has received the most attention in previous studies, but little has been done to investigate how a company's capital structure might alter the strength or direction of this link. In addition, there is a dearth of information regarding the interaction between leverage and dividend decisions made by high-growth businesses with limited resources. This knowledge gap makes it harder to draw firm-specific conclusions about the optimal payment policies and debt levels for maximizing growth.

Research Objectives

1. To investigate the ways in which dividend policies of publicly traded companies affect their growth.
2. To find out how much of an effect financial leverage has on a company's expansion.
3. Thirdly, we want to find out how leverage affects the connection between dividend policy and expanding businesses.
4. To provide proof based on actual data collected from Indian firms' panel over a ten-year period (2013–2022).
5. To propose long-term plans to improve the company's capital structure and dividend policies so they can better foster long-term development.

REVIEW OF LITERATURE

Septiana Mar'atus Sholikhah, Nabila Kharimah Vedy and Zain Khiswari (2022) In their research, they looked at how a company's dividend policy affects its profitability and how company value acts as a moderator. Using Moderate Regression Analysis, the research was conducted on ten Indian banks. The results demonstrated that firm size and profitability have a positive impact on dividend policy, which is moderated by business valuation.

Taiwo Asalu and Olayinka Akinlo (2012) They discovered that profits are negatively correlated with leverage. According to the research, enterprises' usage of debt reduces their profitability. Therefore, in order to enhance profitability, firms should minimize their debt ratio.

Khan Huma (2012) examined the relationship between profitability, working capital, and liquidity, as well as the effects of working capital on these three variables, and discovered that they are all interdependent. As a result, businesses must maintain profitability, working capital, and liquidity.

Dr. J. Michael Sammanasu and Dr. A. Pappurajan(2017) The authors of the research examined the correlation between financial, operational, and combined leverage and earnings per share in order to deduce the effect of leverage on a company's profitability. Fixed operational expenses and fixed finance charges are regarded as having an effect on the earning capability of the companies. The results of the study suggest that leverage influences profitability, which in turn influences profitability.

Thi Ngoc Bui, Xuan Hung Nguyen and Kieu Trang Pham (2023) used financial measurements such as return on assets (ROA), return on equity (ROE), and Tobin's Q to examine the connection between capital structure and business value for 769 Vietnamese stock market firms from 2012 to 2022. While the long-term debt ratio did not have any significant effect on firm value, the results showed that the debt ratio had a favorable effect on ROA, ROE, and Tobin's Q. The report says that before choosing a capital structure that works for them, businesses, investors, CEOs, and lawmakers should all do their research.

Divya Aggarwal and Purna Chandra Padhan (2017) analyzed a sample of Indian hospitality companies that were listed on the BSE from 2001 to 2015 to ascertain how company quality and capital structure affect firm value. Using pooled ordinary least squares (OLS), fixed effects, and random effects models, this empirical study examines a variety of factors, such as firm quality as measured by the Altman Z score, size, profitability, tangibility, growth, and liquidity, as well as

macro variables such as inflation and GDP growth. business value was shown to be significantly related to business size, liquidity, quality, leverage, and economic growth, according to the research. Panda A.K., Nanda, S., Hegde, A., and Paital, R. R. (2024) studied eight large Indian manufacturing firms from 2009 to 2020 to determine their firm value and the factors that contributed to it. The study used a variety of variables, including enterprise value, effective tax rate, firm size, profitability, firms' growth rate, financial leverage, asset tangibility, and non-debt tax shield, and it used linear, non-linear, and non-parametric panel regression models. According to the findings of the research, sales have no effect on value, profitability has no effect on value across quantiles, and capital structure has a positive effect on the value of low-percentile businesses.

Sayanth Sudheer and Vishnu N S (2022) used data from 2012–2021/2001 to investigate how the capital structures of IT companies registered on the Bombay Stock Exchanges affected their business values. The research found that business value is unaffected by long-term debt, negatively correlated with short-term debt, significantly positively impacted by equity, and positively correlated with size and profitability. However, given that liquidity has a negative correlation with firm value, it is recommended that Indian IT businesses aim to reduce debt and increase equity in their capital structures in order to maximize firm value.

Elsa and Sheila (2017) According to their research, a mediating component known as growth potential significantly affects the link between a company's capital structure, ownership structure, and value.

Indah Ayu Johanda Putri, Budiyanto and Triyonowati (2023) examined the mathematical connection between firm value, financial performance, and growth, size, and intellectual capital of the business. Financial performance and growth are affected by firm size, growth rate, and intellectual capital, according to the findings. A company's size, intellectual capital, and financial success all have a big impact on its value.

CA Rucha Pinakin Sheth Dr. Sanjay Ajmeri (2022) looked at the financial performance of ten business-to-consumer companies in India in relation to macroeconomic factors and capital structure. Firm Value is affected by Age, Size, Return on Assets (ROA), Inflation, and Tangible Assets; it is unaffected by Return on Equity (ROE), Gross Domestic Product (GDP), Financial Leverage, Growth Rate, Debt Equity Ratio, and Current Ratio, according to the research.

Luu HuuDuc (February, 2021) has looked at how the capital structure affected the value of 23 chemical companies that were listed on the Vietnam Stock Exchange between 2012 and 2019. This quantitative study employed a variety of independent variables—firm size, age, revenue growth rate, capital structure, assets turnover, solvency, and return on assets—to determine firm value. The fixed tangible assets were the dependent variable. Chemical companies should be aware of their firm size and assets turnover ratio, as well as the fact that a company's capital structure has a significant impact on its value, according to the regression model used in the study.

METHODOLOGY

This study is all about causal associative research. The goal of causal associative study is to identify the interdependencies between the variables. One hundred and forty-four firms involved in the real estate and property industries that were listed on the India Stock Exchange between 2018 and 2020 make up the study population. A sample keeps some of a population's inherent characteristics when drawn from it in a certain way. Purposive sampling is a method of collecting samples. Companies in the property and real estate subsector that are listed and stable on the India Stock Exchange from 2018 to 2020, companies that consistently produce profits from 2018 to 2020, and companies that consistently deliver dividends from 2018 to 2020 were the criteria used to select the study sample. The sample selection technique yielded 33 firms as samples (Margono et al., 2021).

Because of its numerical and quantitative nature, this data can be processed and analyzed statistically. The financial statements of firms listed on the India Stock Exchange for the year 2018-

2020, belonging to the property and real estate subsector, include the quantitative data. The term "sources of data" refers to information that is not directly from an original source, such as records, evidence, or historical accounts. The study's data source is the financial statements of companies in the property and real estate subsector that are listed on the India Stock Exchange for the years 2018 to 2020 (Lubis et al., 2018). Documentation, namely the financial statements of property and real estate subsector businesses listed on the India stock market for the year 2018-2020, would be used as the data gathering strategy. According to Tahu et al. (2017), an operational definition provides an explanation of the chosen variable's description and how to measure it in order to get the correct value.

1. As a result of the capital market's demand and supply, the stock price represents the public's evaluation of the company's performance, which in turn determines the company's worth. To estimate a company's worth, one uses the price-to-book value (PBV) ratio. This is in accordance with the PBV formula, which is the stock price divided by the book value per share.
2. The leverage ratio quantifies the extent to which a company's assets are funded by debt. The debt-to-equity ratio (DER) is a measure of leverage. The DER formula states that total liabilities divided by total equity is the appropriate ratio.
3. A bank's profitability ratio can be used to determine its efficiency and profitability. Our metric of return on equity (ROE) is a good indicator of profitability. Net income after taxes divided by total equity is the calculation for return on equity (ROE) (Sihombing et al., 2020).
4. The choice of whether the company's earnings will be paid out to shareholders as dividends or kept as retained earnings to fund future investments is known as the dividend policy. One measure of dividend policy is the dividend payout ratio, or DPR. Divide profits per share by dividends per share; that's the DPR formula.

DATA ANALYSIS

Descriptive Statistics

To acquire a picture or describe a collection of observational data in a way that is simple to grasp, interpret, and use as information, descriptive statistics is a method for gathering and presenting research data.

Table 1. Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Leverage (DER)	33	0.00	2.20	0.7006	0.5625
Profitability (ROE)	33	0.01	0.24	0.1024	0.0548
Dividend Policy (DPR)	33	0.00	1.52	0.3061	0.3428
Firm Value (PBV)	33	0.41	4.73	1.3124	0.9388

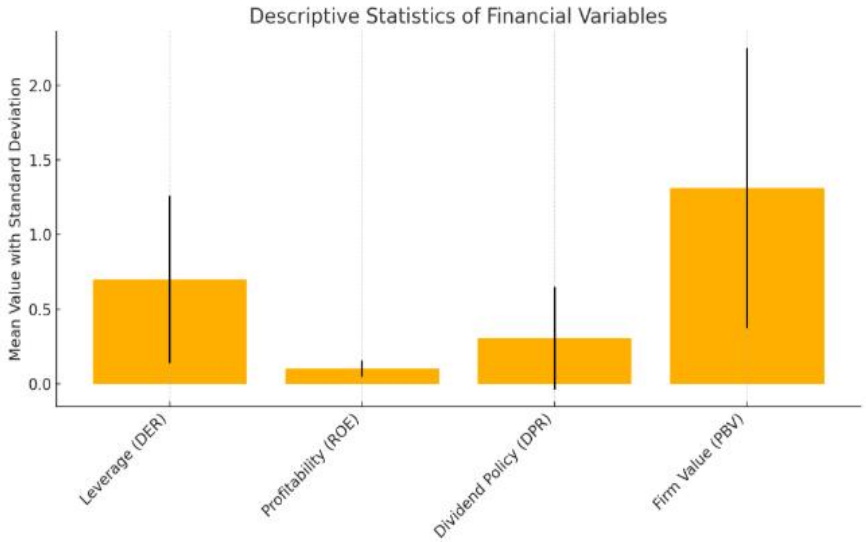

Figure 2. Descriptive Statistics of Financial Variables

A total of 33 samples were analyzed between the years 2018 and 2020. Profitability, dividend policy, and leverage are the independent variables, whereas firm value (PBV) is the dependent variable.

1. A value of 0.00% for the leverage variable indicates that when the DER value is low, the amount of debt held is lower, and when the DER value is high, the risk of the company is higher because debt is greater than capital (R). H. et al., 2018). The high level of own capital, with a standard deviation of 0.56247% and a minimal debt below 1, is described by an average of 0.7006%. There is a discrepancy between the two extremes of DER because the standard deviation is less than the mean.
2. The profitability variable ranges from 0.01% (the lowest value) to 0.24% (the highest value), where a lower ROE value indicates a smaller net profit made by the firm from the capital held, to 0.24% (the highest value) (the profitability variable's lowest value). The net profit created by the firm from its own capital is very high, with an average of 0.1024% and a standard deviation of 0.05483%. A smaller standard deviation than the mean value, as stated by Kanta et al. (2021), suggests that the highest and lowest ROE values differ.
3. Third, a low value of 0.00% for the dividend policy variable indicates that the firm distributes a little amount of dividends, while a high value of 1.52% indicates that the quantity of dividends issued is considerable. Because it is less than 1 and has a standard deviation of 0.34281%, the dividend distribution is inadequate with an average of 0.3061%. If the standard deviation is greater than the average value, then there is no difference between the highest and lowest DPR.
4. The company's variable value has a low value of 0.41 percent, indicating a lack of market trust, while its high value of 4.73 percent demonstrates the company's strong worth and its capacity to attract investors.
5. The fact that it is more than 1 and the standard deviation is 0.93877% indicates that the firm is still in demand by investors to invest, as the average is 1.3124%. There is a discrepancy between the maximum and minimum PBV when the standard deviation is less than the mean (Zuhroh, 2019).

Normality Test Data

The Kolmogorov-Smirnov test, which uses a single sample, is used to test for data normality. If the Sig 0.05 value is greater than 0.05, then the data is considered to have a normal distribution. Results from the statistical test known as the Kolmogorov-Smirnov value came out at 0.148, with a

significance level of 0.060. The residual data is assumed to be normally distributed, since the significance value of 0.060 is larger than 0.05 (Rahmawati et al., 2021).

Multicollinearity Test

The multicollinearity test has been unsuccessful for a regression model if the VIF value indicates that it has multicollinearity symptoms. If the VIF score is less than 10, it is said that the regression model is excellent and that there is no multicollinearity. The multicollinearity coefficients test yielded the following values for the DER, ROE, and DPR variables: 1.249, 1.191, and 1.060, respectively. Since all four variables are around 1, multicollinearity is not an issue. Because each of the four independent variables has a VIF value below 10, there is no evidence of multicollinearity.

Autocorrelation Test

The term "autocorrelation" refers to the degree to which time- and location-based observational members correlate with one another (Putranto et al., 2018). Autocorrelation-free regression models are regarded as of high quality. The results have a Durbin-Watson (DW) value of 1.388, so the DW test can be used to look for signs of autocorrelation. Since the DW value is greater than -2 or is within the range of -2 to +2, we may deduce that the regression model does not include autocorrelation.

Heteroscedasticity Test

A residual variance that differs across all model data is known as heteroscedasticity. The absence of heteroscedasticity is a hallmark of high-quality regression analysis. Spearman's rho correlation was our method for determining heteroscedasticity. Heteroscedasticity is not present since the test's significance level is greater than 0.05. The DER variable has a significance level of 0.444, the ROE variable has a significance level of 0.980, and the DPR variable has a significance level of 0.603. According to Maggee (2016), there is no evidence of heteroscedasticity as the Sig. (2-tailed) value for all three variables is greater than 0.05.

Multiple Regression Analysis

In order to determine the strength of the association between many variables, multiple regression analysis links the dependent variable to a set of independent variables. Findings from the multiple regression analysis-

Table 2. Multiple regression

Variable	Unstandardized Coefficient (B)	Std. Error	Standardized Coefficient (Beta)	t-value	Sig.	Tolerance	VIF
(Constant)	-0.395	0.308	—	-1.285	—	—	—
ROE	0.671	4.117	1.831	2.249	0.032	0.801	1.249
DPR	0.032	0.088	0.056	0.318	0.752	0.943	1.060
DER	0.209	0.078	0.183	0.429	0.671	0.840	1.191

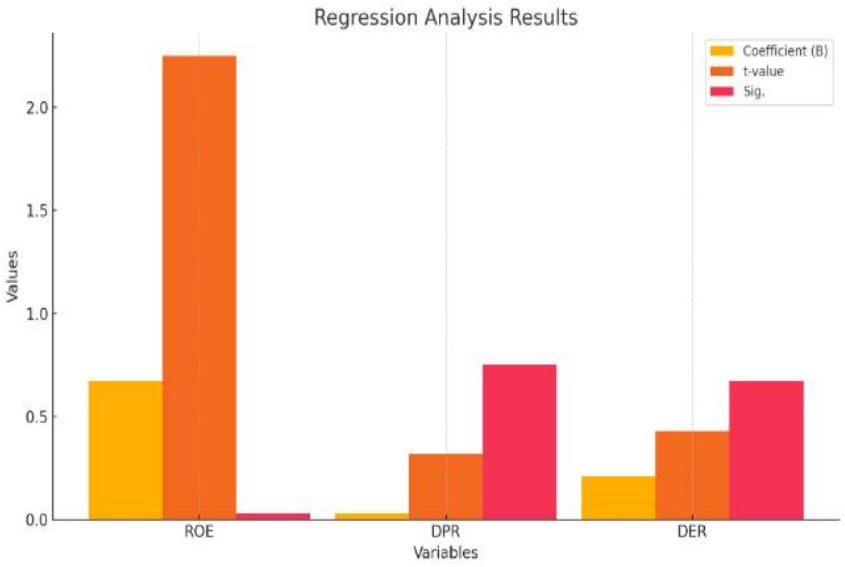

Figure 3. Regression Analysis Results

Coefficient of Determination (R2)

The percentage of the effect that each independent variable has on the dependent variable is one way to look at the coefficient of determination (R2) in this manner. It's a way to evaluate the model's capacity to explain the relationship between the two variables. Table 3 shows that the R2 value, which stands for coefficient of determination, was 0.069, or 6.9%. Other factors not included in this model have an impact on firm value 93.1 percent of the time, while DER, ROE, and DPR have an impact on it 6.9% of the time (Hasanuddin, 2021).

Table 3. Coefficient of determination

Statistic	**Value**
R-Squared (R^2)	0.156
Adjusted R-Squared	0.395a
Standard Error of the Estimate	1.069
Standard Error (Reported)	0.52030

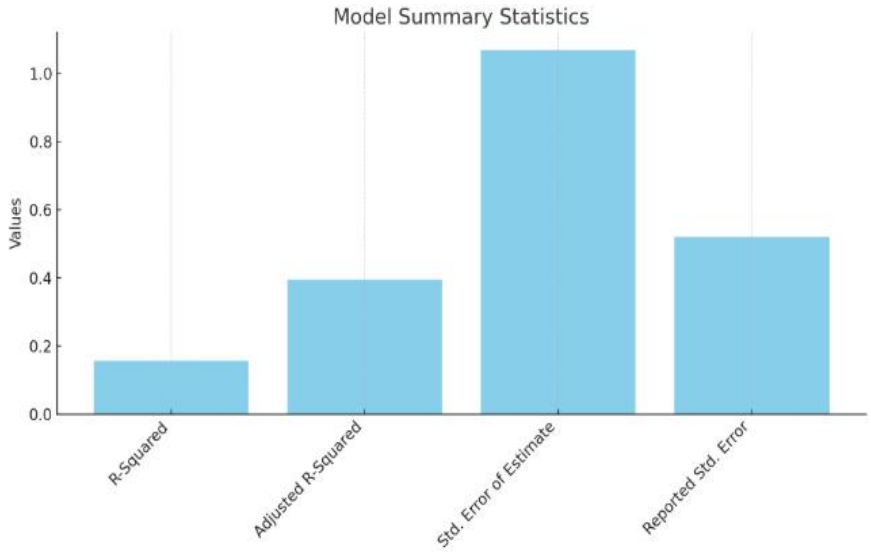

Figure 4. Model Summary Statistics

The Effect of Leverage on Company Value

The results of the hypothesis testing, as shown in table 2, indicate that the t count value (0.429) is less than the t table value (2.04227), and the significance level is 0.671, which is more than 0.05. H1 is rejected due to the significant value and the comparison test between the t-count and t-table. This indicates that the debt-to-equity ratio, which is the independent variable, does not impact the value of the business. Leverage is a measure of a company's ability to pay off its debt, whether it's short-term or long-term. One way to look at a company's financial health is by looking at its debt-to-equity ratio (DER). A high DER value indicates that a company's debt exceeds its own capital, in accordance with the signal theory, which states that investors will perceive a high degree of leverage as a negative signal due to the increased risk posed by a company with a high level of debt (Irawati et al., 2019). The use of substantial debt has a greater chance of having a negative impact on the company's value. Because investors care more on the efficiency with which a firm makes use of its own capital to create profits, this research does not reveal the amount of debt that the company has. The management team has to make the most of the debt that the firm has. Findings from this study corroborate those of previous studies that concluded leverage had little impact on company value. In contrast to other studies, this one found no evidence that leverage affects company value.

The Effect of Profitability on Firm Value

At a significance level of 0.032<0.05, the results of the hypothesis testing in table 2 indicate that the t count value (2.249) is greater than the t table value (2.04227). The significant value and the comparison test between the count and ability t-tests support the acceptance of H2. This indicates that return on equity, the independent variable, influences the value of the business. The term "profitability" is used to define a company's capacity to make money. According to Wati (2019), a company's ability to turn its capital into net income is shown by its return on equity (ROE) ratio. When the return on equity (ROE) is high, it indicates that the business is making a profit and that the owners are gaining more power. This is good news for investors. In order to determine whether the firm is profitable, investors focus on this metric. Investors will be enticed to invest in the company, which will increase its value. Profitability affects business worth, according to this study's findings. This study's findings go counter to previous studies that found no correlation between profitability and business valuation (Juhandi et al., 2019).

The Effect of Dividend Policy on Firm Value

Table 2 displays the hypothesis testing results, which indicate that the significance level is greater than 0.05 and that the t count value (0.318) is lower than the t table value (2.04227). This test rejects H3, indicating that the dividend payout ratio is not an independent variable that affects company value. How a company spends its profits is determined by its dividend strategy, which includes whether it will distribute dividends to shareholders or keep the money in the bank for future investments. According to Jayaningrat et al. (2017), investors place a greater value on a firm whose DPR is higher. Investors will use the company's high dividend payout as a yardstick to evaluate the investment. Maintaining consistent dividend payments throughout time should be a top priority when formulating dividend policy. According to this model, a company's worth is not based on dividend payments but on the earning potential of its assets. A reduction in dividend payments will lead to an increase in the company's capital. Investors focus on the company's future profit generation and management abilities rather than anticipating a large quarterly dividend payment. When making a decision, investors should consider more than just the dividend management policy of the company. According to the findings of this study, there was no link between the dividend policy of a company and its valuation. Findings from this study run counter to previous studies suggesting that dividend policy has an effect on company value. (Rahman, 2017)

LIMITATIONS AND FUTURE RESEARCH

Limitations of the Study

1. Sample Size: With just 33 businesses included in the research, it's possible that the heterogeneity between industries and company sizes is not completely captured.
2. Timeline: The research only covers the three-year period from 2018 to 2020, so financial dynamics and macroeconomic factors may not be included.
3. Geographical Scope: The research doesn't take into account any other developing or established markets as it is limited to companies listed in India.
4. Fourthly, the model did not account for other variables that may have had an impact, such as inflation, market circumstances, or tax policy.
5. The fifth point is linear analysis, which could miss non-linear or threshold effects when using regression.

Scope for Future Research

1. First, future studies may compare developed and developing nations to examine how leverage functions within the distinct financial rules and market architecture of each setting.
2. Second, you may get more in-depth insights by expanding the model to concentrate on dynamics peculiar to certain industries (like manufacturing vs. IT, for example).
3. Thirdly, in order to comprehend the dynamics of dividends, leverage, and growth, a longitudinal study would be beneficial because it would include data covering longer time frames (e.g., 10 to 15 years).
4. Adding More factors: To make the model even more robust, future studies might include other factors including earnings volatility, corporate governance, and investment efficiency.
5. Advanced Modeling Techniques: You can use advanced modeling techniques like structural equation modeling (SEM), machine learning algorithms, or panel data regression with fixed or random effects for a study that is more in-depth.

Conclusion

The following are the outcomes of the data analysis, hypothesis testing, and discussions that were carried out on property and real estate-related firms listed on the India Stock Exchange from 2018 to 2020: leverage has no effect on firm value. This fact proves that investors do not take into

account the ratio of a company's debt to its capital when making their evaluations of the business. (2) The value of a company is affected by its profitability. When deciding if a business is worth investing in, investors mostly look at its profitability. (3) The value of a company is unaffected by dividend policy. Investors would wisely put their money where their mouth is—in the company's capacity to produce money, both now and in the future.

Boosting investor confidence is crucial for the business's firm value, which is determined by how investors perceive the company. Management anticipates that the study's findings will serve as a reference by increasing the company's net profit because it is the primary reference that investors use when deciding whether or not to invest, rather than the amount of leverage or the disclosures made in the dividend policy. First, to broaden the scope of the research to include companies in other sectors listed on the India Stock Exchange, not just property and real estate companies. This will allow us to generalize our findings. Second, to extend the duration of the research past three years. Third, to increase the adjusted R square value, we suggest changing or adding research variables related to firm value of liquidity, managerial ownership, institutional ownership, investment opportunity, and firm size.

Suggestions

1. **Optimal Capital Structure**: A balance between equity and debt should be the goal of a company's finance strategy. The beneficial effect of dividend policy on the value and growth prospects of a corporation might be diminished if the leverage is too high.
2. **Profitability-Focused Investment**: Instead than depending just on dividend signaling, firms should make internal profitability and retained profits their top priorities for enhancing company value.
3. **Investor Awareness**: To better understand dividend announcements and make educated investing choices, investors can look at a company's leverage ratio.
4. **Strategic Dividend Planning**: Companies should have consistent and predictable dividend policies that are in line with their plans for long-term development and capital structure, instead than distributing dividends inconsistently or opportunistically.
5. **Policy Intervention**: A more confident and efficient market might be the result of regulatory agencies pushing for more openness in dividend announcements and leverage disclosures.

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