

Impact of Preference Share Capital on Equity Networth: An Empirical Case from the Indian Corporate Sector

Gurnam Singh Rasoolpur

Associate Professor in Commerce,

P.G. Department of Commerce & Business Management,
Guru Nanak College, Sukhchainana Sahib, Phagwara, India.
gstrasoolpur@gmail.com

Abstract-*The present empirical study is confined to J.K. Industries Ltd. from the tyres & tubes industry of the Indian corporate sector which covers a time period of ten years (effective nine years) extending from the year 1983 to 1991-92. The company is lying in top ten companies of tyres & tubes industry of the Indian corporate sector on the basis of sales for the year 1991-92 for the purpose of this study. The study reveals that leverage ratio₂ and preference share capital to equity networth ratio₂ of the company have declining trend during the period under study, whereas, aggregate leverage ratio₂ and preference share capital to equity networth ratio₂ of the company are worked out 45.38 percent and 1.21 percent, respectively, during the period under study. It is observed that cost of preference share capital (Kp_{at}) is varying from 11 percent to 14.28 percent during the period under study, whereas, aggregate cost of preference share capital (Kp_{at}) of the company is worked out 12.08 percent during the period under study. It is also found that rate of return on total networth on after tax basis (RON_{at}) is declining over the period under study and witnesses a deep decline in the years 1984-85 and 1986-87 when it is -0.22 percent and -6.99 percent respectively, whereas, rate of return on equity networth ($ROEN_{at}$) is also having declining trend over the period under study. Aggregate rate of return on total networth on after tax basis (RON_{at}) and aggregate rate of return on equity networth ($ROEN_{at}$) have been worked out 7.08 percent and 6.97 percent, respectively, during the period under study. It is also found that spread and net gain are negative for five out of nine years under study. In nut shell, it is concluded that the company is enjoying favourable leverage with regard to use of preference share capital during four out of nine years under study. Consequently, rate of return on equity networth ($ROEN_{at}$) is higher than cost of preference share capital (Kp_{at}) as well as rate of return on total networth (RON_{at}) in the above said four years over the period under study. However, on aggregate basis, the company is experiencing unfavourable leverage with regard to use of preference share capital over the period under study. It means that use of preference share capital in the capital structure of the company has positive impact on the profitability of the company during four out of nine years under study which consequently contributing to the equity networth of the company which is ultimately benefitting to the equity share holders of the company, whereas, on aggregate basis, it has negative impact on the profitability of the company during the study period. It is also found that the amount of preference share capital in the equity networth is very small during the period under study.*

Key Words: Return on Networth, Return on Equity Networth, Cost of Preference Share Capital

1. INTRODUCTION

Debt is a cheaper source of finance, cost of debt is lower than cost of preference share capital as well as equity share capital because the debt holders are the first claimants on the firm's assets at time of its liquidation. Similarly, they are the first to be paid their interest before any dividend is paid to preference and equity shareholders. Interest paid to the debt holders is an item chargeable to profits of a firm. But, the interest and principal repayment on debt are definite obligations that are payable irrespective of the financial situation of a firm. So debt is riskier. It enhances the financial risk. Also, if interest and principal payments on debt are not promptly met when due, bankruptcy, loss of control for the owners may occur. It will turn out that use of some debt by the firm is desirable and a strong case can be made for the existence of an optimal capital structure, or debt/equity mix. A firm should make a

judicious mix of both debt and equity to achieve a capital structure, which may be the optimal capital structure. Modigliani and Miller (1959) gave logically consistent behavioural justification for this relationship and denied the existence of an optimum capital structure. Barges (1963) tested the M-M hypothesis and found that the cost of capital comes down with leverage. Singh (1998) observed that cost of capital is a significant factor in case of large-size companies, while it is not a significant factor affecting capital structure of companies in case of medium and small-size companies. The primary aim of corporate management is to maximize shareholders' value and the value of a firm in a legal and ethical manner. So, a financial manager should consider a number of factors to set an optimal capital structure for a firm giving considerable weight to earning rate, collateral value of assets, age, cash flow coverage ratio, cost of borrowing,

size (net sales), dividend payout ratio, debt service ratio, cost of borrowing, corporate tax rate, current ratio, growth rate, operating leverage and uniqueness (selling cost/sales) etc. The choice between debt and equity to finance a firm's assets involves a trade-off between risk and return (Pandey, Chotigeat & Ranjit, 2000). The excessive use of debt may endanger the survival of a firm, while a conservative use of debt may deprive the firm in leveraging return to equity owners. Therefore, for taking more benefits of debt capital also by keeping away firms from risks, a desirable debt equity combination must be used in the total capital structure. Thus, the decision regarding debt equity mix in the capital structure of a firm is of critical one and has to be approached with a great care. The paper is organized into five sections. Section I provides the introduction about the capital structure. Section II shows the objectives of the present study. Section III deals with data source and sample size. Section IV deals with research methodology. Section V presents reports and analyses the empirical results of the study. Section VI summarizes and concludes the study.

2. OBJECTIVES OF THE STUDY

The present study has been undertaken with the following objectives.

- i. to measure the extent of leverage of J.K. Industries Ltd. from the tyres & tubes industry of the Indian corporate sector.
- ii. to examine the impact of use and cost of preference share capital on the equity networth of J.K. Industries Ltd. of tyres & tubes industry from the Indian corporate sector.

3. DATA SOURCE & SAMPLE SIZE

The study is confined to J.K. Industries Ltd. from the tyres & tubes industry of the Indian corporate sector. The study covers a time period of ten years (effective nine years) extending from the year 1983 to 1991-92 for the purpose of our research study. The company is lying in top ten companies of tyres & tubes industry of the Indian corporate sector on the basis of sales for the year 1991-92 for the purpose of this study. For the purpose of conducting the present study, data has been compiled from the different volumes of the Bombay Stock Exchange Official Directory.

4. RESEARCH METHODOLOGY

Capital structure has significant bearing on the profitability of a concern. Among the different sources of finance, debt is the cheapest source of finance followed by preference share capital. A number of studies have been conducted so far for highlighting the impact of debt on profitability of concerns in different industries. However, hardly any study has been carried out to study the impact of preference share capital on the profitability of concerns in the Indian corporate sector. So, in the present study a maiden attempt has been made to make an in-depth analysis of the impact

of preference share capital on the equity networth through a case of J.K. Industries Ltd of tyres & tubes industry of the Indian corporate sector. To analyse the data, the following ratios along with simple statistical tools like tables, percentages, etc. have been used for achieving the objectives of present study.

Preference Share Capital to Equity Networth Ratio: It can be calculated in the following manner

$$\text{Pref Share Capital to Equity Networth Ratio1} = \frac{\text{Preference Share Capital}}{\text{Equity Networth}}$$

$$\text{Pref Sh Cap to Equity Networth Ratio2} = \frac{\text{Pref. Share Capital}}{\text{Pref. Share Capital} + \text{Equity Networth}} \times 100$$

Leverage Ratio: It can be calculated in the following manner

$$\text{Leverage Ratio1} = \frac{\text{Term Debt} + \text{Short Term Loans and Advances} + \text{Pref. Share Capital}}{\text{Equity Networth}}$$

$$\text{Leverage Ratio2} = \frac{\text{Term Debt} + \text{Short Term Loans, Advances} + \text{Pref. Share Capital}}{\text{Term Debt} + \text{Short Term Loans, Advances} + \text{Pref. Share Capital} + \text{Equity Networth}} \times 100$$

Return on Total Networth on Before Tax Basis (RON_{bt}): It can be calculated in the following manner

$$\text{Return on Total Networth (RONbt)} = \frac{\text{Pre Tax Profits}}{\text{Total Networth}} \times 100$$

Return on Total Networth on After Tax Basis (RON_{at}): It can be calculated in the following manner

$$\text{Return on Total Networth (RONat)} = \frac{\text{Profits after Intt. \& Taxes}}{\text{Total Networth}} \times 100$$

Return on Equity Networth (ROEN_{at}): It is calculated in the following manner

$$\text{Return on Equity Networth (ROENat)} = \frac{\text{Profits after Intt \& Taxes} - \text{Pref Dividend}}{\text{Total Networth} - \text{Pref Share Capital}} \times 100$$

Cost of Preference Share Capital (K_{p_{at}}): The following formula is used to calculate the cost of preference share capital

$$\text{Cost of Pref. Share Capital (Kp_{at})} = \frac{\text{Preference Dividend}}{\text{Pref. Share Capital}} \times 100$$

Net Gain: The following is the formula for calculating it.

$$\text{Net Gain} = (\text{ROEN}_{at}) - (\text{RON}_{at})$$

Spread: The following is the formula for calculating it.

$$\text{Spread} = (\text{RON}_{at}) - (\text{Kp}_{at})$$

Effective Tax Rate (t): The following is the formula for calculating it.

$$\text{Effective Tax Rate (t)} = \frac{\text{Provision for Taxes}}{\text{Pre Tax Profits}} \times 100$$

Here Term Debt plus Short Term Loans & Advances comprise of debentures, long term loans and short term loans & advances. Total Networth includes equity share capital, preference share capital, capital reserves including share premium and other reserves & surplus less intangible assets. Intangible Assets include preliminary expenses, expenses on issue of shares and debentures, goodwill, technical know-how charges, drawings & designs, patents, trade-marks and copyright. While computing total networth usually accumulated losses are deducted from the aggregate of paid up share capital plus reserves & surplus. But in the present study in addition to accumulated losses,

goodwill, trade-mark, patents, & copyright have also been deducted. It is so because separate amount of accumulated losses is not available in the Bombay Stock Exchange Official Directory. Total networth has been also adjusted for the accounting year 1988-89 due to the change in the length of accounting year from 1st of April to 31st of March in the next year. Depreciation, interest charges and profits and/or losses have also been changed proportionately.

5. ANALYSIS OF EMPIRICAL RESULTS

Preference Share Capital to Equity Networth Ratio

As revealed by table 1, preference share capital to equity networth ratio₂ is varying from 8.31 percent in the year 1983 to 0.84 percent in the year 1991-92 during the period under study. It is around 1.60 percent during the period under study excepting for the year 1983 when it is 8.31 percent which shows that amount of preference share capital in the equity networth is very small

Table No. 1, Preference Share Capital to Equity Networth Ratio of JK Industries Ltd.

Year	Pref. Share Capital to Equity Networth Ratio ₁ = $\frac{\text{Pref. Share Capital}}{\text{Equity Networth}}$ (In Times)	Pref. Share Capital to Equity Networth Ratio ₂ = $\frac{\text{Pref. Share Capital}}{\text{Pref. Share Capital} + \text{Equity Networth}} \times 100$ (Percentage)
Dec.1983	.0906	8.31
1984-85	.0150	1.48
1985-86	.0147	1.45
1986-87	.0162	1.60
1987-88	.0142	1.40
1988-89	.0123	1.21
1989-90	.0111	1.09
1990-91	.0095	.94
1991-92	.0085	.84
JK Ind. Ltd.	0.0122 (Aggregate Basis)	1.21 (Aggregate Basis)

Source: Compiled from the Bombay Stock Exchange Official Directory, Vol. 36(iii), p. 48840.

during the period under study. Overall, it is declining during the period under study. It is highest, i.e. 8.31 percent, in the year 1983 and lowest, i.e. 0.84 percent, in the year 1991-92 over the period under study. On aggregate basis, aggregate preference share capital to equity networth ratio₂ of the company is worked out 1.21 percent during the period under study.

Leverage Ratio

As revealed by table 2, leverage ratio₂ is varying from 85.87 percent in the year 1983 to 33.58 percent in the year

1988-89 during the period under study. For eight out of nine years under study, leverage ratio₂ is below 60 percent. Overall, leverage ratio₂ has declining trend during the period under study. It is highest, i.e. 85.87 percent, in the year 1983 on account of higher interest bearing debt raised by company and lower amount of profits earned and repayment of interest debt by the company. It is lowest, i.e. 33.58 percent in the year 1988-89.

Table No. 2, Leverage Ratio of JK Industries Ltd.

Year	Leverage Ratio ₁ = $\frac{\text{Term Debt} + \text{Short Term Loans and Advances} + \text{Pref. Share Capital}}{\text{Equity Network}}$	Leverage Ratio ₂ = $\frac{\text{Term Debt} + \text{Short Term Loans and Advances} + \text{Pref. Share Capital}}{\text{Term Debt} + \text{Short Term Loans and Advances} + \text{Pref. Share Capital} + \text{Equity Network}} \times 100$
	(In Times)	(Percentage)
Dec.1983	6.0750	85.87
1984-85	1.4635	59.41
1985-86	1.2315	55.19
1986-87	0.8674	46.45
1987-88	0.5882	37.04
1988-89	0.5055	33.58
1989-90	0.6114	37.94
1990-91	0.5631	36.02
1991-92	0.8141	44.88
J.K. Ind. Ltd.	0.8309(Aggregate Basis)	45.38(Aggregate Basis)

Source: Compiled from the Bombay Stock Exchange Official Directory, Vol. 36(iii), p. 48840.

due to the higher profits earned by the company. On aggregate basis, aggregate leverage ratio₂ of the company is worked out 45.38 percent during the period under study.

Cost of Preference Share Capital (Kp_{at})

As revealed by table 3, cost of preference share capital (Kp_{at}) is varying from 11 percent to 14.28 percent during the period under study. Starting from the year 1983, it remains constant to 11 percent upto the year 1989-90. Subsequently, it starts rising and touches the level of 14.28 percent in the year 1991-92. On aggregate basis, aggregate cost of preference share capital (Kp_{at}) of the company is worked out 12.08 percent during the period under study.

Return on Total Network on After Tax Basis (RON_{at})

As revealed by table 3, rate of return on total network (RON_{at}) on after tax basis is varying from 23.74 percent in the year 1983 to -6.99 percent in the year 1986-87 during the period under study. For two out of nine years under study, the company incurs losses leading to negative rate of return on total network. This happens for the years 1984-85 and 1986-87 when rate of return on total network is -0.22 percent and -6.99 percent, respectively. During five out of nine years under study, rate of return on total network (RON_{at}) on after tax basis is below 6 percent. Overall, it has been declining over the period under study and witnesses a deep decline in the years 1984-85 and 1986-87 when it is -0.22 percent and -6.99 percent, respectively. It is highest, i.e. 23.74 percent, in the year 1983 due to the lesser amount of total network as compared to the other years under study on account of less

amount of equity share capital and other capital reserves. It is lowest, i.e. -0.22 percent and -6.99 percent, in the years 1984-85 and 1986-87 due to the losses suffered by the company. On aggregate basis, rate of return on total network (RON_{at}) on after tax basis of the company is worked out 7.04 percent during the period under study.

Return on Equity Network (ROEN_{at})

As revealed by table 3, rate of return on equity network (ROEN_{at}) is varying from 24.89 percent in the year 1983 to -7.29 percent in the year 1986-87 during the period under study. For two out of nine years under study, the company incurs losses leading to negative rate of return on equity network. This happens for the years 1984-85 & 1986-87 when it is -0.39 percent and -7.29 percent, respectively. During five out of nine years under study, rate of return on equity network (ROEN_{at}) is below 6 percent. Overall, it has declining over the period under study. It is highest, i. e. 24.89 percent, in the year 1983 due to the highest rate of return on net total assets (ROI_{at1}) as well as net assets (ROI_{at2}) on after tax basis and highest excess gap of rate of return on total network (RON_{at}) over cost of preference share capital (Kp_{at}). It is lowest, i.e. -0.39 percent and -7.29 percent in the years 1984-85 & 1986-87 due to the losses suffered by the company on account of sluggish market conditions and increased costs in the year 1984-85 and loss of production due to fire and strike by the workmen in the year 1986-87. On aggregate basis, rate of return on equity network (ROEN_{at}) of the company is worked out 6.97 percent during the period under study.

Table No. 3, Impact of Preference Share Capital on Return on Equity Networth in JK Industries Ltd.

Year	Return on Total Networth $RON_{at} = \frac{\text{Profit after Intt \& Taxes}}{\text{Total Networth}} \times 100$ (Percentage)	Cost of Pref Share Capital $Kp_{at} = \frac{\text{Pre. Dividend}}{\text{Pref Share Capital}} \times 100$ (Percentage)	Return on Equity Networth $ROEN_{at} = \frac{\text{Profits after Intt \& Taxes} - \text{Pref Dividend}}{\text{Total Networth} - \text{Pref Share Capital}} \times 100$ (Percentage)
Dec. 1983	23.74	11	24.89
1984-85	-22	11	-39
1985-86	3.58	11	3.47
1986-87	-6.99	11	-7.29
1987-88	16.38	11	16.46
1988-89	17.09	11	17.16
1989-90	14.29	11	14.32
1990-91	5.63	13.52	5.55
1991-92	5.29	14.28	5.21
JK Industries Ltd.	7.04 (Aggregate Basis)	12.08 (Aggregate Basis)	6.97 (Aggregate Basis)

Source: Compiled from the Bombay Stock Exchange Official Directory, Vol. 36(iii), p. 48840.

Impact of Preference Share Capital on Return on Equity Networth

Table 3 also shows the effects of use and cost of preference share capital (Kp_{at}) on rate of return on equity networth ($ROEN_{at}$) for a period of nine years from the year 1983 to 1991-92 over the period under study. Comparison of cost of preference share capital (Kp_{at}) with rate of return on total networth (RON_{at}) shows that latter is higher than former for all the years excepting for the years 1984-85, 1985-86, 1986-87, 1990-91 and 1991-92 over the period under study. This leads to conclude that company is enjoying favourable leverage with regard to use of preference share capital for four out of nine years under study. Consequently, rate of return on equity networth ($ROEN_{at}$) is higher than cost of preference share capital

(Kp_{at}) as well as rate of return on total networth (RON_{at}) in the above said four years over the period under study. As revealed by tables 3 & 4, on aggregate basis, the company is experiencing unfavourable leverage with regard to use of preference share capital during the period under study. It means that use of preference share capital in the capital structure of the company has positive impact on the profitability of the company during four out of nine years under study which consequently contributing to the equity networth of the company which is ultimately benefitting to the equity share holders of the company, whereas, on aggregate basis, it has negative impact on the profitability of the company during the study period. Further detail regarding spread and net gain has also been given in table 4.

Table No. 4, Analysis of Spread and Net Gain in JK Industries Ltd.

Year	Spread between RON_{at} & Kp_{at} $(RON_{at} - Kp_{at})$ (Percentage)	Leverage Impact	Net Gain $ROEN_{at} - RON_{at}$ (Percentage)
Dec. 1983	12.74	Favourable	1.15
1984-85	-11.22	Unfavourable	-17
1985-86	-7.42	Unfavourable	-11

1986-87	-17.99	Unfavourable	-.30
1987-88	5.38	Favourable	.08
1988-89	6.02	Favourable	.07
1989-90	3.29	Favourable	.03
1990-91	-7.89	Unfavourable	-.08
1991-92	-8.99	Unfavourable	-.08
JK Ind. Ltd.	-5.04	Unfavourable	-.07
	(Aggregate Basis)	(Aggregate Basis)	(Aggregate Basis)

Source: Compiled from the Bombay Stock Exchange Official Directory, Vol. 36(iii), p 48840.

In this company, spread and net gain have been highest, i.e. 12.74 percent and 1.15 percent, respectively in the year 1983 due to highest leverage ratio₂ i.e. 85.86 percent over the period under study. Spread and net gain are negative for five out of nine years under study. On aggregate basis, spread and net gain of the company is -5.04 percent and -0.07 percent, respectively, during the period under study.

6. SUMMARY AND CONCLUSIONS

Capital structure has significant bearing on the profitability of a concern. Among the different sources of finance, debt is the cheapest source of finance followed by preference share capital. A number of studies have been conducted so far for highlighting the impact of debt on profitability of concerns in different industries. However, hardly any study has been carried out to study the impact of preference share capital on profitability in the Indian corporate sector. So, in the present study, a maiden attempt has been made to make an in-depth analysis of the impact of preference share capital on equity networth through a case of J.K. Industries Ltd in tyres & tubes industry. So, the study is confined to J.K. Industries Ltd. from the tyres & tubes industry of the Indian corporate sector. The study covers a time period of ten years (effective nine years) extending from the year 1983 to 1991-92. The company is lying in top ten companies of tyres & tubes industry of the Indian corporate sector on the basis of sales for the year 1991-92 for the purpose of this study. The following are the conclusion and findings of the present study.

- 1 It is observed that leverage ratio₂ is declining during the period under study, whereas, aggregate leverage ratio₂ of the company is worked out 45.38 percent during the period under study.
- 2 It is found that preference share capital to equity networth ratio₂ is around 1.60 percent during the period under study except for the year 1983 when it is 8.31 percent which shows that amount of preference share capital in the equity networth is very small during the period under study. However, on aggregate basis, aggregate preference share capital to equity networth ratio₂ of the company is worked out 1.21 percent during the period under study.

3 It is observed that cost of preference share capital ($K_{p_{at}}$) is varying from 11 percent to 14.28 percent during the period under study. Aggregate cost of preference share capital ($K_{p_{at}}$) of the company is worked out 12.08 percent during the period under study.

4 It is also found that rate of return on total networth on after tax basis (RON_{at}) is declining over the period under study and witnesses a deep decline in the years 1984-85 and 1986-87 when it is -0.22 percent and -6.99 percent, respectively, whereas rate of return on equity networth ($ROEN_{at}$) is also having declining trend over the period under study. Aggregate rate of return on total networth on after tax basis (RON_{at}) and aggregate rate of return on equity networth ($ROEN_{at}$) have been worked out 7.08 percent and 6.97 percent, respectively, during the period under study.

5 It is also observed that company is enjoying favourable leverage with regard to use of preference share capital during four out of nine years under study. Consequently, rate of return on equity networth ($ROEN_{at}$) is higher than cost of preference share capital ($K_{p_{at}}$) as well as rate of return on total networth (RON_{at}) in the above said four years over the period under study. However, on aggregate basis, the company is experiencing unfavourable leverage with regard to use of preference share capital over the period under study.

6 It is also found that spread between rate of return on total networth on after tax basis (RON_{at}) and cost of preference share capital ($K_{p_{at}}$), and net gain {i.e. rate of return on equity networth ($ROEN_{at}$) minus rate of return on total networth on after tax basis (RON_{at})} are highest, i.e. 12.74 percent, 1.15 percent, during the year 1983 over the period under study. Spread and net gain of the company are negative for five out of nine years under study. However, on aggregate basis, spread and net gain of the company are -5.04 percent and -.07 percent respectively during the period under study.

In nut shell, it is concluded that the company is enjoying favourable leverage with regard to use of preference share capital during four out of nine years under study.

Consequently, rate of return on equity networth (ROEN_{at}) is higher than cost of preference share capital (K_p_{at}) as well as rate of return on total networth (RON_{at}) in the above said four years over the period under study. However, on aggregate basis, the company is experiencing unfavourable leverage with regard to use of preference share capital over the period under study. It means that use of preference share capital in the capital structure of the company has positive impact on the profitability of the company during four out of nine years under study which consequently contributing to the equity networth of the company which is ultimately benefitting to the equity share holders of the company, whereas, on aggregate basis, it has negative impact on the profitability of the company during the study period. It is also found that the amount of preference share capital in the equity networth is very small during the period under study.

REFERENCES

- [1] Allen, D.E. and Mizuno, H., "The Determinants of Corporate Capital Structure: Japanese Evidence" Applied Economics, Vol. 21, No.5, May, 1989, pp. 569-585.
- [2] Anthony, Robert N. and Reece, James S., (1982), "Management Accounting Principles," D.S. Taraporewala and Sons, New Delhi.
- [3] Chandra, Prasanna, (1984), "Financial Management Theory and Practice," Tata McGraw Hill Publishing Company Ltd., New Delhi.
- [4] Chandra, Prasanna, (1985), "Management's Guide to Finance and Accounting," Tata McGraw Hill Publishing Company Ltd., New Delhi.
- [5] Gangadhar, V. and Begum, Arifa, "Impact of Leverage on Profitability," Journal of Accounting & Finance, Vol. 17, No.1, Oct., 2002 – March, 2003, pp. 58-72.
- [6] Garg, Mahesh Chand and Shekhar, Chander, "Determinants of Capital Structure in India," The Management Accountant Vol. 37, No. 2, Feb., 2002, pp. 86-92.
- [7] Guthman, Harry G., (Forth Edition), "Analysis of Financial Statements," Prentice Hall of India, New Delhi.
- [8] Khan, M.V. & Jain, P.K., (1983), "Financial Management," Tata McGraw Hill, New Delhi.
- [9] Kraus, Alan and Litzenberger, Robert H., "A State Preference Model of Optimal Financial Leverage," The Journal of Finance, Vol. 28, Sept., 1973, pp. 911-921.
- [10] Kulkarni, P.V., "Business Finance-Principles & Problems," Himalaya Publishing House, Bombay.
- [11] Narang&Kaushal, (2006), "Business Ethics," Kalyani Publishers, Ludhiana.
- [12] Narender and Sharma, "Determinants of Capital Structure in Public Enterprises," Finance, Vol. 12, No. 7, 2006, pp. 14-28.
- [13] Pandey, Dr. Indra Mohan, "Leverage, Risk and the Choice of Capital Structure," The Management Accountant, Vol. 13, No.3, March, 1978, pp. 203-208.
- [14] Pandey, I.M. (2003), "Financial Management," Vikas Publishing House, New Delhi.
- [15] Pandey, I.M., "The Financial Leverage in India: A Study," Indian Management, March, 1985 pp. 21-34.
- [16] Pandey, Indra Mohan, "Impact of Corporate Debt on the Cost of Equity," The Chartered Accountant, Vol. 27, No. I, July, 1978, pp. 14-20.
- [17] Rasoolpur, G.S., "An Empirical Analysis of Capital Structure Determinants: Evidence from the Indian Corporate Sector," International Journal of Management & Information Technology, Vol. 1, No. 3, Sept., 2012, pp. 1-12.
- [18] Rasoolpur, G.S., "Composition of Capital Structure Decisions: Comparative Empirical Evidence from India," International Journal of Research in Business and Technology, Vol. 1, No. 1, Dec., 2012, pp. 1-12.
- [19] Rasoolpur, G.S., "Impact of Cash Flow Coverage, Debt Service, & Current Ratio on Capital Structure Decisions: Empirical Evidence from the Indian Corporate Sector," Journal of Research in Marketing, Vol. 3, No. 1, August, 2014, pp. 232-238.
- [20] Rasoolpur, G.S., "Leverage Decisions: A Case of Textile & Readymade Garments Industry of the Indian Corporate Sector," International Journal of Research in Business and Technology, Vol. 2, No. 2, May, 2013, pp. 27-32.
- [21] Titman, S., &Wessells, R., "The Determinants of Capital Structure Choice," The Journal of Finance, Vol. XLIII, No. 1, March, 1988, pp. 1-19.
- [22] Vashishth, Neeru& Rajput, Namita, (2010), "Corporate Governance Value & Ethics," Taxmann Publications (P) Ltd., New Delhi.
- [23] Venkatesan, S., "Determinants of Financial Leverage an Empirical Extension," The Chartered Account, Vol. 32, Jan., 1983, pp. 519-27.