9. Conclusion

Net worth of the company started increasing throughout the study period. Debt capital has decreased from the year 2010-2011 because of debt repayments and debt swapping. The weighted average cost of capital (WACC) of the company fluctuated over years. It is very high in the financial year 2003-04 because of huge losses and reduction in net worth. This has led to an increase in debt capital. The WACC of the company are very low suggesting that amount of debt in the capital structure. It had reduced the owner's fund and confidence as the risk of the equity holder's return on assets which has lowered all the ROE, ROA, EPS etc. The value of the firm is positively correlated with its ROE, Value of debt and equity. The ratio of the company is increased over years because of the investment decisions of the company that are reflected from the EBIT as well as the low cost of capital due to balanced capital structure. Since it has an optimal capital structure it will have positive effect in its future business.