CHAPTER-6 CONCLUSION

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6.1 Brief Of Indian Corporate And Its Status In The World:

Human life is associated with work. Work is the remedial part of human being. There are two types of activities, which are related with the human being. The first type is social work and another is related with the economic work. Indian economic history is related with the development of the economy from ancient times to the present time. The economic history of India can be traced back to the time of ancient Indus Valley Civilization. Human learned how to settle at one place instead of being nomads. Due to the fertile lands, they learnt how to cultivate and do farming. Gradually, the needs of human being were increased and that was the reason for development of commerce. Commerce is that type of business activity, which is considered with the distribution of goods and services produced by the industry. Commerce is developed due to the development in transport, insurance, warehousing etc.

There are mainly three forms of business organization. They are mainly sole, proprietorship, partnership and joint stock companies. Sole proprietorship and partnership form of business organization can be start with ownership or partners’ capital, but for the commencement of company form of business organization, the capital can be raised through public issues, initial offers, right issues, bonus shares etc. According to RBI published annual report, total capital creation in the country in the year 1950-51 is ₹1037 crore. In 1990-91 it was ₹135798 crores and in the year 2006-2007 it was ₹1502508 crores. In the year 1946, there were 7 stock exchanges with 1125 registered companies and ₹270 crores capital. In the year 1990, there were 20 stock exchanges with 8593 registered companies and capital of ₹57583 crores.

During the year 1995-96 to 2008-09, corporate sectors have raised capital through equity shares ₹ 233795 crores, by right shares ₹52509 crores and by private placement ₹1174239 crores. In the year 2010, total 24 stock exchanges with 5034 registered companies with 1.63 USD Trillion market capitalization.

For the growth of company level, it is necessary to develop infrastructure. For that purpose large amount of capital must be needed and it can be satisfied
through foreign direct investment. In the year 2010-2011, the FDI inflows is if 73177 crores. The total FDI from April 2000 to December 2010 is 565913 crores.

6.2 Industrywise:

6.2.1 Automobile Industry:

Automobile Industry has made a tremendous growth in recent years and it is to be expected in the unforeseeable future. The automobile industry comprises of heavy vehicles like trucks, buses, tempos, tractors, passenger cars etc. Heavy vehicle section is dominated by Tata-Telco, Ashok Leyland, Mahindra and Mahindra. The dominant players in the two wheelers sector are Hero-Honda, Bajaj etc. For these leading companies, in this study Ashok Leyland, Hero-Honda Motors, Mahindra and Mahindra Ltd and Tata Motors are included. Indian Automobile industry has matured in last few years and offers differentiated products for different segments in the society. It is currently making inroads into the rural middle class market after its inroads into the urban market and rural rich. In the recent years, Indian automobile sector has witnessed a slew of investment. India is one every major global automobile player's radar. The automobile sector of India is able to employee more than 10 million people directly or indirectly so it can be said that the automobile industry is one of the key sector for employment. Therefore, it is selected for the analysis purpose. Automobile Industry 5 companies namely Ashok Leyland Ltd, Bharat Forge Ltd, Hero-Honda Motors Ltd, Mahindra and Mahindra Ltd and Tata Motors Ltd are selected for analysis.

In case of Ashok Leyland Ltd shareholder value creation-1 has shown increasing trend except for the year 2002-2003. It shows that the earning capacity of the company is found to be satisfactory. Shareholder value creation-2 shows continuous increasing trend. It has relation with the external factors and external factors are found to be in favour of company. It means company could manage to create positive impact on external factors. At the same time, overall result that is total shareholder value creation is also shows positive increasing trend. The market price of the share during the period of study shows the following results.
The high market price is continuously increased and at the same average lower price difference is also found to be significant in the positive direction for e.g. in the year 2001-2002, the average lower price was ₹4.07 while in the last year of the study it was ₹30.30. In brief, the overall shareholder value creation the status of the company is found to be satisfactory from the view point of earning capacity as well as to create positive impact on external factors. In Bharat Forge Ltd. The shareholder value creation-1 shows continuous increasing trend, which shows favourable economic efficiency of the company. The shareholder value creation-2 also shows continuous positive trend which shows that the company has good image in the market so the investors are attracted to purchase shares. The total value creation also in positive trend. The high market price is continuously increases except in the last year same way low market price also increases except in the last year. The average high price was 25.85 in the year 2001-02 and ₹485 in the year 05-06. The average low price in the year 2001-02 was ₹9.12 and in the year 2005-06 it was ₹240.20. In brief, from the view point of economic efficiency and market factors the company is found to be good. In case of Hero-Honda Motors Ltd, the value creation-1 shows continuous positive trend. Shareholder value creation-2 and total shareholder value creation also shows positive trend. From the above results, it can be said that the company is having high level of management efficiency and positive image of the company in the mind of the investors. The high market price shows continuous increasing trend. Except in the year 2006-07, the low market price also shows tremendous growth during the observed years. From the all point of view, the company is able to sustain the interest of the investors. In case of Mahindra and Mahindra Ltd the value creation-1 shows upward growth except in the year 2005-06, the value creation-2 shows negative trend in the first two observed years i.e. 2001-02 and 2002-03. Thereafter, it increases upto the year 2004-05, in the year 2005-06 it goes down but in the year 2006-07, it was again shows increasing results. In total value creation also the trend was fluctuating. The external factors of the company are not favourable. The market price high and low both shows continuous upward trend. Therefore, it can be said that the company is able to sustain the faith of investors.
In case of Tata Motors Ltd, the value creation-1 shows continuous upward trend which shows the management efficiency of the company is good. The value creation-2 shows negative in the year 2001-02 but thereafter it shows continuous upward trend. It means that investors are not ready to purchase shares during the particular period. The total value creation shows continuous upward trend. The high and low market prices are having continuous increasing growth. So it can be said that the perception of the investors for the company is excellent.

From the automobile industry, out of selected five companies the average shareholder value creation of Ashok Leyland is 670.67 as against the it’s paid up value of Re.1. The value creation of Bharat Forge Ltd is ₹2. In Hero Honda Motors Ltd the value creation is 23048.75 against the paid up value of ₹2. in Mahindra and Mahindra Ltd and Tata Motors Ltd. The Value creation is 3353.77 and 38.3.5 respectively against the similar paid up value of ₹10. From the above it can be said that in automobile industry, all selected companies have performed well but the Hero Honda Motors Ltd has an excellent creation. It has created highest growth amongst the all selected companies.

For the purpose of comparison and consistency the mean, Standard Deviation and co-efficient of variations are found out of the selected companies. The mean shows average results of the companies. As per mean, the Hero Honda Motors is having 1st rank, Tata Motors 2nd rank, Mahindra and Mahindra 3rd rank, Bharat Forge Ltd 4th rank and Ashok Leyland Ltd 5th rank. The Standard Deviation and co-efficient of variations is found to know the deviation and consistency of shareholder value creation in selected companies. As per S.D., Mahindra and Mahindra and Ashok Leyland Ltd both are having 1st rank, Bharat Forge is having 3rd rank, Hero Honda Motors Ltd is having 4th rank, while Tata Motors is having 5th rank. Co-efficient of variations shows that Mahindra and Mahindra Ltd is having 2nd rank, Ashok Leyland is having 3rd rank, Tata Motors is having 4th rank and Bharat Forge Ltd is having 5th rank.
6.2.2. Banking Industry:

The effective banking system is the most desirable need of healthy economy. The banking system in India, is now able to meet new challenges posed by the technology and other factors. In past three years, banking sector has made a tremendous growth. At present, banks are not only limited to the main areas of the country but it is able to reach at each and every remote corners of the country. The General Bank of India was set up in the year 1786. During the year 1913 to 1948, the growth was very slow. There were approximately 1100 Banks, seven banks forming subsidiary of State Bank of India was nationalized in the year 1960. With changing times, the banking sector in India too observed a sea change. This has also opened new avenues of growth for the banking industry. From branch banking to internet banking and now to mobile banking, the industry has surely come of age. Internet banking has provided the freedom of 24x7 banking to the customers. The usage of credit and debit cards has also seen a major increase amongst the younger segment of customer. By observing growth and usefulness the banking industry is selected for the study. In this study, 5 banks are selected. They are named by Bank of Baroda, Bank of India, Canara Bank, State Bank of India and Union Bank of India.

In Bank of Baroda, the value creation-1 shows continuous upward trend, which shows the profitability of the bank is good but value creation-2 shows negative results in all selected years except the year 2006-07. The total shareholder value creation is having continuous upward trend. The high and low both market prices shows positive trend. In Bank of India, the value creation-1 and total value creation shows continuous upward trend while value creation-2 shows years but in the last two observed years, it is in positive trend. The high and low both market prices shows continuous upward trend. In case of State Bank of India, the value creation-1 and total value creation shows upward trend. In value creation-2, first two observed years shows negative result but there after it is in increasing trend. The both high and low market prices shows upward trend. In value creation-2, first two observed years shows negative result but there after it is in increasing trend. The both high and low market prices shows upward trend while value creation-2 shows fluctuation in results during the observed period. The high market price is in upward trend while low market
price was down in the year 2006-07. The Union Bank of India reflects that the value creation-1 and total value creation are in upward trend but the trend of value creation-2 was in negative up to first three observed years but there after in positive trend. The high and low both market prices go down in the last year of the study that is 2006-07.

The average shareholder value creations of selected five banks are observed. In Bank of Baroda, the average value creation is 1377.17 as against the paid up value of ₹10. In Bank of India it is 637.23, in State Bank of India it is 5344.78, in Canara Bank 1252.48 and in Union Bank of India 512.9 against the paid up value of ₹10. From the observation, it is revealed that the average value creation of State Bank of India was the highest from the selected banks.

The mean, standard deviation and co-efficient of variations are found to know the average and consistency of the shareholder value creation. As per mean, the State Bank of India is having 1st rank, Bank of Baroda 2nd Rank, Canara Bank 3rd Rank, Bank of India 4th Rank and Union Bank of India 5th Rank. As per standard Deviation, Union Bank of India is having 1st Rank, Bank of India is having 2nd Rank. As per Co-efficient of variations, the Bank of Baroda is having 1st Rank and State Bank of India is having 2nd Rank.

6.2.3 Capital Goods Industry:

Capital goods include goods such as tools and Machinery that business use to produce, the consumer products and services. Capital goods are distinguished from the consumer goods, which are not used in the production process and are intended for personal consumption. Capital goods use resources in such a way that they increase the capability of the production process. Capital goods can be considered as fixed goods that are assets that are necessary to carry on a business. They study was conducted by Confederation of Indian Industry (CII) of the department of Heavy Industry, Government of India on capital goods industry focusing on four sectors like Mining and Construction Equipment, Process Plants, Machine Tools and Electrical Machinery. In this study five companies of capital goods industry are selected, The name of the companies are

The Elecon Engineering Ltd. Shows that the value creation-1 is in increasing trend except in the year 2002-03. The value creation-2 shows negative results up to first four years of observation but thereafter it shows increasing trend. The total value creation is in upward trend. The high and low market prices are showing continuous upward trend. In case of Gammon India Ltd, the value creation-1 shows continuous upward trend but value creation-2 was negative in the first two observed years, thereafter it shows upward trend. The total value creation is showing upward trend. The high and low market prices are showing increasing trend. In case of L & T Ltd, the growth of value creation-1,2 and total shows increasing results. The high and low both market prices shows upward growth. In Reliance Limited, the value creation-1 is increasing except in the year 2003-04. The value creation-2 and total value creation both shows fluctuation trend. The high market price goes down in the last two observed year while low market price goes down in the year 2006-07. In case of Walchandnagar Industries Ltd, the growth of value creation-1 and 2 were reported fluctuating but total value creation shows continuous upward trend. The high and low both market prices are showing positive results.

The average shareholder value creation of Elecon Engineering Ltd, is 3575.67 as against the paid up value of ₹2. In case of Gammon India Ltd, the value creation is 7456 and in case of L & T Ltd, is 37414.5 as against the paid up value of ₹2. In Reliance Ltd, it is reported as 50573.8 against the paid up value of ₹10. The value creation of Walchandnagar Ltd is 2638.92 against the paid up value of ₹2. In capital goods industry the performance of all companies are good but the best performance is reported of Reliance Industries Ltd.

For the purpose of Comparison and consistency the mean, S.D. and co-efficient of variations are found out. As per mean, Reliance Industries is having 1st and L & T Ltd is having 2nd rank. As per S.D., Reliance Industries Ltd is having 5th rank, while Walchandnagar Ltd is having 1st rank. As per co-efficient of variation, the
Reliance Industries Ltd is having 1st rank, while L & T Ltd is having 2nd rank. So it can be said that, the consistency of these two companies found to be excellent.

6.2.4 FMCG Industry:

Products, which have a quick turnover and relatively low cost are known as Fast Moving Consumer Goods (FMCG). FMCG products are those that get replaced within a year. FMCG goods generally include a wide range of frequently purchased consumer products such as toiletries, soap, cosmetics, glassware, plastic products etc. In 2005, the ₹48000 crore FMCG segment was one of the fast growing industries in India. The Indian FMCG sector is the 4th largest in the economy and has a market size of US $ 13.1 billion. FMCG in India has a strong and competitive MNC presence across the entire value chain. It has been predicted that the FMCG market will reach to US $ 33.4 billion in 2015 from US $ 11.6 billion in 2003. The Indian economy is surging ahead by leaps and bounds, keeping pace with rapid urbanization increased literacy levels and rising per capital income. In this study, 5 companies like Colgate, Godrej, Hindustan Uniliver, ITC and Nestle India Ltd are selected.

In case of Colgate Ltd, the value creation-1 shows fluctuation during the whole period of study. In value creation-2 and total value creation both shows ups and down during the observed period. The high market price was reported highest in the year 2006-07. In case of Godrej Consumer Products Ltd, the value creation-1 shows fluctuation while value creation-2 and total value creation both shows increasing trend. The high market price was highest in the year 2006-07. The low market price shows downward trend. The Hindustan Uniliver Ltd, shows fluctuation in value creation-1, 2 and total. The high market price was reported highest in the year 2004-05 but thereafter it reduced in the following observed years. In ITC Ltd, the value creation-1 shows fluctuation. In value creation2 and total value creation it goes down in the year 2002-03, but thereafter they are in increasing trend. The high and low both market prices are showing satisfactory results. In Nestle India Ltd, the value creation 1, 2 and total value creation are showing fluctuation in their results. The high market price was reported highest in the year 2006-07.
The average shareholder value creation of Colgate India Ltd, and Nestle India Ltd, are 1945.3 and 6878.58 respectively as against the paid up value of ₹ 10. The average shareholder value creation of Godrej Ltd, Hindustan Uniliver Ltd and ITC Ltd, are reported as 6689.33, 18519.67 and 10595 respectively against the paid up value of Re 1. The highest value creation is reported in Hindustan Uniliver Ltd.

The mean, co-efficient of variation and Standard Deviation shows the following results.

As per the mean, Nestle India Ltd is having 1st rank and Colgate Palmolive India Ltd is having 2nd rank. As per the Standard Deviation, Hindustan Uniliver is having 1st rank and ITC Ltd is having 2nd rank. As per co-efficient of variation, the Hindustan Uniliver Ltd, shows 1st rank and Nestle India Ltd, is having 2nd rank, the consistency of Hindustan Uniliver Ltd is found the best amongst all the selected companies.

6.2.5 Healthcare Industry:

Healthcare industry was grew up between the early 1950 and early 1980s, but because of fast population growth, the number of licensed medical practitioners per 10000 individuals had fallen by the late 1980s to three per 10000 from the 1981 level of four per 10000. In 1991, there were approximately 10 hospital beds per 10000 individuals. Primary health centres are the cornerstone of the rural healthcare system. By 1991, India had about 22400 primary health centres, 11200 hospitals and 27400 dispensaries.

Central Government efforts at influencing public health have focused on the five year plans, on co-ordinated planning with the states and on sponsoring major health programs. Government expenditures are jointly shared by the Central and State Governments. India is quickly becoming a hub for medical tourists seeking quality healthcare at an affordable cost. For the purpose of study, 5 companies like Apollo Hospitals Ltd, Ranbaxy Laboratories Ltd, Lupin Ltd, Cipla Ltd, and Dr. Reddy’s Pathology Laboratories are selected.
In case of Apollo Hospitals Ltd, value creation-1 shows fluctuation but value creation-2 and total value creation shows continuous upward trend. The high market price increased except in the last year while low market price increases continuously. In case of Cipla Ltd, value creation-1, 2 and total is in increasing trend except in the year 2006-07. The high and low both market prices shows upward trends. In case of Dr. Reddy’s Laboratories Ltd, the value creation-1, 2 and total are in increasing trend except in the year 2006-07. The high and low both market prices are showing upward trend. In case of Lupin Ltd, also value creation-1, 2 and total are in increasing trend except in the year 2006-07, while market prices like high and low both are in increasing trend. In case of Ranbaxy Laboratories Ltd, the value creation-1 shows continuous upward trend while value creation 2 and total value creation shows fluctuation during observation. The high and low market prices are also showing fluctuation during the observed period.

The average shareholder value creation of Apollo Hospitals Ltd, Lupin Ltd and Cipla Ltd are 2302.37, 4224.7 and 12344.52 as against the paid up value of ₹10. The case of Ranbaxy Ltd and Dr. Reddy’s Laboratories Ltd the average value creation are 7594.53 and 17426.17 as against the paid up value of ₹5 and ₹2 respectively. The average highest value creation is done by Dr. Reddy’s Laboratories i.e. 17426.17.

The mean, S.D. and co-efficient of variations are found for the measurement of value creation. By means, Cipla Ltd is having 1st rank and Lupin Ltd, is having 2nd rank. On the basis of S.D., Dr. Reddy’s Laboratories is having 1st and Ranbaxy Laboratories is having 2nd rank. From the observation it can be said that the Dr.Reddy’s Laboratories Ltd is having the highest consistency level.

6.2.6 IT Industry:

Information Technology Industry basically refers to the employment of computer hardware and software applications to manage data. IT relates to the thoughts and visions of networks, the internet server rooms racks of switches and routers and advanced terms including IP address, security and more etc.
computer related issues. The IT sector was invented in the year 1622, when calculators were invented. Another invention was punch card machine, which was developed by IBM in 1900’s.

Today, the growth of IT sector becomes very fast. IT departments are using computers, data centres, servers, database management system, specialized software applications and more etc. Therefore, for the growth of industry, 5 companies are selected. The selected companies are Financial Technologies Ltd, HCL Technologies Ltd, Infosys Ltd, Moser Baer Ltd and Wipro Ltd.

The value creation-1, 2 and total creation are having an excellent growth during the whole observed period. The high and low market prices are also having a tremendous growth. In case of HCL Technologies Ltd, the value creation-1 is having fluctuating growth. The value creation-2 shows negative trend except in the year 2005-06. The total value creation is having increasing growth except in the year 2006-07. In case of Infosys Ltd, the value creation-1, 2 and total shows fluctuation during the whole observed period. The both market prices high and low showing increasing trend. The Moser Baer Ltd, shows fluctuation in value creation-1, 2 and total. The high and low market price shows ups and downs during the whole observed period. in case of Wipro Ltd value creation-1 shows ups and downs. The value creation-2 and total value creations shows downward trend except in the year 2006-07. The high and low market prices are showing variations in the whole study period.

The average shareholder value creation of Financial Technologies Ltd, HCL Technologies Ltd, and Wipro Ltd, are 2126.08, 2166.58 and 47322.17 as against the paid up value of ₹2 respectively. In case of Infosys and Moser Baer Ltd, the average shareholder value creations are 59002.13 and 2162.86 against the paid up value of ₹5 and ₹10 respectively. The highest value creation is of Infosys Ltd i.e. 59002.13.

As per the mean, Infosys is having 1st and Wipro Ltd is having 2nd rank. As per S.D., Moser Baer is having 1st and HCL Technologies is having 2nd rank. From the
study, it can be said that, the highest creation is done by Infosys while the highest consistency is maintained by Moser Baer Ltd.

### 6.2.7 Metal Industry:

For analysing economic development of country, Metal industry is an important indicator. It is highly scientific and technology oriented. The roots of the Indian Steel Industry in modern times can be traced to the year 1874, when a company called Bengal Iron Works at Kulti, Near Asansol in West Bengal produced iron. One of the best landmarks in the history of Indian Metal Industry was the commencement of Tata Iron and Steel Company at Jamshedpur in the state of Bihar in 1907. India found it difficult to sustain development in this sector after independence on its own due to the lack of technological development. The development of this industry was started from January-March 2009. At that time, India is the only country globally to record a positive growth in this sector at 1.01%. It is estimated that this industry will grow at nearly 16% annually till 2012. The National Steel Policy has forecasted, the demand for steel would reach at 110 millions tons by 2019-2020. In this industry, Hindalco, NACL, Ispat Ltd, SAIL and TISCO are selected for the study.

In Hindalco Industries Ltd the value creation 1, 2 and total shows upward trend except in the year 2002-03. The value creation-2 shows negative result in first two years of observations. The high and low market prices are low in 2002-03, but afterwards it shows upward trend. In case of Ispat Ltd, the value creation-1 shows fluctuation while value creation-2 shows negative results and therefore total value creation also showing fluctuation during the observation. In case of NACL, the value creation-1, 2 and total as well as high and low market prices all are showing continuous upward trend. The SAIL shows that, value creation-1, 2, total and high-low market prices all are showing upward trend. The value creation shows negative results in the initial years, but thereafter it’s in increasing trend. In case of TISCO Ltd, all the observation are showing continuous upward trend.
The average shareholder value creation of Hindalco Ltd is 11174 as against the paid up value of Re.1. In case of NACL, Ispat, SAIL and TISCO, the average shareholder value creation is 1355.5, -4.42, 291.72 and 2710.57 respectively as against the paid up value of ₹10. The highest result is found in Hindalco Industries i.e. 11174.

As per mean, the 1st rank is obtained TISCO while 2nd rank is obtained by NACL. As per standard deviation, the 1st rank is obtained by Ispat while 2nd rank is of SAIL Ltd. As per co-efficient of variation, the Ispat Ltd, is showing negative result so no rank is given to Ispat. 1st rank is obtained by Hindalco while 2nd rank is obtained by NACL. Therefore, Hindalco Industries Ltd, is found to be more consistent amongst the selected companies.

6.2.8 Oil and Gas Industry:

The origin of Oil and Gas industry in India can be traced back to 1867 when oil was struck at Mecum near Marguerite in Assam. At the time of independence in 1947, the oil and gas industry was controlled by international companies. India’s domestic oil production was just 250000 tons per annum and the entire production was from one state – Assam.

After independence, India also made significant additions to its refining capacity. In the first decade, after independence, three coastal refineries were established by multinational oil companies operating India at that time. Today, there are 18 refineries in the country comprising 17 in the public sector and one in private sector. The private sector refinery built by Reliance Petroleum Ltd in Jamnagar. It is the biggest oil refinery in Asia. BPCL, HPCL, IOCL, ONGC and Reliance Petroleum Ltd are selected for this study.

In case of BPCL the value creation-1, 2 and total shows continuous upward trend except in the year 2006-07. The high market price shows highest results in the year 2003-04. In case of HPCL, the value creation-1 shows continuous upward trend while value creation-2 and total creation shows fluctuation during the period. The high market price shows highest results in the year 2003-04. In case of IOCL, all the results show fluctuation while market price shows highest results.
in the year 2006-07. In case of ONGC Ltd, the value creation-1, 2 and total shows upward trend except in the year 2006-07. The high market price was highest in the year 2006-07. In case of Reliance Ltd, the value creation-1,2 and total shows continuous upward trend. The high and low market price shows highest results in the year 2006-07.

The average shareholder value creation of BPCL, HPCL, IOCL, ONGC and Reliance Ltd, are 3078.27, 4097.17, 3413.68, 6419.77 and 5484.18 respectively as against the paid up value of ₹10. The highest value creation is of ONGC i.e. 6144.77.

As per mean, the 1st rank is obtained by ONGC and 2nd rank is obtained by Reliance Ltd. In case of S.D., HPCL is having 1st rank while BPCL is having 2nd rank and as per co-efficient of variations. BPCL is having 1st rank while HPCL is having 2nd rank. From the above it can be said that the BPCL is the most consistent company amongst the all selected companies.

**6.2.9 Power Industry:**

The electric power industry in India is both a supplier and a consumer of primary energy, depending on the kind of energy used to turn the generators. Hydroelectric and nuclear power plants add to the country's supply of primary energy. Rural electrification in India made great progress in the 1980’s; more than 200000 villages received electricity for the first time. India’s first hydroelectric station was constructed in 1897 in Darjeeling. In FY 1990, installed capacity for hydroelectric power was 18000 megawatts. The country has a large economically exploitable hydroelectric potential, especially in the foothills of the Himalayas, but no-large increase in capacity is predicted for the mid 1990’s. Hydroelectric facilities have to be co-ordinated with other sources of electricity because seasonal and annual variations in rainfall affect the amount of water needed to turn the generators and consequently the amount of electricity that can be produced. For the purpose of study 5 companies like ABB Ltd, BHEL Ltd, Neyveli Lignite Ltd, Siemens Ltd, and Tata Power Ltd are selected.

The trend of value creation-1, 2 and total shows an excellent result in case of ABB Ltd. The high and low market price shows highest results in the year 2006-07. In
case of BHEL Ltd, the value creation shows continuous positive trend while value creation-2 shows negative results in first two observed years but thereafter it shows increasing result. The total value creation also shows continuous upward trend. The high and low market price shows highest result in the year 2006-07. In case of Neyveli Lignite Ltd, the value creation-1 shows continuous upward trend. The value creation-2 and total value creation shows fluctuation during the study. In case of Siemens Ltd, the value creation-1, 2 and total value creation as well as the high and low market prices showing upward trend. In case of Tata Power Ltd, the value creation-1 shows positive trend while value creation-2 and total creation are showing fluctuation in their results. The highest market price was reported at ₹ 640 in the year 2006-07.

The average shareholder value creation of ABB Ltd and Siemens Ltd, are 11146.42 and 17400.17 respectively as against the paid up value of ₹ 2. In case of BHEL Ltd, Neyveli Lignite Ltd and Tata Power Ltd, the average shareholder value creation is reported as 7958.07, 368.62 and 2828.27 respectively as against the paid up value of ₹ 10. From the above it can be said that the Siemens Ltd has created the highest value amongst the all selected companies.

As per mean the BHEL is having 1st rank and Siemens is having 2nd rank. From the analysis of standard deviation, the Neyveli Lignite Ltd is having 1st while Tata Power is having 2nd rank. As per co-efficient of variations Tata Power is having 1st rank and Neyveli Lignite is having 2nd rank. The Tata Power Ltd, is found to be the most consistent company.

6.2.10 Realty Industry:

Real estate sector in India is witnessing tremendous growth. Real estate industry in India is presently worth $ 12 billion and is growing at the rate of 30% per annum. The importance of real estate sector in India can be gauged from the fact next only to agriculture. The real estate industry has significant linkages with several other sectors of the economy and over 250 associated industries. According to the study, one rupee invested in real estate sector results in 78 paisa being added to the GDP of the country. Eighty percent of the real estate
market is generated by residential sector and the rent is comprised of offices, shopping malls, hotels and hospitals. The sustained demand from the IT sector has fuelled the growth of real estate sector. Several multinational companies are shifting their operations to India to take advantage of the relatively low costs. For the purpose of study 5 companies like Anant Raj Industries Ltd, Ansal Properties Ltd, Mahindra Life Space Ltd, Peninsula Land Ltd and Unitech Ltd, are selected.

In case of Anant Raj Industries Ltd, the value creation-1 shows positive trend while value creation-2 and total creation shows fluctuation during the period of observation. The market price also shows fluctuations. In case of Ansal Properties, the value creation-1 and 2 shows fluctuation while total value creation and market prices shows upward trend. The Mahindra Life Space Developers Ltd, shows fluctuation in the results of value creation but high market price is showing the highest price in the year 2006-07, i.e. ₹ 1300. In case of the Peninsula Land the value creation-1 and 2 shows fluctuation while total value creation as well as high and low market prices showing upward trend. In case of Unitech Ltd, only total value creation as well as high and low market prices showing upward trend. In case of Unitech Ltd, only total value creation shows upward trend and high and low market prices showing the highest results in the year 2006-07 i.e. ₹ 272.20 and 20.77 respectively.

The average shareholder value creation of Anant Raj Industries Ltd, Peninsula Land Ltd and Unitech Ltd, are 1416.5, 1119.92 and 4446.17 respectively as against the paid up value of ₹ 2. In case of Anasal Properties and Mahindra Life Space Ltd, the average shareholder value creation is 2299.23 and 1539.8 respectively as against the paid up value of ₹ 5 and ₹ 10 respectively. The highest creation is done by Unitech Ltd.

As per the mean, Mahindra Life Space is having 1st and Ansal Properties is having 2nd rank. As per S.D, Peninsula Land Ltd, is having 1st and Anant Raj Industries is having 2nd rank. As per co-efficient of variations, Anant Raj is having 1st and Unitech Ltd, is having 2nd rank. From the above, it can be said that Anant Raj Industries is the most consistent amongst the all selected companies.
6.3 Multiple Regression Analysis:

Since the shareholders value creation is influenced by several factors. Some selected independent variables are used which are having influence over shareholders value creation. This includes shareholder value creation-1, value creation-2, total value creation, high market price and low market price. In the subject issue the results are explained in brief.

For the purpose of statistical analysis, multiple regressions were done. For that computerised SPSS software was used. In the analysis 5 independent variables and 15 dependent variables are taken. From the analysis following results were obtained.

The fit of the Model-1 that is shareholder value creation-1 is good, as the value of $R^2$ is 0.515, which means that independent variables. The P value of the model is 0.000, which is less than 0.05 so the model is appropriate at 5% significance level.

In Model-2 that is shareholder value creation-2, the $R^2$ value is 0.024 and P is 0.95%. The value of P is greater than 0.05 so the model is not appropriate.

In Model-3 that is total shareholder value creation. The value of $R^2$ is 0.024 while the P value is 0.958, which is greater than 0.05 so the model is not appropriate.

In Model-4 that is high market price, the value of $R^2$ is 0.976 and P value is 0.000 which is less than 0.05 so the model is appropriate at 5% level of significance.

In Model-5 that is low market price, the value of $R^2$ is 0.990 and P value is 0.000 which is less than 0.05, so the model is appropriate at 5% level of significance.
6.4 Testing of Hypothesis:

This study is based on predetermined objectives. The first objective of this study was “To undertake measurement of shareholder value creation created by the selected company through different methods”. In this study total 10 industries were selected. On analysis it is found that 43 companies could manage to create positive total shareholder value creation. 7 companies had negative shareholder value creation in some year. These companies were Canara Bank, Union Bank, Ispat Industries Ltd, SAIL, Anant Raj Industries, Ansal Properties Ltd and Peninsula Land Ltd.

The second objective of the study was “To investigate degree of shareholder value creation by the selected companies over a period of time”. For this objective, the following hypothesis was made. “The shareholder value creation done by the selected Indian Companies is identical”. During analysis, it is found that the shareholder value creation of all selected Indian companies was found to be non identical. Hence, this hypothesis is rejected.

The third objective of the study was, “To undertake measurement and analysis of shareholder value creation by selected industries”. For this objective, the following hypothesis was made. “The shareholder value creation is not found similar in the companies of respective industries”. During analysis, it is found that, the shareholder value creations of the selected companies of respective industries are found to be non uniform. Hence, this hypothesis is accepted.

The fourth objective of the study was, “To undertake comparative analysis of shareholder value creation amongst the selected companies”. For this objective the following hypothesis was made. “The measurement of shareholder value creation of selected industries is found to be non similar”. During analysis, it is found that the shareholder value creation of the selected industries are found to be non identical. Hence, this hypothesis is accepted.

The fifth objective of the study was, “To examine the effect of dividend decision on shareholder value creation”. For this objective the following hypothesis was
made. “There is no impact of dividend decision on share holder value creation.” During analysis it was found that, in 52% cases the impact of dividend decision if found to be positive and in 30% cases negative impact are recorded while in case of 18% results no change is reported. From the view point of results, 52% is found to be significant but to arrive at concrete conclusion the data of more company of more years should be taken. Hence, this hypothesis is rejected.

There are several ways to calculate and analyse shareholder value creation but in this study it was confirmed to examine,

1. Status of internal solvency i.e. in terms of intrinsic value of share (Share holder value creation – I)
2. Impact of external factors other than intrinsic value of share (Share holder value creation - II)
3. Composite impact of above mentioned (i) and (ii) (Total share holder value creation)

In addition to it

1. The highest and lowest market price of the respective year is also disclosed for each year of study for each company.
2. Average shareholder value creation for the period of study is also calculated for each company of each industry to see the performance status of each company with the industry.
3. Standard deviation & co-efficient of variation are also calculated to examine the consistency of the company for SVC.
4. Graphical presentation of average SVC is also presented of all companies of each industry.
5. Inter company comparision is also undertaken.
6. To examine the impact of external factors several models of multiple regression are developed.
7. The impact of dividend decision on SVC is also examined.
Thus study will be useful to the investors to know the status of the all selected companies and industries to decide to retain with the company. This study focuses on two issues i.e. financial solvency of the company and dividend decisions and their impact on changes of investment decision of investors specifically equity share holders.

In brief this study has social utility to assist the investors for parking their funds.