Weighted Average Cost of Capital

All figures are in INR unless stated otherwise

Peer Comps

Name of the Comp	Country	Total Debt	Total Equity	Tax Rate [1]	Debt / Equity	Debt / Capital	Levered Beta [2]	Unlevered Beta [3]
Tata Motors	India	₹ 71,540.0	₹ 265,646.1	30.00%	26.93%	21.22%	1.4	1.20
Maruti Suzuki	India	₹ 87.0	₹ 390,173.6	30.00%	0.02%	0.02%	0.8	0.82
M & M	India	₹ 124,949.3	₹ 370,148.8	30.00%	33.76%	25.24%	1.6	1.30
Bajaj Auto	India	₹ 9,364.2	₹ 242,885.7	30.00%	3.86%	3.71%	1.1	1.10
Hyundai Motor I	India	₹ 847.3	₹ 152,343.3	30.00%	0.56%	0.55%	0.8	0.82
			Average	30.00%	13.02%	10.15%	1.16	1.05
			Median	30.00%	3.86%	3.71%	1.13	1.10

Cost of Debt

Pre tax cost of Debt [5]	6.98%
tax Rate	30.00%
Post Tax cost of Debt	4.88%

Cost of Equity

Risk-Free Rate [6]	4.01%
Market Risk Premium [7]	7.26%
Levered Beta [4]	1.18
cost of equity	12.59%

Capital structure

		Current	Target
Total Debt	71540	21.22%	10.15%
Market Capitalization	265646.13	78.78%	89.85%
Total Capital	337186.13	100.00%	100.00%

Levered Beta

comps Median Unlevered Beta	1.10
Target Debt/Equity	11.29%
Tax rate	30.00%
Levered Beta	1.18

Debt / Equity	26.93%	11.29%

Capital structure

	Total cost	Total Weight
Debt	4.88%	10.15%
Equity	12.59%	89.85%
Weighted average Cost of Capital		**11.81%**

Notes

1. Tax Rate Considered as Marginal Tax Rate of the country

2. Levered Beta is based on 5 year monthly data

*3. Unlevered Beta = Levered Beta / (1+ (1- Tax rate) * (debt / Equity))*

*4. Levered Beta = Unlevered Beta * (1+ (1- Tax rate) * (debt / Equity))*

5. cost of debt (hind. Unilever) = risk-free rate (india) + country risk Premium + company default spread (Hind. Unilever)

6. Risk-free rate (india) = Soveriegn Bond Yeild - Default spread (india)

7. Equity Risk Premium Taken from - https://pages.stern.nyu.edu/~adamodar/