**Abstract**

Shareholder value creation has become the focusable area of corporate growth and sustenance. Every firm has to construct a capital structure with the objective of shareholders’ wealth maximization because they are the ultimate owners of the enterprises. Miscellaneous Manufacturing sector is a capital intensive sector, where greater emphasis has been given in designing the capital structure. Hence, the present paper makes an attempt to examine the impact of leverage on shareholder value creation of Indian miscellaneous manufacturing sector for the period 1995-96 to 2009-10. A panel data approach has been applied to analyse the data. The study reveals that the leverage has a significant influence on shareholder value creation.