PREFACE

Steel industry is one of the most important industry in India. It is a general saying that metals are a gift of nature to mankind. Most of the metals are found in their original shape from nature. But steel is not found in the shape of metal.

Steel is the most extensively used non-ferrous metal. Since steel tends to lose its identity in the end product, it fails to attract the public awareness. The production of steel is very difficult and complicated process. It is too much costly affair to produce steel. In this connection it is truly said, the established methods of steel production have relatively heavy treatment cost, consequently steel producers demand that the concentrates they treat should be of high grade. A lot of labourers are needed to produce steel.

Every developing industry, in under-developed countries faces the problem of capital having multifarious corners. Some industries have shortage of working capital while others may have working capital mismanaged. In the realm of financial management its crux lies in the management of working capital. Working capital is in dispensable ingredient of success of an undertaking. The success relies upon ascertainment of proper amount of working capital provided that the twin objectives of liquidity and profitability are contemplated. Liquidity and profitability are like two sides of a coin. If weightage is given to one, the other side dwindles. Nevertheless it is true that liquidity is the care of working capital. The progress of an enterprise can be best assumed if its liquidity is preserved through profitability. Proper planning of working capital results into higher operational performance of an enterprise. The present study reveals almost all the concerns of management of working capital in the steel industry in India. The study embraces the
managerial efficiencies/inefficiencies in the management of working capital.

The study has been divided in eight chapters. The first chapter is an Introduction which presents conceptual perspective of working capital arena. In the second chapter Research Methodology is given. In third chapter a brief eyes view of steel industry has been given. The fourth chapter deals with the inventory management and control in various steel units. In fifth chapters the managerial aspect of cash into various steel companies has been analyses. This importance of management of receivables has been considered and analysed at length in the sixth chapter. The seventh chapter deals with the financing of working capital the requirement of which varies invariably. In the last chapter concrete conclusion have been drawn and some suitable and significant suggestions have been made.

I hope this endeavour will prove rewarding to all those persons in the industry whose shoulder the responsibility of financial decision making and enable them as to make the best utilization of funds in order to ameliorate the overall profitability of the steel units and industry as a whole. the research scholars and financial analyst will also be benefited from the illuminated aspects of working capital management adduced in this thesis.

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