Core industries have great importance in the Indian economy. It core industries we can include construction industry, mining industry, transportation industry, automobile industry, engineering industry, chemical industry, cement industry, coal industry, electricity and steel industry etc.

There is a great importance of steel in the Indian economy particularly in the industry sector. Due to remarkable importance in economy it has become the necessary to analyses this industry in deep.

The India steel industry is experiencing a slow but steady growth. The steel industry in India has huge scopes in the future with massive scale of infrastructural development happening all across the country. The India steel industry caters to many other industries sectors.

That there is a maximum growth rate of steel industry among the all core infrastructure industries but there is also a down fall in growth rate of steel industry. To avoid this down fall the Indian steel industry has further plans of development. Plans are being chalked out for setting up of 3 pig iron manufacturing units of a combined capacity of 6 lakh tons
per year and a steel manufacturing unit of the capacity of producing 1 million tons yearly in west Bengal, with the technical and financial support of China. With all these developments, Indian steel industry is all set to become one of the most reputed industries not only in India but also in the international market.

Since its independence, India has experienced steady growth in the steel industry, thanks in part to the successive governments that have supported the industry and pushed for its robust development.

In 1991, the Indian government introduced a substantial number of economic reforms. These reforms boosted the development process of a number of industries – the steel industry in India in particular – which has subsequently developed quite rapidly.

The 1991 reforms allowed for no licenses to be required for capacity creation, except for some locations. Also, once India’s steel industry was moved from the list of the industries that were reserved exclusively for the public sector, huge foreign investment were made in this industry.

Yet another reform for India’s steel industry came in 1992, when every type of control over the pricing and distribution system was
removed, making the modern Indian Steel Industry extremely efficiently, as well as competitive.

Additionally, a number of other government measures have stimulated the growth of the steel industry, coming in the form of an unrestricted external trade, low import duties, and an easy tax structure.


Furthermore, the steel production capacity of the country has increased rapidly since 1991 – in 2008, India produced nearly 46.575 million tones of finished steels and 4.393 million tones of pig iron.

Both primary and secondary produces contributed their share to this phenomenal development, while these increases have up the demand for finished steel at a very stable rate.

In 1992, the total consumption of finished steel was 14.84 million tones. In 2008, the total amount of domestic steel consumption was 43.925 million tones. With the increased demand in the national market. A huge part of the international market is also served by this industry. Today, India is seventh position among all the crude steel producing countries.
Major steel produce under the India steel industry are:

- Tata iron and steel corporation Ltd. (TISCO)
- Essar steel
- Jindal Vijaynagar steel Ltd.
- Ispat industries Ltd.
- Jindal strips Ltd.
- Mahindra Ugine steel company Ltd.
- JISCO
- Lloyds steel castings Ltd.
- Saw Pipes
- Uttam steels Ltd.
- Mukand Ltd.
- Tata SSL Ltd.
- Usha Ispat Ltd.
- Kalyani Steel Ltd.
- Sesa Goa Ltd.
- NMDC

As we can see that from the above chart that production of steel industry is increased from 1991 to 2008. But this is not the indicator of growth because if we see the growth chart we also see that growth of steel
industry is decreased from last years. So to find out this reason we have to analysis the working capital of steel industry. We can say that the capacity is not fully utilized in the production. It means that the working capital of steel industry is not utilized or not properly managed. So in :-

The present study, “Working Capital Management of steel industry in India” examinees the efficiency of the working capital management and also suggests the means and ways by which the management can improve their performance.

**REVIEW OF LITERATURE**

- Evaluation of a decision support system for Working Capital management (Credit) decisions.

S. Kanungo, S. Sharma and P. K. Jain

Department of Management Studies, Indian Institute of Technology, Delhi Hauz Khas, New Delhi 110016, India

This study is conducted to evaluate the effectiveness of a decision support system (DSS) for credit management. This study formed a part of a larger initiative to assess the effectiveness of IT-based credit management processes at the State Bank of India (SBI). Such a study was necessitated since credit appraisal has emerged to become a critical sub-function in
Indian banks in view of growing incidence of non-performing assets. The DSS that we assessed was a credit appraisal system developed in Quattro Pro® at SBI. This system helps in the analysis of balance sheets, calculation of financial ratios, cash flow analysis, future projections, and sensitivity analysis and risk evaluation as per SBI norms.

- **Steel in construction: A review of research, applications, challenges and opportunities**

N. R. Baddoo

In this study N. R. Baddoo said that steel has unique properties which can be taken advantage of in a wide variety of applications in the construction industry. This paper reviews how research activities over the last 20 years have impacted the use of steel in construction. Significant technological advances in materials processing have led to the development of duplex steels with excellent mechanical properties; important progress has also been made in the improvement of surface finishes for architectural applications. Structural research programs across the world have laid the ground for the development of national and international specifications, codes and standards spanning both the design, fabrication and erection processes. Recommendations are made on research activities aimed at overcoming obstacles to the wider use of stainless steel in construction.
New opportunities for steel arising from the shift towards sustainable development are reviewed, including its use in nuclear containment structures, thin-walled cladding and composite floor systems.

- Steel Industry: Preparing for the future  Or just raking in $

Mike Petro.

In This article Mike Petro emphasized that steel prices have risen a staggering 400% in the last six years- far outpacing other commodities that are receiving more media attention. It doesn’t take a math whiz to realize steel producers have made extremely healthy profits during that time. But, if your experience in metals dates back all the way into early 1990’s, you remember there were some very lean years for steel makers. Lower demand at home and abroad, a strong US$ and dumping form overseas producers had US mills begging for regulatory relief and playing on consumers’ “buy American” heartstrings. There were even questions about whether or not the industry had the strength to survive. Many company coffers were too low to ride out the tough times, causing them to go under.
Costing, pricing and politics in the British steel industry, 1918-1967

John Richard Edwards, Trevor Boyns and Mark Matthews

In this literature author shows that Steel occupied an important place in British industry throughout the period covered by this paper, supplying raw materials for the production of capital goods such as machinery, ships, buildings, bridges and motor vehicles. Companies concerned to drive out ‘cutthroat competition’ from within a particular trade confine much of the existing relevant literature on uniform costing to a discussion of its potential for price fixing. This paper, in contrast, studies the tensions surrounding central government’s use of uniform costing data as the basis for fixing prices at a level designed to produce a reasonable return on investment, encouraging modernization and enabling informed decisions to be made concerning the assessment of development plans. The paper demonstrates the problematic role of accounting as a basis for resource application decisions in two separate ways. First, the difficulty of devising and implementing an effective system of uniform costing, given the technical frailty of technical frailty of what was being attempted, and the unwillingness of companies to change established accounting procedures. Second, the reluctance and in some cases refusal of companies to supply neural accounting numbers to help government
reach decisions- pricing and import tariffs- that affect their economic value.

**NEED AND OBJECTIVES OF STUDY**

The purpose of the present study, “Working Capital Management of Steel Industry in India” examines the efficiency of the working capital management and also suggests the means and ways by which the management can improve their performance. The importance of the study is emphasized by the fact that the manner of administration of current assets and current liabilities determines to a very large extent success or failure of business. The proposed study has been undertaken with the following objectives:

1. To know about the development of Steel Industry in India.
2. To know about working capital Management in Steel Industry.
3. To know about the financial position of Steel Industry.
4. To know about sources of W. C finance and the cost of Capital.
5. To suggest the effective working capital management in Steel Industry on the basis of the findings of the study.

In nutshell, we can say that the proposed study depicts that the Steel Industry is a backbone of a country’s growth, which plays a dominant part in development of that country. The Steel industry
increases the economic condition of the country thus it increase the national income of the country.

**RESEARCH DESIGN AND METHODOLOGY**

The research methodology for the proposed study consists of the following steps:-

- Coverage of the study
- Research Design
- Method of data collection.

The study relates to 7 years.

**Research Design**

In the proposed study an attempt would be made to analytical study the condition of steel industry and to understand the problems faced by them in working capital management.

For the purpose of the proposed study the researcher will adopt the method of purposive random sampling.

The sample of the study is based on:-

- Tata STEEL COMPANY
- ESSAR STEEL COMPANY
Methodology

For the purpose of the proposed study primary and secondary data would be collected and critically examined. The proposed study is primarily base on the secondary data. The following techniques will be used for collecting the primary data:-

- Observation
- Interview

The following techniques will be used for collecting the secondary data:-

- Annual reports and accounts
- Published journals of the industry
- RBI bulletins and publications
- News papers
- Periodicals.

Hypothesis

A hypothesis is a supposition made as basis for reasoning.
In the proposed study the following hypothesis will be taken-

- It is hypothesized that on the basis of the trend as depicted by the industry data, it will be possible to draw conclusions about the industry.
- It is hypothesized that the liquidity and financial position of the units will be satisfactory.
- The hypothesis will be tested at suitable levels of significance.

**Analysis and Interpretation of data**

On the basis if information that will be collected from various sources, appropriate analysis and interpretation will be made. In the proposed study, the main source of information of the Steel Industry will be secondary data.

**Expected Outcome of the Proposed work**

Steel industry has played a leading part in the economic development of the Country. Steel industry has a dominant share of bulk customers business, Including that of railway, State transport undertaking, industrial, agricultural And marine sectors. We will draw some conclusion and suggest appropriate Working capital management regarding Indian steel industry.