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RESULTS & DISCUSSION

FINDINGS

RECOMMENDATIONS/SUGGESTIONS

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FINANCIAL OBSTACLES AND DISPUTES FACED BY STEEL INDUSTRIES OF INDIA

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ABSTRACT

Finance is the most important and essential pillar of a steel industry to make it stand strongly. For steel makers it is very important to meet the needs of the customers of the respective country is most important to earn more revenue. At the same time, it is again important to create new customer and new market for the industry to add more brand value and financial strength to it. During the establishing and running of the industry, the respective industry faces various financial problems which affect the revenue of that industry directly or indirectly. It is very much challenging for the industry to follow a competitive and effective manufacturing and operation process which must be cost effective. To attain the required profit and high revenue the financial problem must be identified and solved. In this view all the financial experts should put their efforts to diagnosis the respective problem and solutions with that. In this paper we are trying to identify and analyze the various financial aspects that create an opaque surface on the way of development of steel industries. Along with that we have tried to show some solutions and suggestions to overcome it.

KEYWORDS
profitability, tariffs, consumption, agglomeration, capital cost, sustainable, gross domestic product and gross national product.

INTRODUCTION
In this era of industrialization and globalization it is very much important to meet the demand of steel of certain country to earn financial growth and at the same time increase in rate of consumption of the steel defines the economic strength of a country. It increases with the increment of infrastructures, development of automobile sectors and enlargement of transportations throughout the country across the globe. But for the above things created financial challenges have more complexity. The steel industry is characterized by high capital intensity, high dependence on bulk raw materials, cyclical growth trends, perpetual over-capacity and relatively low profitability. This is the reason why the problems associated with the steel industry are generally complex requiring larger governmental and social interventions for its sustainable growth. Also, given their criticality to nation building, almost all nations with strong steel industry today had started their journey with steel industry in the state sector. Today, the industry is largely privatized and public owned with the government holding significantly reduced equity. The stability in strength and sustainability in nature can be maintained by protesting the economic difficulties and financial miseries with some remedies, initiatives and proper investments. In India raw material for steel i.e. Iron ore is vastly available in eastern zone (Odisha, Chatishgargh, Jharkhand, and West Bengal) and in south zone (Telengana, Karnataka and Andrapradesh) also which contribute 80% of the total steel production. Even having such amount of resources still steel industries cannot stand due to financial problems. To overcome these problems a proper analysis of worth, analysis of problems, well capable investments, Supportive government policies, a good management process, and a perfect accountability is required for an enlightening future in global steel market. These steps should be planed and resulted by thinking out of the box removing the isolation.

The steel industry is the second biggest industry in the world after oil and gas with an estimated global turnover of 900 billion USD. China has taken 48% of market of the global steel market. So in the top 10 global steel company's china has 7 companies in this list. Except china Japan South Korea has made them to be placed in those top 10 lists. The below Table no. 1 contains the list of name of top 10 steel producers in global market having their revenue and Table no. 2 contains the Key Steel Players in India both private and public sectors.

TABLE 1: TOP 10 FOREIGN STEEL KEY PLAYER

COMPANY NAMES	COUNTRY(HEAD QUARTERS)	REVENUE
Arcelor Mittal	Luxembourg City, Luxembourg	US$ 79.28 billion
Nippon Steel & Sumitomo Metal	Chiyoda-ku	US$ 0.6135 trillion
Hebei Steel Group	Shijiazhuang, Hebei, China	US$ 40,829.2 millions
Baosteel Group	Shanghai, China	US$ 21.7 billion
POSCO	Pohang, South Korea	US$ 60.87 billion
Shagang Group	China	US$ 42.2 billion
Ansteel Group	Anshan, Liaoning, China	US$ 24.089 billion
Wuhan Steel Group	Wuhan, China	US$ 14.9055 billion
JFE Steel Corporation	Tokyo, Japan	US$ 530.9703 billion
Shougang Group	Beijing, China	US$ 65.4 million

TABLE 2: KEY STEEL PLAYERS IN INDIA

PUBLIC SECTOR	REVENUE	PRIVATE SECTOR	REVENUE
Steel Authority of India Ltd. (SAIL)	US$ 7.6 billion	Jindal Steel & Power Ltd	US$3.0 billion
Rastriya Ispat Nigam Ltd. (RINL)	US$1.9 billion	JSW Steel Ltd	US$7.2 billion
NMDC Ltd.	US$ 2.075 billion	ESSAR Steel Ltd	US$ 39 billion
KIOCL Ltd.	INR 3.637 billion	Tata Iron and Steel Company (TISCO)	US$ 24.59 billion
MECON Ltd.		Bhushan Power & Steel Ltd. (BPSL)	US$1.7 billion

For earning a profit, it is essential to diagnosis the value of demand before production and the rate of consumption after production. The demand of steel in India for 2016 has grown by 0.7% which is 31 million tonnes of steel in absolute term. And steel consumption is expected to grow by 7% in 2016. In long term by 2025 the demand of steel has increased to 300 million tonnes. Hence it is very essential to note all financial problematic points and causes for trying to solve these problems to gain higher profit and earn much revenue which help in increasing Indian economy. The National Steel Policy 2005 is currently being reviewed keeping in mind the rapid developments in the domestic steel industry as well as the stable growth of the Indian economy since the release of the policy in 2005.

LITERATURE REVIEW
Indian steel industry is among the upcoming industries of the world. It has a number of iron ores, which means that it has plenty of resources from which to draw its raw material **(The Indian Steel Sector: Development and Potential** by **Dr. Suresh Vadde and G. Srinivas).**

A vast income will grow and the global steel market will ask for Indian high quality steel. Indian steel industry has a great future **(Boom in India's Iron and steel industry by B.P Radhakrishna, 2007).**

Indian steel industry faces many serious problems particularly inefficient functioning public sector units, sickness among mini-steel plants, utilization of Capacity and metallurgical coal **(An Analysis of Indian Steel Industry,** by **Dr. P. Surya Kumar and Dr.Prof. V. Balakrishnama Naidu, 2013).**

The challenges that confront Indian steel industry in the age of globalization are complex in nature. There is need for policy support for the survival of the ailing steel industry; Government and the management of steel industry should simultaneously take care of its total transformation towards a better future **(Indian Steel Industry: Problems and Challenges by Dr. B. S. N. Raju, 2015).**

The decline in productivity was caused largely by government protection regarding prices and distribution of steel and by inefficiencies in integrated steel plants that were reserved to the public sector. With liberalization of the iron and steel industry productivity increased substantially to positive growth rates **(India's Iron and Steel Industry: Productivity, Energy Efficiency and Carbon Emissions** by **Katja Schumacher and Jayant Sathaye, 1998).** The present literature review shows that no study has been carried out to know the basic financial problem that an Indian steel industry generally faces.

OBJECTIVES
1. To study the sustainability of Indian Steel Industry.
2. To identify and analyze the financial problem that Indian Steel Industry faces.
3. To give appropriate suggestions in practical way.

DISCUSSION
The steel sectors, is however, dwarfed by numerous financial obstructions discussed below.

1. Amount of Capital: A important issue for steel sectors

Capital amount is an essential requirement for establishing a steel company as like every company. Sometimes requirement of a big amount of capital creates a restriction in initiating a business. For a steel industry the capital amount initially used in establishing the company, after that operation process, maintenance of equipment's, manpower incorporate, allocation of land etc needs a strong weight of money. Investment by some reliable investors become the add to the capital value. As the investors put there their money in steel industry the respective company has to give profit in return to the investor. Hence the steel sectors have a pressure to earn profit in a big amount to give the ROI (Return of Investment) to the Creditors. Insufficient amount of capitals surely creates problems for the steel sectors such as causing poor infrastructure, weak supply chain system, less effective production process, less quality of products which collectively causes loss to the company. Adani Group has signed an agreement with the government of Tamil Nadu for a solar power plant, for which Adani would invest Rs 4,536 crore in the project that would involve setting up of a 648 Mega-Watt solar power plant. With the capital amount of Rs 4,536 crore, Adani has to earn more profit in comparison to invested amount.

2. Cost of raw materials: Do create a problem for steel sectors

For steel industries the most two important raw materials are Iron ore and coal. India is enriched with a very big iron ore bed through the area of the geographic positions. It is needed a good role of money to extract these resources and put it in use for further production of steel. If this amount is very big then initially it's difficult for a steel industry to invest more amounts to have best quality of raw materials. Essar Steel is recognized as India's largest exporter of flat rolled products, with manufacturing facilities that include Bailadilla Ore Beneficiation Plant, Visakhapatnam Pelletisation Plant, and Hazira Steel Complex. We have set up a 12 MTPA beneficiation plant in Dabuna (Odisha) which benefits from close access to the rich iron ore reserves in the state. A 253km slurry pipeline transports the raw material to the pellet plant at Paradip (Orissa). In the above case the resources from mines i.e. Iron ore has to be extracted as per the norms of government and a specific amount of tax must be paid to government for that. It affects the cost of raw materials with the increment of the value of tax a financial effect is generated for the company. That it has to pay more tax to the government. Then cost of raw materials for a steel plant may causes financial fluctuation during the process. The process of iron ore beneficiation and transportation to the pelletisation plant need a vast amount of money because in the case of Essar steel Odisha plant to spread a pipe line over 253km and transport pure iron ore really had taken a much quantity of money to invest. A shortage of money or less investment cannot give a good design or effective process which causes poor quality of product. When we are taking the second important raw materials for steel i.e. coal, India's coking coal deposits are confined largely to the Raniganj and Jharia coal mines. These coal mines have become fairly deep and the cost of product of coal has gone up. Consequently, the input cost of energy is going up, affecting the output and margin of profit adversely. At the time of fall in raw materials create problem financially when these materials export outsides the country. The prices of benchmark iron ore prices for export to China. Prices have recovered somewhat from the decade-low levels that they hit towards the end of July. Nevertheless, benchmark iron ore prices have lost ~19% since the beginning of 2015. Iron ore prices had earlier fallen almost 50% in 2014 as well. Rise in costs of raw materials causes fall in market prices concern among manufacturers. The increase in raw material costs, the production cost has to be rose up, to attain profit.

3. Cost of Manpower: Human Resource may cause an issue

For Indian steel makers Money invested on HRM (human resources management) is one of the important aspects. Manpower Cost is related to the cost associated with engaging staff and labour for performing a given activity. The Manpower Cost includes Salary of employees and Wage of labours including allowances & perquisites, Bonus / Performance Pay, Transportation Cost if commonly provided to all the employees, Subsidized Canteen, Recruitment Cost - such as Advertisement in News Paper, Reimbursement of travel fare for attending interview, Hotel accommodation for attending interview etc, Gratuity / Extra; and Any other cost directly incurred in connection with staff / labour.It will create difficulties for the steel sectors by increasing the allowances as the demand by the employees and labours as, there is a special allowance given by each steel sector to its labour and employees known as mining allowances. Employee demand may be there to increase their Travelling allowances. So to overcome this, proper rules and regulations should be made containing financial eligibility for employees' designation wise. As per the Mines Labor Welfare Fund Act, 1972 a person cannot work more than 8 hrs per day in the initial stage of steel industry. If a steel company imposed people to work, he will be pay more amounts which is a challenge related to economic status of the industry. In some steel companies some contractual labours are implemented for day to day work who have their own demand and wants financially which is really fluctuating in nature. This demand must create a huge problem for the respective company. The rate of wage increment than the productivity and profitability must create a financial crisis for the company not only internally but also globally.

4. Electricity charges: Always create a question to think upon

Understanding that the energy cost is a challenge to many steel industries in India, as cost varies from state to state. Investors must examine power rates to have the knowledge of their potential operating costs. Industrial power rates are a critical pre-investment consideration for manufactueres. The Indian government has fixed some tariff for electricity for the steel industry which is difficult to attain for the initial steel plants. A delegation of steel manufacturers met Maharashtra Governor Ch Vidyasagar Rao for reduction in power tariff for the steel industry. The delegation told the Governor that the steel industry in Wada employs one lakh workers and generates a sales tax of Rs 350 crore for the state. It pointed out that electricity constitutes 70% of the raw material cost in steel manufacturing. Members of the delegation told the Governor that due to non-availability of higher voltage and poor infrastructure in Wada, the cost of power per unit was higher than the per unit cost in Vidarbha and Marathwada.They told the Governor that the electricity duty of 9.3% is levied on these units. Mentioning that Wada faces "tremendous competition" from Daman, Silvassa and Gujarat, which offer lower electricity tariffs, the delegation said if state power utility's tariff reduction was not granted, it will create a extinction process for all the steel industry. The problems of high tariff of power in India can only be decreased or controlled by producing electricity in India itself. According to an analysis and data collection the cost of power in India i.e. nearly Rs 6 per unit which is more than the other countries. Cost of power is a main domain which creates constraint in front of Indian steel industries. The increase ranges of electricity cost is from 3.6% in Orissa to 24% in Andhra Pradesh which state have mainly more and maximum numbers of steel industries, the hike in electricity cost may cause problem for these industries.

5. Cost of machineries & Infrastructure: A definite problematic point for the sector

The Machinery & Goods along with the infrastructure is a physical foundation of the steel manufacturing sector. Primarily, the costly machineries make the steel industries think to buy it or not. Investing much amount of money in this costly equipment really need profitable output from it otherwise it traces the industry towards loss. Secondly, Industrial machines are commonly powered by fossil fuels that emit greenhouse gas (GHG) emissions and air pollution. If such things happen to an industry, then may be the respective government put some restriction and fines on the specific industry. Throughout the world, regulations are driving the adoption of machinery with improved fuel efficiency and lower air emissions. The industry has opportunities to address the growing need for fuel efficiency and reduced emissions. As the construction of steel industries demand for steel followed suit, with prices plunging 25.1% in 2009. Steel prices bounced back strongly the following two years; however, the recovery was short lived. As a result, World expects steel prices to decline overall at an annualized rate of 3.8% from 2011 to 2014. However, with steel prices forecast to increase at an annualized rate of 2.2% over the next three years and construction and industrial activity projected to remain strong. So both the factors like Price of machinery and cost of steel must be affordable for the company.

6. Transportation & Supply chain charges: A prime problematic issue

The transportation sector is in itself a major component of economy of Steel industry. The transportation sector moves goods and people, employs millions of workers, generates revenue, and consumes materials and services. Transport systems face requirements to increase their capacity and to reduce the costs of movements. All users (e.g. individuals, enterprises, institutions, governments,) have to negotiate or bid for the transfer of goods, people, information and capital because supplies, distribution systems, tariffs, salaries, locations, marketing techniques as well as fuel costs are changing constantly. There are also costs involved in gathering information, negotiating, and enforcing contracts and transactions, which are often referred as the cost of doing business. The choice of a transportation mode to route steel and the raw materials within origins and destinations becomes important and depends on a number of factors such as the nature of the goods, the available infrastructures, origins and destinations, technology, and particularly their respective distances. Jointly, they define transportation costs. Transport activities are large consumers of energy, especially oil. About 60% of all the global oil consumption is attributed to transport activities. Transport typically account for about 25% of all the energy consumption of an economy of steel sector. Distance is commonly the most basic condition affecting transport costs. Minimum distance creates less expense when an extra distance creates unnecessary expenses. The packaging cost of iron ore is very less and for steel to the customer is little high this create an initial problem for industry.

If the source of raw materials is far away from the destination, then it will take very less amount of cost to invest. In Jindal steel and power limited Barbil, Keonjhar, Odisha has apelletisation plant which require the iron ore which it found from M/S Sarda Mines Pvt.Ltd which is one is present near to the Pellet plant so here the transportation problems very less. For steel industry the main way of transporting the raw materials and finished goods is Railway. So the government fixing the tax and tariff for railway department for the steel sectors. If the amount of such taxes and tariffs are huge in amount, then it creates a problem in front of steel sector. The transportation cost in India is Rs 7.9 per tonne of materials which is more than other countries.

7. Lack of Investment: A secondary and passive cause of downfall

Investment in a business is a most important factor that adds to the value of any business, here in steel sectors. The people who are interested to invest in the steel sector in a particular company they first study the market brand value of the company. If the revenue of the company is satisfied and is in high among the market, then only it will profitable for the investors for put their money in the business. If the amount of the investors less for a particular steel sectors, the capital amount does not have any change.

8. Competion in the international market: Basic cause of problem for steel industry

The steel industries in India are facing devastating trouble today. The main and simple cause is Chinese companies are exporting its steel at $50 below their marginal cost per ton i.e. $370 per tonne, The Russians steel industries cut their price from $530 to $370. The Chinese and the Russians industries having the same exporting value. The other steel mills in the world including India who exports their steels in global market are really panicked. In another case in China the sell price of hot rolled steel is $333 per tonne where in India, it is $480 per tone and in US it is $520 per tonne. In China 20% of the GDP comes from exports. The Chinese exports in a very less price are the main reason for the steel sector slump condition across the globe and in India also. According to the plan of Honrl. Prime Minister Mr. Narendra Modi steel production in 2025 can be reach 300 million tones which is looking quite difficult. It is expecting that Indian steel companies remain under pressure due to fall in raw material prices and a significant fall in domestic and global steel prices. International prices of iron ore are decreased by 55% in April 2015 which constraint the broadness of the Indian economy by stiffing the income generated by steel sectors.

9. Lower domestic selling price of steel: A minimum price create problem

It's obvious that the selling price of steel decides the amount of revenue and profit gain by the company. A good selling price always adds advantages to the industry. But sometimes due to steel market crisis the selling price of steel automatically decreased that is happening since 2013-14 and continuously going on. The steel turbulence in global market also put and bad impact on domestic steel market. More than 100 mines containing Iron ore and coal have been stopped and related steel industries are running below their capacity. It does not meet the need amount. A lower selling price always creates loss to the industry compare to its competitors in market. Domestic steel consumption growth improved to 3.1% in 2015 from 0.6% in 2014.It is only possible for construction sector and automobile sectors which requires the 60% of steel demand in India. Mines and Minerals (Development and Regulation) Amendment Act, 2015' is released and is in process to use in to make all the closed iron ore mines to restart by which it can have a good amount of iron ore for steel which can meet the needs of the domestic customers.

10. Expenses: Another wings cause financial problem

In this heading all the expenses like salary to employee, wages to labours, maintenance cost, inventory cost, CSR activities, Media relations, are come into play each and every point need a special care and specific amount for the specific financial year of a steel industry. If a slight deviation of each field creates new challenges for the respective industry. In some company labor union are there. So they have their own demand so the industry must have to meet their need for that the industry is ready to spend the required amount. In the operational plant the process needs a very good maintenance which needs a good amount of funds to invest. In the inventory process some extra amount of money is spent generally. In CSR activity the company has to put much more amount of fund to serve for the society which creates a smooth path for the industry to run its business. Media play a vital role in influencing the business of the steel sector buy focusing on its publicity and doings, for this the respective industry has to spend more money on it. At the end main field where the Indian steel industry put their maximum money is Safety and security of their assets, labour and employees, which is very much required for the industry. So these expenses are stable and mandatory in nature which cannot be changed. But only the amount can be varied when require and when does not require.

11. **High-Interest-Rate**

The rate of borrowing for capacity expansion in India is very high compared to other countries. Indian financial institutions are charged 14% interest whereas in the interest rates in Japan in 2.4%. The Indian companies need to recover these costs when deciding on the final price. Other countries' manufacturers will have a lower interest cost; hence their final cost will be lower than their domestic producers. The above mentioned factors have put the Indian steel industry in disadvantage state to survive in this scenario.

STRONG AND SUSTAINABLE GROWTH IN INDIA'S STEEL INDUSTRY: A FINANCIAL GROWTH

From independence, India has an experienced smooth and saturated growth in the steel industry. The governments have supported the industry and helped for its development. With the help of foreign technology and some financial support, Indian government creates the scope to establish many steel industries in India which help in increasing the economic conditions of India. As per the previous available data in 1992, India produced 14.33 million tones of finished carbon steels and 1.59 million tones of pig iron; the quantity of steel production of India has increased from 1991 to 2008such as nearly 46.575 million tones of finished steels and 4.393 million tones of pig iron. When we will discuss the total consumption of steel, in 1992, the total domestic steel consumption was 14.84 million tones and in 2008, the total amount of domestic steel consumption increased to 43.925 million tones. With the increased demand in the national market, in international market India make its position which helps in increase in export of steel to global market. As a result, it increases GDP (Gross Domestic product) and GNP (Gross National Product) along with the high Revenue adding to the Indian economy. Over the last decade, the contribution of iron ore mining and steel to India's GDP has fallen from 1.2 per cent to 1 per cent. If properly tapped, the mining industry could help propel growth for the country over the next decade. In fact, the performance of steel sector will be an important factor for India to achieve 7 per cent plus GDP growth. The steel industry has the potential to create a big amount of employment by 2025.

INVESTMENTS AND GOVERNMENT INITIATIVES

According to Department of Industrial Policy and Promotion (DIPP), the Indian metallurgical industries try to fetch foreign direct investments (FDI) to invest US$ 8.7 billion during the period April 2000–May 2015.Besides this investment of SAIL of US$23.8 billion to increase the steel production to 50 MTPA by 2025, Joint venture of ArcelorMittal with Steel Authority of India Ltd (SAIL) to set up an automotive steel manufacturing facility in India, Agreement of Posco Korea, the multinational Korean steel company with Shree Uttam Steel and Power to set up a steel plant at Satarda in Maharashtra, Planning for establishing 20 MT steel plant in Karnataka by JSW steel by 2022 and Investment of 18000 crore by NMDC Ltd for a steel mill in Karnataka are really very good initiatives and appreciative investment which will be the cause of development of Indian steel sector,economic status of India and hike in GDP.The Indian Ministry of Steel has announced for a good investment and the new establishment of steel plants of Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL) in various states. Which will help in enhancing the steel production capacity. In case of SAIL it is from 12.8 MTPA to 21.4 MTPA and in case of RINL it is from 3.0 MTPA to 6.3 MTPA respectively. For this purpose, SAIL has plandv to invest US$ 23.8 billion for increasing its production by 2025? Under planning of Indian government, A Project Monitoring Group (PMG) has been made to solve all the problems during money sanction and clearances of issues related to investments of Rs 1,000 crore (US$ 152 million) or more.

SUGGESTIONS

1. To maintain a required amount of capital one should have a very good amount of savings, borrowing amount from others, loans from some financial institutions in minimum interest and government subsidies.
2. Raw materials like iron ore and coal should be available to domestic steel maker in low price. Domestic availability of raw material should be given much more importance rather than export to foreign countries.
3. Only required amount of employees and workforce should be recruited. Secondly forecasting and proper HR planning should be formulated to attain all the financial requirement and rights of an employee. A proper negotiation should be made with labour union, if present regarding their demands.
4. A proper maintenance process should be followed which definitely increase the life period of the equipments. As a result, it decreases the expenses and inventory cost related to new equipment and sub assembly parts.
5. The electricity charges for steel industry must be reduced by government. More importance is given by the respective steel industry to establish a plant for generate their own electricity for their use only it may be solar energy, hydro energy, thermal energy, nuclear energy and wind energy and tidal energy.
6. Shortest route is identified for transportation and to earn profit from that. Required transportation elements need to be used rather than vehicle.
7. To fight against the trouble time in global market India has to produce much more amount of steel in future to meet the domestic needs as well as the global consumer wants based on quality at minimum price as compare to other competitors in the market.
8. The actual amount of investment on R&D by the large Indian steel companies varies from 0.05% - 0.5% of its turnover. This value should be increased. This sector should do their research work on finding solutions to remove the financial obstacles throughout the financial innovative process.
9. To overcome high interest, the Government must come up with a policy framework addressing these issues to strengthen the domestic industries. A balance must be maintained between industries and price of domestic customers for sustainability of industries and satisfy the customers. On the other hand, the steel industries need to innovate and make their process more efficient, thus reducing their production costs.
10. Adopt a proper financial management team for continuous monitoring of economic condition of the steel sector to fight against the financial disputes created by the steel industry.
11. The financial condition of Indian steel industry is now affected by the excess import from china, which should be reduced by producing steel domestically in India, which definitely create a good economic environment throughout the country.
12. All the Indian steel companies like SAIL, Tata Steel, JSW Steel, Jindal Steel and Essar should do their research work on the market Inflation, financial crisis related to all economic disputes.
13. As per an estimation the world steel consumption will be doubled in next 25 years so all the Indian steel sectors should put efforts to increase the quality and quantity of the steel which should be available at comparatively reasonable prices then Indian steel sector can get profit from exports.
14. To get better quality from all steel manufacturers, they should use sophisticated technology for example pre coated sheets can be used in manufacture of appliance, furnishing, public goods and public transport vehicle. Production and supply of superior grades of steel in desired shapes and sizes will definitely increases the steel consumption as well as demand which will help in increase in financial condition of Indian steel industry.
15. For improvise the current status of Indian steel sector, all the developed country having good amount of revenue from their steel sectors combinely must put their funds in upliftment of Indian steel sector.

CONCLUSION

The Indian Iron & Steel sector has plants which are energy efficient and are comparable to the best in the world after adjusting for the availability and quality of the key inputs such as iron ore and coal. However, there are plants which operate under conditions of smaller scale, out dated technology, lower grade iron ore and coal and without adequate access to knowledge of best practices and with poor financial conditions. Steel enriched India is a national priority. We have analised the crusial financial problem that Indian steel industry commonly faced and have given some suggestion to overcome the respective problems. Government should formulate some policies by keeping the financial status and profitability rate of Indian steel sectors. Such steps can contribute to reducing the intensity of financial challenges of Indian iron and steel industry.

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