



Steel & Metallurgy Industry

Working Capital Management & Financing Guide

INDUSTRY LANDSCAPE



₹8.5L Cr
MARKET SIZE



13.4%
YOY GROWTH



Global 2nd
CRUDE STEEL



300 MTPA
2030 TARGET



137 MT+
CONSUMPTION

- ▶ **Infrastructure Backbone:** Core contributor to India's manufacturing GDP and growth story.
- ▶ **Geographic Clusters:** Dominance in Odisha, Jharkhand, Chhattisgarh, and Karnataka.
- ▶ **Market Transition:** Private sector now drives ~82% of total production capacity.
- ▶ **Gati Shakti Impact:** Massive government spending fueling unprecedented demand.
- ▶ **China+1 Strategy:** Global supply chain shifts positioning India as a key exporter.
- ▶ **High-Value Sectors:** Rising demand from Defense, Aerospace, and Renewables.

OPERATIONAL PROCESS FLOW



Mining & Sourcing

45-90 Days Cycle
Iron ore & coking coal
procurement.



Primary Steel

10-20 Days Cycle
Blast Furnace reduction &
decarburization.



Refining

5-10 Days Cycle
Alloying & continuous
casting processes.



Rolling & Dispatch

30-60 Days Cycle
Hot/Cold rolling & OEM
delivery.

INDUSTRY NOTE: This sector is CAPEX and Inventory heavy. Working capital is locked in massive piles of raw materials (ore/coal) and work-in-progress inventory.

KEY RESOURCES & INPUTS

Raw Materials

High-grade iron ore, Coking coal (largely imported), Ferro-alloys, and Limestone.

Energy Needs

Massive electricity and coal requirements for smelting and heat-intensive rolling.

Human Capital

Expert Metallurgical engineers, plant technicians, and heavy machinery operators.

Regulatory Norms

Environmental clearances, Carbon emission tracking, and BIS quality standards.

WORKING CAPITAL CYCLE



Inventory Days: 60–100 Days

Strategic stockpiles required to ensure zero plant downtime.



Receivables: 45–90 Days

Extended terms common with OEMs and Government agencies.



Payables: 15–30 Days

The Cash Gap

75-120

LIQUIDITY DAYS

Critical liquidity strain due to commodity price volatility.

THREATS & CHALLENGES

Price Volatility

Fluctuating raw material costs can erode margins on fixed-price infrastructure contracts.

Green Steel Pivot

High capital requirements for Decarbonization and Hydrogen-based metallurgy.

Logistics Strain

Dependence on railway wagon availability and rising bulk freight expenses.

Global Dumping

Risk of low-priced imports affecting domestic price stability and market share.

FINANCING SOLUTIONS



Working Capital Loans

Unsecured funding up to ₹5 Cr for material procurement and price hike coverage.



Project & Machinery

Finance for EAF installations, plant modernization, and ESG-compliant equipment.



LC & Bill Discounting

Essential for coal imports and converting long-term OEM receivables into liquid cash.



Supply Chain Finance

Tailored programs for Tier-1/2 vendors and MSME steel fabricators (CGTMSE backed).



Partner with Terkar Capital

Empowering Steel & Metallurgy Companies with Smart Solutions.



Head Office, Pune and PCMC

101, 102, 103, Castle Eleganza, Dr. Ketkar Road, Erandavane, Pune. Maharashtra 411004.



Corporate Office, Mumbai

The Capital, Level 3, B-Wing, Plot C – 70, G Block, BKC, Bandra (E), Mumbai-400051, India.