

BEHAVIOUR OF FINANCIAL METRICS OF INDIAN STEEL INDUSTRY DURING PRE AND POST FINANCIAL CRISIS PERIOD

SHRABANTI PAL

Assistant Professor, Department of Commerce, J. D. Birla Institute, Lower Rawdon Street,
Kolkata, West Bengal, India

ABSTRACT

This is an attempt in the present research to find the behavior of the key financial ratios during pre and post financial crisis period. Indian steel industry suffers from many ups and downs and faced a problem of gradual decrease in demand in global market during the financial turmoil in 2008. Growth in infrastructural development also showed negative figure during this course of time. Because of those problems health of Indian steel industry also suffered. An endeavor is made to conduct a comparative study between pre and post financial crisis period. Several key financial ratios are adopted to facilitate the present research. Factor analysis and correlation analysis are applied to extract the factor from sample profit ratios and show the relationship between extracted factor and other financial ratios selected from different segment like liquidity, solvency and efficiency. Paired t-test is also applied to explain the condition of steel sector before and after financial crisis which showed a minimum difference in the sample ratios between pre and post crisis period except in certain cases.

JEL CLASSIFICATION: C12, M10, M41, G30

KEYWORDS: Correlation, Factor Analysis, Financial Ratios, Paired T-Test, Pre and Post Financial Crisis