

SELECTIVE INVENTORY CONTROL AND RAW MATERIAL PURCHASING PROCESS OF CARBON STEEL

Regubharathi D

*Research Scholar, Department of Master of Business Administration, SRM School of Management, SRM University,
Kattankulathur, Kancheepuram – 603203, Tamil Nadu, India*

ABSTRACT

Long products constitute almost half of the annual steel production, which stands at 53 million tones presently. Industry estimates show that the construction sector alone consumes close to 45 per cent of the total long products output. Stainless steel accounts for only 3 per cent of the country's total steel production and about 70 per cent finds application in kitchenware and the rest in industries. The demand for flat steel products will be strong, with rising production of automobiles as automobile sales have risen an annual 15%. Steel along with iron has a weight of 3.64 per cent in the wholesale price index. The present index of basic metal and alloy recorded an 8.55% growth rate. Production of bars and rods recorded 19.67% growth rate and steel wires recorded 11.11% growth rate. India's steel production is likely to surpass the domestic requirement by 2011-2012, easing pressure on price of the alloy. Other allied steel products are HR coils, CR coils, and HDG coil etc. End users sector like auto, consumer durables, construction and electricity have all shown steady growth in recent years and Indian steel import figure further provides evidence of strong domestic demand.

KEYWORDS: *Purchasing Process, Inventory Control*

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