

Chennai United Metal Industries charts ₹36 crore capacity expansion

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Chennai United Metal Industries Private Ltd, a supplier of steel products to major companies such as Murugappa Group, TVS and BHEL, is investing ₹36 crore to enhance its production capacity at its Gummidipoondi factory, located near Chennai.

The company plans to expand its billets plant's production capacity from 23,760 tonnes per annum to 2,00,000 tonnes per annum. Additionally, the capacity of its re-rolled steel angle, flat

bars and channels plant will increase from 61,200 tonnes per annum to 2,00,000 tonnes per annum. Both expansions will take place on the company's existing campus in Gummidipoondi taluk, Tiruvallur district, as per documents filed for environmental clearance.

The total estimated investment for the brownfield expansion project is ₹36.25 crore. Once completed, the expansion will result in the addition of 20 permanent workers at the factory.

The need for capacity expansion stems from the growing demand for billets

by steel rolling mills, driven by extensive development projects in the public and private sectors.

A recent ICRA report highlighted that the domestic steel industry saw a record capacity addition of 18.2 million tonnes per annum (mtpa) in FY24, with another 15.3 mtpa of new capacity expected to be commissioned in the current fiscal. Despite the solid growth in domestic steel demand, projected at 10-11 per cent in FY25, domestic mills are facing challenges in protecting their market share from cheaper imports.