

# Hyundai looks to build steel plant with RINL

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A team from the Hyundai group visited Visakhapatnam Steel Plant of Rashtriya Ispat Nigam Ltd (RINL) to explore the possibility of setting up a steel plant in partnership with the public sector steel major.

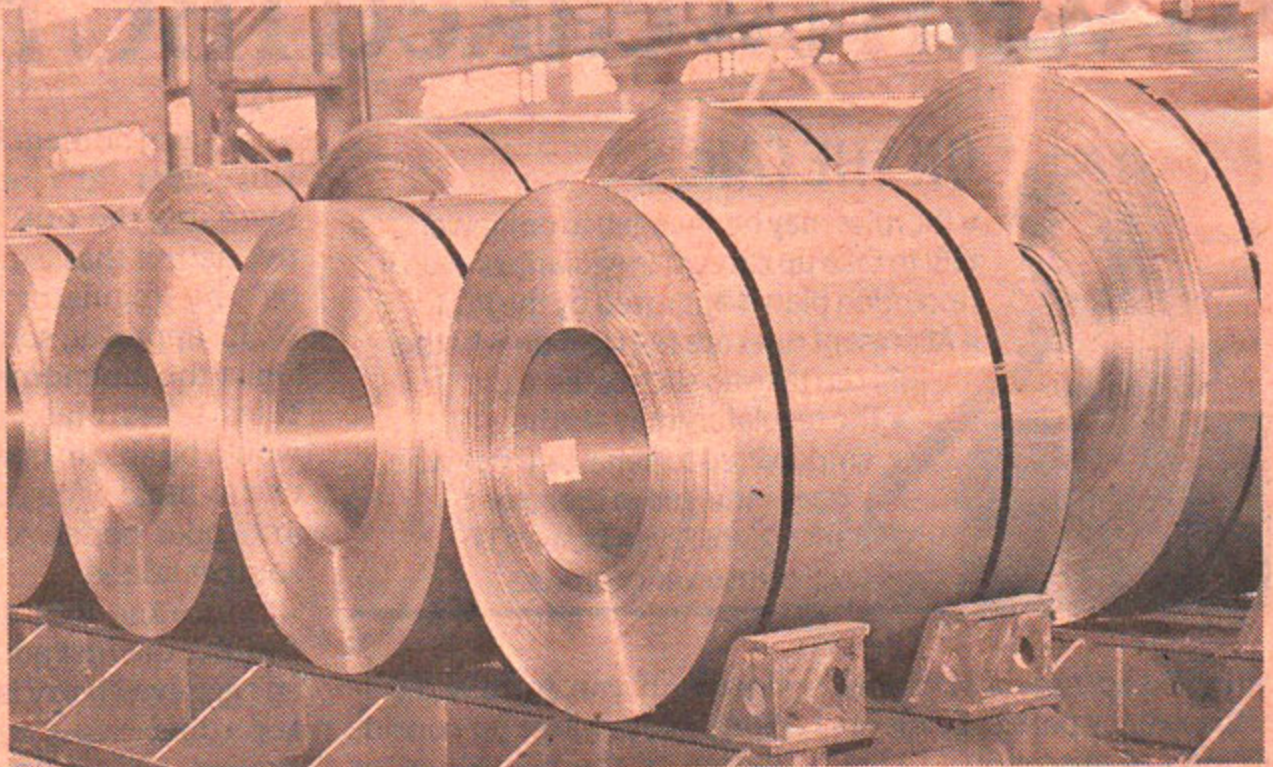
A delegation of Hyundai representatives, led by the South Korean ambassador, was at the plant site last month. These are government-to-government talks, said RINL Chairman and Managing Director P K Rath.

The team had visited the RINL site on October 23. RINL has surplus land of 3,000 acres. The total land available with RINL is 20,000 acres, which includes the township area.

Rath said it was a preliminary visit and the team would give their feedback to the ministry. However, if the project materialised then it was likely to be focused on flat steel with a special emphasis on auto-grade steel. RINL is a long product manufacturer. The size of the plant could be 3 million tonnes. For RINL, the land would be its main equity.

Hyundai, in India, has a steel service centre under Hyundai Steel India Private Limited (HSIPL). It processes and trades in hot and cold rolled coils, catering to the steel requirements of Hyundai Motors India Limited (HMIL) and its ancillaries.

HSIPL was incorporated as a wholly-owned subsidiary of Hyundai Hysco Company Limited, Republic of Korea, which got merged with Hyundai Steel Company in 2015. Hyundai Steel has an annual capacity of 12 million tonnes and spe-



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cialises in top-tier automotive products.

If Hyundai decides to form a joint venture with RINL for a plant, the government might have to step-in to ensure raw material linkages, as the public sector has no raw material security.

It has a long-term contract with NMDC for iron ore, but has entered into short-term contracts with non-NMDC players for supply. If the price is competitive, we may even look for long-term contracts with non-NMDC players, said Rath.

"RINL has decided to diversify the risk of sourcing entire requirement of iron ore from NMDC. We have already sourced one-third of the requirement recently from non-NMDC sources," he said. Rath was speaking on the sidelines of a Steel &

Metallurgy conference on Integrated and Secondary Steel Sector.

RINL is in the process of ramping up capacity. Next year, it will have a capacity of 7.3 million tonnes and is likely to end the current year with 6.3 million tonnes.

The expansion from 3 million tonnes to 3.3 million tonnes has cost RINL ₹120 billion while the addition of another one million tonne through debottlenecking has come at a cost of ₹40 billion, said sources.

There is a blueprint to increase capacity further to 11-12 million tonnes, but there is no timeline to it. The priority would be to stabilise the current capacity. Also, if talks with Hyundai progresses then it would look at it.