GOVERNMENT OF INDIA
MINISTRY OF STEEL

LOK SABHA
UNSTARRED QUESTION NO. 1789
FOR ANSWER ON 10.02.2026

PELLET PLANT PROJECTS

1789. DR. KIRSAN NAMDEO:

Will the Minister of STEEL be pleased to state:

(a) the status of approvals, cancellations, retendering and mode changes for pellet plants at Gua, Dalli and Rourkela since their first approval, year-wise;
(b) the total financial liability, including arbitration awards, interest payments and opportunity costs, arising from delays and contract failures in pellet plant projects;
(c) the shortfall in Coal Dust Injection (CDI) against norms during 2017-24, plant-wise; and
(d) the blast furnace-wise details of unplanned shutdown hours and excess capital repair hours during 2017-24?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI BHUPATHIRAJU SRINIVASA VARMA)

(a)&(b): The Gua Pellet Plant project was initially approved in 2010 and the contract was awarded in 2014. However, the project could not be taken forward due to non-receipt of the requisite Forest Clearance (FC), and consequently, the contract was cancelled in 2019. Subsequently, the proposal has been reprocessed under the Build-Own-Operate (BOO) model.

The proposal for setting up a pellet plant at Dalli Mines under the BOO model was initiated in 2021, awarded in 2022, and the plant has been operational since September, 2025.

The pellet plant at Rourkela Steel Plant was approved in October, 2021 on a Cost-Ownership-Management (COM) basis and the contract has been awarded in February, 2025.

No financial liability has arisen on account of the pellet plant projects at Rourkela Steel Plant and Dalli Mines. However, the contractor has raised a claim in respect of the cancelled Gua Pellet Plant contract, which is presently sub judice.

(c)&(d): The usage of Coal Dust Injection (CDI) in steel plants is dependent on the design characteristics and operating parameters of individual blast furnaces. In recent years, SAIL has undertaken progressive improvements in CDI performance, achieving an average level of 106 kg per tonne of hot metal (kg/thm) across its plants in 2024.

Operation of blast furnaces is a continuous and regular process and is integral to the overall functioning of an integrated steel plant. Annual production plans of steel plants are finalised prior to the commencement of the financial year, taking into account maintenance requirements, prevailing market conditions and the overall business plan of the company.

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