

un-recognised body, no action was considered to be called for on their Memorandum.

### **Scope for Sponge-Iron processing in India**

1410. SHRIMATI GEETA MUKHERJEE: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether Government are aware that there is considerable scope for 'sponge-iron' processing in India leading to a drastic reduction in the use of coking coal, which is in short supply in our country and

(b) if sufficient attention is being given to R and D in low temperature plasma method in the reduction of iron ore and leading to a breakthrough in augmented steel production?

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) In recognition of the importance of producing steel through the Electric Arc Furnace route using sponge iron as feed material and of producing sponge iron by using non-coking coal as solid reduction, Government have taken the following steps for the purpose:—

(i) A demonstration plant with an annual capacity of 30,000 tonnes of Sponge Iron is being set up at Kothagudam in Andhra Pradesh. This plant is expected to be commissioned shortly.

(ii) A letter of intent has been issued to the Industrial Promotion and Investment Corporation of Orissa Ltd. for setting up a commercial plant, using Allis Chalmers' technology and having an annual capacity of 30,000 tonnes of Sponge Iron. Work on implementation of the first stage of the project 150,000 tonnes has already been taken up.

(iii) A rotary kiln using the solid reductant technology (non-coking coal) is being set up at Ranchi with a capacity of 10 tonnes per day under the Research and Development Programme of SAIL.

(b) The plasma method of reduction of Iron Ore is still in the Research and Development stage in a number of countries abroad. Since the electrical energy requirements for this process are much higher, it may not be desirable to adopt this process in the present situation. No work on iron ore reduction using plasma method is, therefore, being undertaken in the country at present.

### **Proposal for mopping up Rural Savings**

1411. SHRI K. PRADHANI: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal under the consideration of Government for mopping up rural savings by issue of debentures; and

(b) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAGANNATH PAHADIA): (a) and (b). The Scheme of floatation of rural debentures by State sponsored institutions for mobilisation of rural saving is already in existence. The scheme was started some years back and has been reviewed and modified from time to time to make it more attractive to rural investors. At present, the rural debentures carry a rate of interest of 12 per cent per annum and have a maturity period of 5 years.

### **D.P.Cs, for Income-Tax Inspectors and Head Clerks in Delhi**

1412. SHRI K. A. RAJAN: Will the Minister of FINANCE be pleased to state:

(a) what are the Instructions for preparing a list of eligible candidates