

Authority had started construction activities on Railway land on Southern side of bridge; and

(d) if so, the reasons for stopping the construction activities there?

**THE MINISTER OF STATE OF THE MINISTRY OF RAILWAYS (SHRI MADHAVRAO SCINDIA):** (a) The work is already sanctioned and tenders for its execution have also been invited.

(b) The work will commence as soon as the tenders are finalised.

(c) Yes, Sir.

(d) The land in question is required for construction of approach to the proposed new bridge.

#### Rural Banks

2101. **SHRI BALWANT SINGH RAMOOWALIA:**  
**SHRI DINESH GOSWAMI:**

Will the Minister of FINANCE be pleased to state:

(a) whether the attention of Government has been drawn to the news-item captioned "Rural banks in bad shape; study" appearing in the Financial Express of 23 November, 1988;

(b) if so, the reaction of Government thereon; and

(c) the details of the proposed scheme of Government to bring about improvements accordingly?

**THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO):** (a) to (c). Yes, Sir.

The Reserve Bank of India has taken a number of steps to facilitate disbursal of rural credit which inter-alia include simplified application forms in regional languages for small borrowers, fixation of time-limit for disposal of loan applications, necessary powers to Branch Managers to help borrowers of weaker sections, non-insistence on third party guarantee, fixation of specific week days for disbursal of loans and surprise checks by Senior Officers on those days, observance of non public business working day in a week.

#### Demand and Production of Gold

2102. **SHRI BALWANT SINGH RAMOOWALIA:**  
**DR. P. VALLAL PERUMAN:**

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that despite the enforcement of the Gold (Control) Act in the country about 25 years ago, there has not been expected fall in the demand of gold;

(b) if so, the reasons therefor and the remedial measures taken:

(c) the annual demand and production of gold;

(d) the price of gold in the national and international market during 1988 and 1989, separately; and

(e) the reasons for the steep rise in gold prices?

**THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K.PANJA):** (a) to (c). Since gold is not an essential commodity Government have not estimated the demand of gold in the Country.

However the year-wise domestic production of gold in the country has been as follows:-

<i>Year</i>	<i>Domestic production of gold</i>
1985	1852.7 kgs
1986	1931.1 Kgs
1987	1864.2 Kgs
1988	1942.7 kgs

(d) The price of 10 gms . of gold of 24 carat purity in Rupees according to reports received averaged as follows:-

<i>Year</i>	<i>Bombay market price</i>	<i>London market price</i>
	1988	3202947
Jan'	1989	3258965
Feb'	1989	3261901

(e) The main factors responsible for the rise in prices of gold generally are:-

1. Seasonal demand on account of marriages, etc.
2. Shortage of ready-stock.
3. Effective anti-smuggling measures resulting in the fall of contraband arrivals.
4. Higher overseas prices of gold.
5. The fall in the value of Dollar

6. Prices of gold are highly sensitive to speculations.

[English]

#### **Non-Resident Indians House Building Activities in Karnataka**

2103. SHRI VEERENDRA PATIL: Will the Minister of FINANCE be pleased to state:

(a) whether it has been brought to the notice of Government that a few Non-resident Indians have formed Associations in Karnataka to carry on the House building activities;

(b) if so, whether Non-Resident Indians are permitted to invest in the real estate business under the Foreign Exchange Regulation Act;

(c) whether these Associations are registered as Private or Public Limited Companies and whether permission of the Reserve Bank has been sought and secured before establishing these Associations in our country; and

(d) if not, whether any action has been taken for violating the Foreign Exchange Regulation Act by these Associations?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) No specific information is available with us about several such associations having been formed. However, certain allegations in respect of alleged violations of FERA against one such association by the name of "NRI Housing Association (Karnataka) Pvt. Ltd.", were received by the Directorate of Enforcement.

(b) Non-Resident Indians are not per-