

(a) whether the foreign exchange reserves have declined during the first quarter of 1987-88;

(b) if so, the details thereof and the reasons therefore; and

(c) measures taken, to arrest the decline?

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI): (a) and (b). The foreign exchange reserves (excluding Gold and Special Drawing Rights) which stood at Rs. 7645.17 crores on 31.3.87 declined to Rs. 7276.44 crores on the 30th June, 1987. The Balance of Payments data, with the details of the individual factors affecting movements in foreign exchange assets during this period, are not yet available.

(c) The level of reserves is continuously kept under review with a view to ensuring that the country's commitments with regard to debt service and requirement of goods and services are met.

Forest Cover In Kerala

483. SHRI V.S. VIJAYARAGHAVAN: Will the Minister of ENVIRONMENT AND FORESTS be pleased to state:

(a) the percentage of forests being added every year in Kerala; and

(b) the specific programme being implemented in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF ENVIRONMENT & FORESTS: (SHRI Z.R. ANSARI) : (a) No survey has been undertaken to assess the percentage of forests being added every year in Kerala.

(b) Apart from State Sector Schemes of afforestation, a Centrally sponsored scheme namely, "Rural Fuelwood Plantation and afforestation of Eco-Sensitive Non-Himalayan Areas" is being implemented in the State. In addition, Social forestry schemes are

taken up under the National Rural Employment Programme (NREP) and the Rural Landless Employment Guarantee Programme (RLEGP).

Demand for Hike In Foreign Equity Participation

484. SHRI P.R. KUMARAMANGALAM: Will the Minister of FINANCE be pleased to state:

(a) whether there has been a demand for a blanket hike in the level of foreign equity participation by foreign companies to enable them to qualify as Indian; and

(b) if so, Government's reaction thereto?

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) : (a) and (b). There has been a demand in some Forums for raising the current 40% limit for foreign equity participation. In this regard Government Policy towards foreign investment continues to be selective and this was reiterated in the Technology Policy Statement of 1983. Under this policy, our preference is for minority foreign participation not exceeding 40%. However, this policy is flexible and higher foreign equity participation can be permitted in high-technology projects and where the project is highly Export-Oriented.

Writing off of Loans

485. DR.G. VIJAYA RAMA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether Eighth Finance Commission had recommended writing off of loans amounting to over Rs. 400 crores in respect of certain State Governments where these loans could not be recovered from the borrowers belonging to weaker sections of society;

(b) whether Eighth Finance Commission had also recommended rescheduling of several loans on the lines of similar rescheduling by World Bank and if so, details thereof; and