

than at merely incurring expenditure to avoid savings/sur-render of funds.

Effect of Obsolete Technology on Export of Garments

*98. SHRI RAM TAHAL CHAUDHARY :

DR. MADAN PRASAD JAISWAL :

Will the Minister of TEXTILES be pleased to state:

(a) whether the Textile Industry has been facing problems due to obsolete technology;

(b) if so, the extent to which the overall performance of Textile Industry and the export of Garments has been affected on this accounts; and

(c) the steps taken by the Government for modernisation of Textile Industry in the country?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) Yes, Sir, while the spinning sector has, by and large, taken steps to modernise itself, the weaving and processing sectors lag behind technologically and suffer from lack of modernisation.

(b) While it is difficult to quantify the impact of lack of technological upgradation on the performance of textile industry and export of garments, it is a fact that India has not been able to increase its share in the global market for textile and clothing beyond 3% in recent years. Besides, particularly in respect of garments, the unit value realisation has been remaining virtually stagnant which can be attributable to the quality of inputs, including fabrics, available in the country.

(c) A proposal is under formulation of facilitate modernisation, through technological upgradation, of the textile industry. The intended objective is to improve production and productivity of the Indian textile industry to make it more competitive. The proposal envisages establishment of a Technology Upgradation Fund to make available loans with interest incentive to units satisfying eligibility criteria and seeking such loans for modernisation in identified sectors of the textile industry from All India Financial Institutions. Details of the Technology Upgradation Fund Scheme in this regard for the textile and jute industries are under finalisation. A part from this, exporters can access imported machinery and other inputs on concessional duty terms so that quality products can be made for exports.

[Translation]

Constitution of Committee by SEBI

*99. SHRI SADASHIVRAO DADODA MANDLIK: Will the Minister of FINANCE be pleased to state:

(a) whether the special group constituted by the

Securities and Exchange Board of India (SEBI) to formulate the rules pertaining to buy back of shares by the companies has submitted its report to the Government;

(b) if so, the salient features thereof;

(c) if not, the reasons for delay and the time by which the report is likely to be submitted;

(d) whether the interests of the small investors have also been taken/would be taken care of so that the concerned companies may not manipulate their share prices; and

(e) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) to (e) Following the notification of company's Act amendment ordinance, 1998 dated 30th October, 1998 which allowed companies to buy back their own shares, SEBI held discussion with representatives from related discipline, before finalising the buy back regulations, 1998. These regulations have been notified by SEBI on 14.11.1998.

Some of the major features of the regulation are as follows:

1. Buy back covers only listed Securities of a company.
2. Buy back either through tender or through book building and it would be on a proportionate basis from the existing share holders.
3. Details of buy back would be made available to the stock exchanges on a daily basis.
4. Details of the buy back should be disclosed to the share holders.
5. The bought back shares would be extinguished.
6. Promoters not allowed to buy back through stock exchanges.
7. Payment should be made to the investors within seven days of the date of acceptance of the offer.
8. The Company shall nominate a Compliance Officer and investor Service centres.

Target for Foreign Investment

*100. SHRI SURESH CHANDEL :

SHRI NARENDRA BUDANIA :

Will the Minister of INDUSTRY be pleased to state:

(a) the details of the target set by the Government for foreign investment during 1997-98;