

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:1404
ANSWERED ON:03.12.2012
DMIC
Singh Shri Ijyaraj

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the details of the agreements signed between India and Japan regarding the Delhi-Mumbai Industrial Corridor (DMIC);
- (b) the percentage of Foreign Direct Investment (FDI) allowed in DMIC projects;
- (c) the percentage of shares invested by Japan in this corridor including the name of foreign companies that have invested in India in this zone; and
- (d) the details of composition of DMIC development body along with percentage of private players in this autonomous body?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY(DR. S. JAGATHRAKSHAKAN)

(a): Following Memorandum of Understanding (MoU) and Agreement have been signed between India and Japan under the Delhi Mumbai Industrial Corridor (DMIC) Project:

- 1) An MoU was signed between Ministry of Commerce and Industry, Government of India and Ministry of Economy, Trade and Industry, Government of Japan on 13th December, 2006 for establishment of the Delhi-Mumbai Industrial Corridor;
- 2) An MoU was signed on 21st October, 2008 among Japan Bank for International Cooperation (JBIC), India Infrastructure Finance Company Limited (IIFCL) and DMIC Development Corporation Ltd. (DMICDC) to cooperate in the realization of loan of USD 75 million/ or in equivalent currency for DMIC Project Development Fund. This was followed by signing of a loan agreement between JBIC and IIFCL on 28th December, 2009.
- 3) An MoU was signed between DMICDC and Japan External Trade Organization (JETRO) on 28th December, 2009 for development of smart community and eco friendly townships in DMIC region. This was followed by signing of MoUs between DMICDC, State Nodal Agencies and Japanese consortia to take forward the smart community projects in DMIC region; and
- 4) An MOU was signed among DMICDC, Ministry of New and Renewable Energy, GoI, Ministry of Finance, GoI and New Energy and Industrial Technology Development Organization, Japan on 30th April, 2012 concerning the model project for a microgrid system using large scale PV power generation and related technology.

(b): The extant FDI policy is contained in 'Circular 1 of 2012 – Consolidated FDI Policy' of this Department. Sector specific policy is stipulated under Chapter 6 (Sector Specific Conditions on FDI) of the abovementioned Circular. FDI in various sectors is permitted up to the limit indicated against each sector/ activity under para 6.2 of the Circular, subject to applicable laws/ regulations, security and other conditionalities. In sectors/ activities not listed under para 6.2, FDI is permitted up to 100% on the automatic route, subject to applicable laws/ regulations; security and other conditionalities. Thus, each project in DMIC would need to conform to the sectoral caps for FDI and applicable laws/ regulations, security and other conditionalities.

(c): The request of the Government of Japan for 26% participation in the equity of DMICDC has been approved by the Government of India on 23rd August, 2012. In pursuance of the above approval, the equity structure of DMICDC will be as follows:

- 1) Government of India : 49%
- 2) Japan Bank of International Cooperation : 26%
- 3) Government owned Financial Institutions : 25%

(d): Present shareholding of DMICDC, a company covered under Section 619B of Companies Act, 1956, is as follows:-

- 1) GoI through Department of Industrial Policy and Promotion : 49%
- 2) Government owned Financial Institutions : 51%

(India Infrastructure Finance Company Limited (IIFCL): 41% and Life Insurance Corporation of India (LIC): 10%)