

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE**

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**UNSTARRED QUESTION NO. 3877.
TO BE ANSWERED ON FRIDAY, THE 27TH MARCH, 2026.**

NORMS FOR ALLOWING FDI FROM COUNTRIES BORDERING INDIA

3877. DR. LAXMIKANT BAJPAYEE:

Will the Minister of **Commerce and Industry** be pleased to state:

- (a) whether Government has eased norms for allowing Foreign Direct Investment (FDI) from countries bordering India;
- (b) whether Government is aware that companies from Singapore having majority Chinese ownership structure, are launching operations in India as Singapore origin companies having Indian subsidiaries;
- (c) if so, the steps that Government proposes to regulate such companies in areas where sensitive data can be collected affecting national security in areas like digital entertainment; and
- (d) if so, the details of steps taken to prevent this misuse and if not, the reasons therefor?

ANSWER

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI JITIN PRASADA)**

(a) to (d): The extant FDI Policy was amended vide Press Note 3 of 2020 dated 17.04.2020 (**PN 3/2020**) to curb opportunistic takeovers/acquisitions of Indian companies due to the COVID-19 pandemic. As a result of the enforcement of PN 3/2020, investments from countries sharing land border with India (**LBC**), require Government approval. The said FDI policy amendments do not prohibit investments from the countries sharing land border with India and such investments are evaluated and processed under the Government route.

The government reviews its FDI policy from time to time to attract foreign investment through an investor-friendly regulatory framework, while ensuring alignment with broader economic and financial priorities as well as global developments. Accordingly, the existing policy has been reviewed and amended vide Press Note 2 of 2026 dated 15.03.2026 (**PN 2/2026**). The amendment provides for a definition and criteria for the determination of BO under the Prevention of Money Laundering Rules, 2005. Further, investors with non-controlling LBC ownership of up to 10 per cent shall be permitted under the automatic route as per the applicable sectoral caps, entry routes, and attendant conditions. Such investments shall be subject to the reporting of relevant

information/details by the investee entity to DPIIT. Additionally, proposals for LBC investments in specified sectors/activities shall be processed and decided within 60 days.

Further, the Government of India has established a comprehensive legal and regulatory framework to ensure that entities operating digital platforms, including those in sectors such as digital entertainment that may collect personal data, process such data in a secure, lawful and accountable manner. In this context, the Digital Personal Data Protection Act, 2023 provides the overarching framework for the protection of digital personal data.

The extant FDI Policy also ensures that national security concerns are adequately taken into consideration while processing and facilitating FDI Proposals. Further, Investments in Broadcasting, Telecommunication, Space, Private Security Agencies, Defence, Civil Aviation and Mining & mineral separation of titanium bearing minerals and ores, its value addition and integrated activities, and FDI applications requiring approval under para 3.1.1 of the FDI Policy require security clearance from the Ministry of Home Affairs.
