

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

**UNSTARRED QUESTION NO. 1748.
TO BE ANSWERED ON MONDAY, THE 21ST SEPTEMBER, 2020.**

INVESTMENT FROM CHINA

1748. SHRI JAYADEV GALLA:

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether the decision by the Government to scrutinize every investment from China is adversely affecting Chinese investments in Indian startups;
- (b) if so, the details thereof including investments made by China in 2017, 2018 and 2019, year-wise;
- (c) whether any Press Note 3 was issued by the Government in April, 2020 on Chinese investment in startups and if so, the details thereof;
- (d) whether there has been any decision by RBI in the first week of September, 2020 to treat lending to startups as priority sector lending to assist startups; and
- (e) if so, the details thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)

**THE MINISTER OF COMMERCE & INDUSTRY
(SHRI PIYUSH GOYAL)**

- (a) to (c):** In order to curb opportunistic takeovers/acquisitions of Indian companies due to the ongoing COVID-19 pandemic, Government of India made certain amendments under the FDI Policy which were notified vide Press Note 3(2020) dated 17.04.2020. As per the Press Note 3(2020) an entity of a country, which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, can invest only under the Government route. Further, in the event of the transfer of ownership of any existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the restriction/purview of the said policy amendment, such subsequent change in beneficial ownership will also require Government approval.

Financial year-wise details of investment made by China, including investments in Startups through FDI Equity Inflow during the Financial Year 2017-18, 2018-19 and 2019-20 are as under (From April 2017 To March 2020)

SI No	Year (April- March)	FDI (in US\$ million)
1	2017-18	350.22
2	2018-19	229.01
3	2019-20	163.78
	Grand Total	743.00

The policy mentioned under PN 3(2020) is also applicable to all Foreign direct investments, including Start-ups.

(d) & (e): On September 4, 2020, RBI issued its Master Directions on Priority Sector Lending stating that Loans up to ₹50 Crores to Start-ups, as per definition of Ministry of Commerce and Industry, Govt. of India, are eligible for classification under Priority Sector.
