

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UN-STARRED QUESTION NO. 4215**

ANSWERED ON MONDAY, MARCH 22, 2021/ CHAITRA 1, 1943 (SAKA)

**INVESTMENT BY CHINESE COMPANIES
QUESTION**

†4215. SHRIMATI SHARDABEN ANILBHAI PATEL:

SHRI MITESH RAMESHBHAI PATEL (BAKABHAI):

**Will the Minister of CORPORATE AFFAIRS
be pleased to state:**

कारपोरेट कार्य मंत्री

- (a) the total number of Chinese companies registered in the country;**
- (b) whether there are various Indian companies in which Chinese companies have made investment; and**
- (c) if so, the details thereof along with the steps taken or proposed to be taken by the Government to prevent the share of Chinese companies in Indian companies?**

ANSWER

**THE MINISTER OF STATE FOR
FINANCE AND CORPORATE AFFAIRS**

वित्त एवं कारपोरेट कार्य मंत्रालय में राज्य मंत्री

(SHRI ANURAG SINGH THAKUR)

(श्री अनुराग सिंह ठाकुर)

(a) and (b): A company incorporated outside India can establish a place of business in India as per the requirements of Chapter XXII of the Companies Act, 2013 (the Act) ranging from Section 379 to 393. Such companies are defined as 'Foreign Companies' under Section 2(42) of the Act. As per records maintained, there are 105 Chinese companies which have established their place(s) of business in India after taking due approval from the RBI/ Authorized dealer bank as per the provisions of the Foreign Exchange Management Act, 1999 (FEMA). Out of these, 92 companies are having the status as 'Active' as on 17.03.2021.

(c): Reserve Bank of India has shared information of Foreign Direct Investment (FDI) data on investment by Chinese Companies. 2488 number of such FDI Inflows were reported in Form FC-GPR (to be filed with 30 days from the date of allotment of equity instruments to persons resident outside India) and 140 number of such FDI Inflows were reported in form FC-TRS (to be filed with 60 days from the date of transfer/order of remittance).

Ministry of Commerce and Industries, Department for Promotion of Industry and Internal Trade vide Press Note No.3/2020 issued on 17.04.2020 had amended the FDI policy by prescribing that an entity of a country, which shares land borders with India and where the beneficiary owner of investment in India is situated, or is a citizen of such country, can invest only under the Government route. RBI has issued an amended notification vide amendment notification - Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 dated April 22, 2020 prescribing that FDI investment from China has been brought under Government approval route.
