

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

**UNSTARRED QUESTION NO. 3372.
TO BE ANSWERED ON WEDNESDAY, THE 23RD MARCH, 2022.**

INVESTMENT FROM LAND BORDER SHARING COUNTRIES

3372. SHRI JASBIR SINGH GILL:

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether the Government of India in April 2020 notified that any investment from a country sharing land border with India will require prior Government approval and if so, the details thereof;
- (b) whether over concerns for security, India has banned a host of Chinese apps and if so, the details thereof;
- (c) whether the Government is aware that some of these apps have re-launched in India after rebranding details of all such apps and if so, the details thereof;
- (d) whether Chinese companies are doing significant business in India;
- (e) if so, whether they have fulfilled all the requirements under the April 2020 notification if so, the details thereof; and
- (f) if not, whether the Government of India plans to initiate investigation into the matter and if so, the time which the said investigation is likely to be initiated?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सोम प्रकाश)

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI SOM PARKASH)**

- (a): In order to curb opportunistic takeovers/acquisitions of Indian companies due to the COVID-19 pandemic, Government amended the FDI policy vide Press Note 3(2020) dated 17.04.2020 whereby an entity of a country, sharing 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.

Press Note 3 (2020) was enforced through Foreign Exchange Management (Non-Debt Instruments) Amendment Rules 2020 dated 22.4.2020.

- (b) & (c):** In line with the objective to ensure a safe, trustworthy and accountable Internet for all its users, the Government has so far blocked 320 mobile applications under the provision of section 69A of the Information Technology (IT) Act, 2000. These mobile applications were blocked in the interest of sovereignty, integrity, defence and security of the State. In February 2022, 49 apps were re-blocked after they were found to have been re-launched after rebranding of earlier blocked apps.
- (d):** China stands at 20th position with only 0.43% share (US\$ 2.45 billion) in total FDI equity inflow reported in India during the period of April, 2000 to December, 2021.
- (e) & (f):** As per Para 5.2(i) of the FDI Policy, the onus of compliance of provisions of the FDI Policy are on the investee company. Further, as regards to violation of FDI regulations, Para 3 of Annexure 5 of the FDI Policy provides that FDI is a capital account transaction and thus any violation of FDI regulations are covered by the penal provisions of the FEMA. Reserve Bank of India administers the FEMA and Directorate of Enforcement under the Ministry of Finance is the authority for the enforcement of FEMA and takes up investigation in cases of contravention of FEMA.
