

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

**UNSTARRED QUESTION NO. 1487.
TO BE ANSWERED ON FRIDAY, THE 10TH DECEMBER, 2021.**

RESTRICTING FDI INFLOWS FROM CHINA IN THE STRATEGIC SECTOR

1487. SHRI SUJEET KUMAR:

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

- (a) the details of FDI inflows from China in various sectors for the last three years; and
- (b) the steps being taken by the Ministry to restrict FDI inflows from China in the strategic sector?

ANSWER

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

- (a): The financial year wise details of Foreign Direct Investment (FDI) Equity inflow reported from China in various sectors for the last three financial years is at **Annexure-I**.
- (b): In order to curb opportunistic takeovers/acquisitions of Indian companies due to the COVID-19 pandemic, the Government, vide Press Note 3 (2020) dated 17.04.2020 read with Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 dated 22.04.2020, amended the FDI policy according to which 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.

As per the Standard Operating Procedure (SOP) for processing FDI Proposals dated 9.11.2020, applications arising out of Press Note 3 (2020) dated 17.04.2020 read with Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 dated 22.04.2020, require security clearance from Ministry of Home Affairs.

**ANNEXURE REFERRED TO IN REPLY TO PART (a) OF THE RAJYA SABHA
UNSTARRED QUESTION NO. 1487 FOR ANSWER ON 10th DECEMBER, 2021.**

**STATEMENT ON FINANCIAL YEAR WISE FDI EQUITY INFLOWS
FROM APRIL 2018 TO MARCH 2021
Country China**

SI No	Sector	2018-19 Apr-Mar	2019-20 Apr-Mar	2020-21 Apr-Mar	FDI Equity inflows
		Amount in US\$			
1	SERVICES SECTOR	24,653,869.35	14,212,553.23	3,983,728.45	42,850,151.03
2	Others	204,351,853.63	149,563,897.59	56,665,107.73	410,580,858.95
	Grand Total	229,005,722.98	163,776,450.82	60,648,836.18	453,431,009.98
