

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION NO. 1476
TO BE ANSWERED ON: 10.02.2021

CHINESE INVESTMENT IN DATA-RELIANT SECTORS

1476. DR. SHASHI THAROOR:

Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the Ministry is aware of the growing concerns of industry groups regarding Chinese investment in Indian firms operating in heavily data reliant sectors;
- (b) if so, the details thereof and if not, the reasons therefore;
- (c) the measures being taken by the Government to ensure that there is no danger of the malicious transfer of data;
- (d) whether the Government is willing to outline any strategy that can protect national security with respect to data protection while encouraging entrepreneurial activity;
- (e) if so, the details thereof; and
- (f) if not, the reasons therefore?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI SANJAY DHOTRE)

(a) and (b): Foreign Direct Investment (FD) proposals from China, being a land bordering country, are being examined in accordance with Press Note 3(2020) of Department for Promotion of Industry and Internal Trade (DPIIT) and other relevant instructions / guidelines of DPIIT. Thus, such proposals in data reliant sectors such as IT/ITES are being scrutinised in detail as per guidelines issued by Department for Promotion of Industry and Internal Trade (DPIIT). Further, an Inter-Ministerial Committee (IMC) has been constituted under the chairmanship of Home Secretary to examine such FDI proposals taking into consideration relevant factors such as desirability, national security considerations etc.

(c) to (f): Section 43A of the Information Technology (IT) Act, 2000 provides safeguards for sensitive personal information collected by a body corporate. Further, section 72A of the IT Act provides for punishment for disclosure of information in breach of the lawful contract. Further, Government has already moved the Personal Data Protection Bill, 2019 in Parliament which is presently under the consideration of the Joint Parliamentary Committee. The Bill provides safeguards for privacy and security related interests.
