

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 3608
ANSWERED ON MONDAY, THE 29th APRIL, 2013**

**REGULATION OF FOREIGN ONLINE COMPANIES UNDER COMPANIES
ACT**

QUESTION

3608. SHRI A.ELAVARASAN:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Ministry has brought the foreign firms operating, in the electric mode, but not registered in India, under the Companies Act;
- (b) if so, the details thereof;
- (c) whether the move was initiated to safeguard the interest of consumers; and
- (d) if so, the details thereof?

ANSWER

THE MINISTER OF STATE
(INDEPENDENT CHARGE)
IN THE MINISTRY OF CORPORATE AFFAIRS

(SHRI SACHIN PILOT)

(a) to (d):It had come to the notice of the Government that certain foreign entities are conducting online activities in India without actually getting themselves registered. In order to regulate online activities of foreign companies which are presently not required to file registration documents with the Registrar and to better safeguard the interest of Indian Consumers and investors, the Companies Bill, 2012, Clause 2 (42) defining “foreign company” has widened the scope of foreign companies to include companies carrying out their activities in India through electronic mode.

Further, provisions in respect of Inspection, Inquiry and Investigation proposed in Clause 206 to 229 of the proposed Bill shall also be applicable to foreign companies, including those that may be operating through electronic mode.
