

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:1718
ANSWERED ON:30.11.2009
PROCESS TO LAUNCH IT COMPANY
Vasava Shri Mansukhbhai D.

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

:-

- (a) the existing process to start a new company in Information Technology (IT) sector in the country;
- (b) whether the Government proposes to frame any rule to check the functioning of the companies;
- (c) if so, the response of the Government thereto; and
- (d) the remedial measures taken/being taken by the Government in this regard?

Answer

MINISTER OF STATE FOR COMMUNICATIONS AND INFORMATION TECHNOLOGY(SHRI SACHIN PILOT)

(a): As per provision of section 12 of the Companies Act, 1956 a company can be formed for any lawful purpose. For registration /incorporation of a company, the promoter/applicant is required to comply with the following formalities:

- (i) Ascertain availability of name by filing Form IA.
 - (ii) After the name approval, the applicant to apply for registration of company along with Memorandum of Association (MOA) (indicating main objects of the company), Articles of Association (AOA), Form 1 alongwith Form 18 and 32 to the concerned Registrar of Companies.
 - (iii) Thereafter, the company is required to pay the fee for incorporation of company and Stamp Duty on MOA as applicable.
 - (iv) On registration of company, the jurisdictional Registrar will issue Certificate of Incorporation to the company which is the evidence of registration of company. All these formalities are to be done online by logging on MCA`S portal www.mca.gov.in.
- (b): Presently there is no proposal in the Ministry of Corporate Affairs to frame any rule to check the functioning of the companies. However, the company is required to file statutory documents under the provisions of the Companies Act, 1956 with the concerned Registrar of Companies.
- (c) and (d): Do not arise in view of (b) above.