

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:4128
ANSWERED ON:21.03.2013
PHALGUNA SAKA REGISTRATION OF COMPANIES
Swamygowda Shri N Cheluvarya Swamy

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether Government proposes to make enrolment of all foreign companies, engaged in online business practice with the Registrar of Companies mandatory in a bid to make such companies engaged in online and direct to home business practices accountable;
- (b) if so, the details thereof and whether the need to have control over such organisations was felt in the wake of increasing instances of online business that cut across national boundaries; and
- (c) if so, the details thereof?

Answer

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

(a) to (c):- 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 operating 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.