

F. N: 1/13/2013 -CL-V
Government of India
Ministry of Corporate Affairs

'A' Wing, 5th Floor, Shastri Bhawan
Dr. R.P. Road, New Delhi-110001

Date: 25.06.2014

To

All Regional Directors,
All Registrars of Companies,
All Stakeholders.

Subject: Clarification relating to incorporation of a company i.e. company Incorporated outside India.

Sir,

Government has received references seeking clarity about the status of subsidiaries incorporated/to be incorporated by companies incorporated outside India. Attention has, in particular, been drawn to the absence of the deeming provision of sub-section (7) of section 4 of the Companies Act, 1956 in the Companies Act, 2013 (New Act).

The matter has been examined in the Ministry in the light of sections 2(68), 2(71) and 2(87) of the New Act and it is clarified that there is no bar in the new Act for a company incorporated outside India to incorporate a subsidiary either as a public company or a private company. An existing company, being a subsidiary of a company incorporated outside India, registered under the Companies Act, 1956, either as private company or a public company by virtue of section 4(7) of that Act, will continue as a private company or public company, as the case may be, without any change in the incorporation status of such company.

3. This issues with approval of Competent Authority.

Yours faithfully,


(KMS Narayanan)
Asstt. Director
23387263

Copy to:

1. PPS to Secretary
2. PPS to Addl. Secretary
3. PS to JS(M)/ PS to JS(B)/ PPS to JS(SP)
4. Dir(AK)/ Dir(AB)/Dir(NC)/Dir(PS)