

# COMPANY INCORPORATED OUTSIDE INDIA.

## Foreign Company [Sec-2(42)]

Any co incorporated outside india & place of biz in india whether by itself (or) through an agent, directly, indirectly, physical having biz activity in india.

Sec 379 to Sec 386 - Applicable to all

Sec 392 to Sec 393 - For foreign co

Sec 387 to Sec 391 - Applicable when money raised in india through issue of <sup>Indian Depositor Receipt</sup> IDR by co incorporated outside india

Sec - 379 - Foreign Company

Atleast 50% Share Capital (Eq, Pref)

Indian Citizen

[OR]

co or Body Corporate registered in india

Foreign Company

Indian Business

Deemed Indian Company

Chapter XXII

(H)

Such other Provision as Specified by Co.

		Situation-1	Situation-2	Situation-3
1.	Company incorporated Outside india	✓	✓	✓
2.	place of business in india	No	✓	✓
3.	Atleast 50% of Shares held by indian citizen / co. / indian body corporate	✓	No	✓
			Foreign <u>co</u>	deemed to be Indian <u>co</u>

Documents required to be filed by foreign co.

Roc

within 30 days [FORM FC 1/2]

Incorporation

Alteration



## Documents:

- Document of certified copy of its constitution / MOA / AOA / Statutes
- Name & details of directors & Secretary
- Address of principle office outside india
- Place of biz in india
- Name of address of one or more person to whom notice can be served on behalf of co
- Whether office is opened (or) closed in india before such date
- Director should not be debarred to incorporate co in any where
- Any other info [copy of approval from RBI (or) statutory body]

## Accounts of foreign company.

- It shall be prepared as per Schedule III (a) in any format as near as possible
- Document will be annexed as required in Chapter IX
- Copies of latest consolidated FS will be submitted of a parent foreign co
- The above documents will be filed in certified English

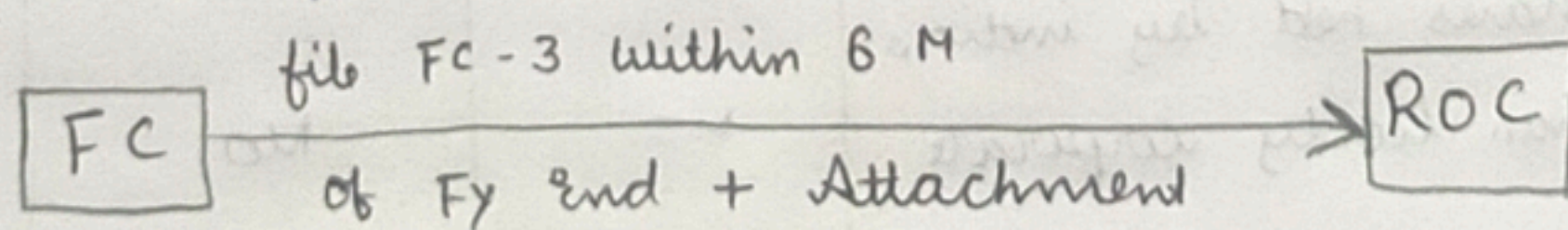
Following documents shall be attached to FS of the co

- Statement of Related party Transaction
- Statement of Repatriation of Profit
- Statement of Transfer of funds

## Audit of accounts.

Audit shall be conducted by.

- CA in practice / firm of practicing CA
- provisions of Chapter X - Audit & auditors shall be applicable to the foreign co mutatis mutandis as it is applicable to indian co



- Indian Rupee
- Codified English translated copy
- Schedule III
- AS / IND AS
- FS - Indian Biz only
- CFS - Global biz
- Attachments



## Display of Name, etc of foreign Co

Sec - 382

Place of biz in india  
conspicuously

- Name of Co
- Name of country of incorporation
- Limited liability [if any]

English & Vernacular

Biz bill letter head communication letter etc...

- Name of Co
- Name of country of incorporation
- Limited liability [if any]

English

## Service of Notice to foreign Co

Sec - 383

Any notice which is to be served to foreign Co can be sent to any person whose name is supplied to ROC (or) Place of biz in india if notice is served to such person (or) place then it will be deemed that notice is served to foreign Co

Sec - 384

Sec 71, 92, 135, 128, (77, 87),  
(206, 229)

Sections that apply to indian Co

shall apply  
to mutatis - mutandis  
(Same to same)

foreign Co

Debentures - Sec 71

Annual Return - Sec 92

CSR - Sec 135

charges - Sec 77 - 87

Investigation - Sec 206 - 229

## Two Annual Filings

filing	foreign Co	Indian Co
FS	FC-3: 6M (Sec-381) from FY end	AOC-4: 30 days of AGM (Sec-137)
Annual Return	FC-4: 60 days (Sec-384) from FY end	MGT-7: 60 days of AGM (Sec-192)

The follo Sec are applicable to a foreign Co mutandis mutandis as applicable to indian Co

Sec - 71 = debentures

Sec - 92 = Annual return

chapter VI = Registration of charge

Sec - 28 = Books of accounts

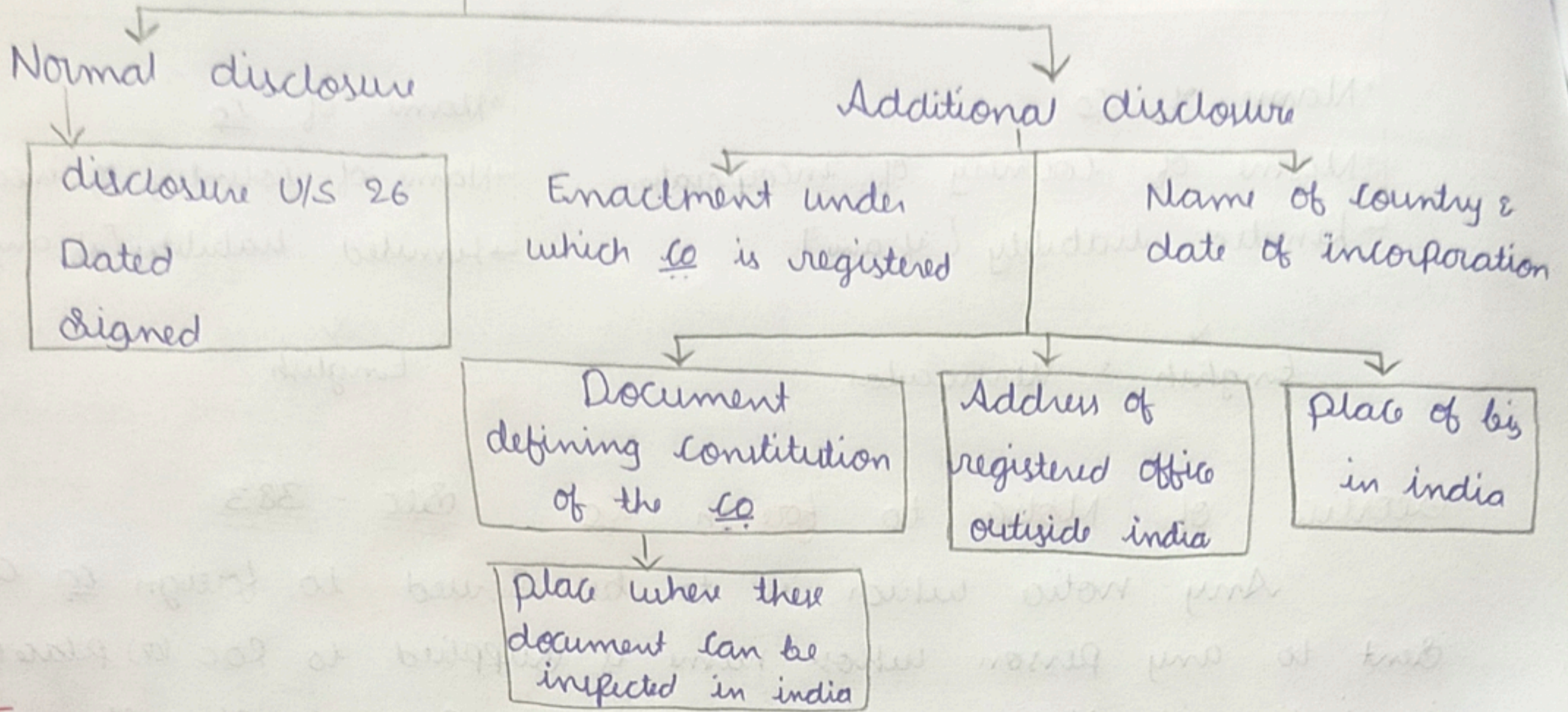
chapter XIV = inspection & Investigation

Sec - 135 = CSR



Fees required to be paid for registering documents to registrar as prescribed Sec - 385

Disclosure requirement in prospectus Sec - 387.



Expert consent. Sec - 388.

Any statement used in prospectus which is issued, circulated by co incorporated outside india by way of reference approval of such statement is required by written consent.

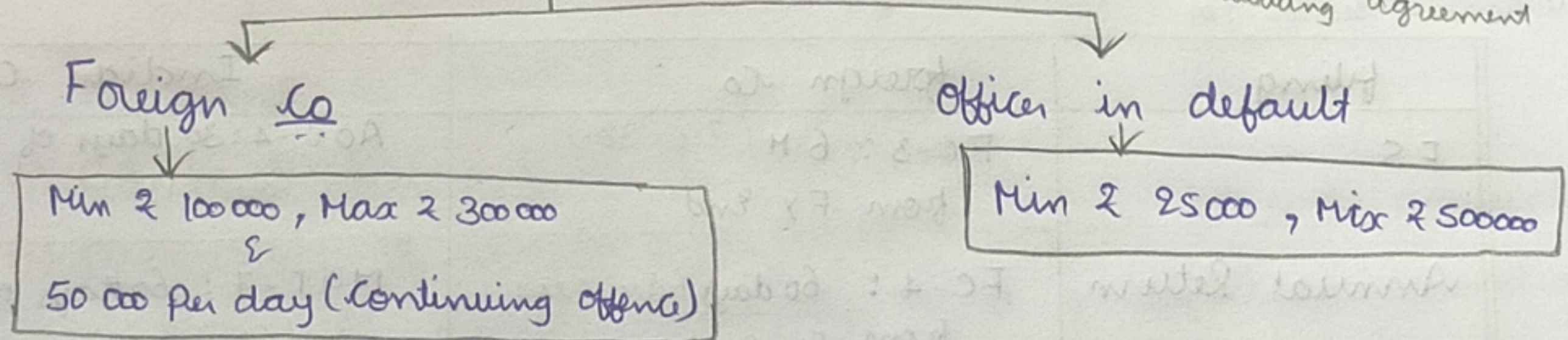
co can't use such statement if consent is written by such expert before registration of prospectus.

Registration of prospectus Sec - 389

if co is incorporated outside indian & wants to issue, circulate any prospectus then it should be registered conditions

- atleast 2 directors & chairperson
- Expert's consent
- copy of contract with MO
- underwriting agreement

Punishment of contravention Sec - 392.



Company's failure to comply with provision. Sec - 393

co can't sue but can be sued & it is not eligible for set-off

Exemptions under this chapter Sec - 393A.

- (a) foreign co
- (b) co incorporated outside india whether the co has place of biz in india as may be specified in the notification from any of the provisions of this chapter & a copy of every such notification shall, as soon as may be after it is made be laid before both houses of Parliament



## Application of Sections 34 to 36 [Sec - 391]

Sec 34 to 36 shall be applicable mutandis mutandis to a co incorporated outside india as if it is applicable to co incorporated in india

Sec - 34 Criminal liability for mis statement in prospectus

Sec - 35 Civil liability

Sec - 36 Fraudulently inducing someone to invest in co when co incorporated outside india has raised amt through issue of securities in india & not yet repaid to close its place of biz in india required to satisfy Sec 376 & Chapter xx

## Indian Depository Receipts Sec - 390

CB can make rules for issue of IDR by co incorporated outside india on the follo matters

- offer of IDR
- Disclosur required in prospectus for issue of IDR
- Manner in which depository should deal with IDR
- Manner of transfer & transmission of IDR