

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF INDUSTRIAL POLICY & PROMOTION**

LOK SABHA

**UNSTARRED QUESTION NO. 2820.
TO BE ANSWERED ON MONDAY, THE 20TH MARCH, 2017.**

MONITORING OF E-COMMERCE COMPANIES

**2820. SHRIMATI V. SATHYA BAMA:
SHRI C.S. PUTTA RAJU:**

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:

वाणिज्य एवं उद्योग मंत्री

- (a) whether the Government has taken note that some companies are violating foreign investment rules, if so, the details thereof during the last three years and the current year;
- (b) whether the Government has any mechanism to check and monitor online trade of companies particularly foreign companies and their trading activities in India, if so, the details thereof and the company-wise performance in the last two months post demonetisation; and
- (c) whether there is a huge increase in digital online trading after the announcement of demonetisation on 8th November, 2016 and if so, the details thereof including the companies both Indian and foreign engaged in online trading in India?

ANSWER

वाणिज्य एवं उद्योग राज्यमंत्री (स्वतंत्र प्रभार)(श्रीमती निर्मला सीतारमण)

**THE MINISTER OF STATE (INDEPENDENT CHARGE)
OF THE MINISTRY OF COMMERCE & INDUSTRY
(SHRIMATI NIRMALA SITHARAMAN)**

- (a): The Government has initiated investigations against a number of e-commerce companies during the last three years and the current year for possible contraventions of Foreign Exchange Management Act (FEMA), 1999. Year-wise no. of cases are as under:-

Sl. No.	Year	No. of cases being investigated under FEMA, 1999
01.	2014	04
02.	2015	06
03.	2016	05
04.	Current year (Upto February 2017)	03

- (b): There is no such separate mechanism. The e-Commerce companies have to comply with the Companies Act and other applicable laws of the country. Such companies with FDI can operate only in activities which are specifically permitted as per the 'Consolidated FDI Policy Circular of 2016'. Further, activities of e-Commerce companies inter-alia involve compliance of Shops and Establishment Act of the State concerned.
- (c): No such assessment has been conducted by the Government.
