

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 3084
ANSWERED ON TUESDAY, 28th MARCH 2023**

Foreign companies ceased their operations in the country

QUESTION

3084 Shri Pramod Tiwari :
Shri Elamaram Kareem :

Will the Minister of Corporate Affairs be pleased to state:

- (a) Whether it is a fact that many foreign companies have ceased their operations in the country between 2014 and November 2021, which includes major companies like Ford and Harley Davidson;
- (b) if so, the reasons for the same and the steps taken by Government to incentivize important foreign companies to start their operations in the country;
- (c) whether ineffective quality control which has dented the perception of ease of doing quality business in the country has contributed towards the reduction in foreign companies; and
- (d) If so, the details thereof, along with the steps taken by Government to improve quality control and to bring it in line with international standards?

ANSWER

The Minister of State (Independent Charge) of the Ministry of Statistics and Program Implementation; Minister of State (Independent Charge) of the Ministry of Planning and Minister of State in the Ministry of Corporate Affairs.

(RAO INDERJIT SINGH)

- (a) Information about 'ceasing of operations' is not maintained by this Ministry. Foreign companies are required to register their 'place of business' in India as also ceasing of their 'place of business' in India with Registrar of Companies (RoC), Delhi under the provision of Section 380 of the Companies Act, 2013. Accordingly, as intimated by RoC, Delhi, 877 foreign companies have ceased their 'place of business' in India between 2014 to November 2021. Ford and Harley Davidson have not closed their place of business in India.

(b) The closure of operations of a foreign company is a business decision peculiar to each company which may include factors such as cessation of operation of branch office, expiration of validity of permission / licence etc. granted by the Reserve Bank of India, not starting its operation due to change of business policy of the parent company, foreign company establishing a private limited company in India, closure of Parent Company, management's decision, closure of liaison office/ branch office in India on completion of project of parent Company etc.

(c) to (d): Quality control does not fall within the purview of Ministry of Corporate Affairs (MCA). However, the Ministry strives to provide quality services to all corporates in the implementation of the Companies Act, 2013. A user-friendly portal (MCA 21) has also been created for easy and efficient filing of returns by companies, LLPs and foreign companies.
