

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UN-STARRED QUESTION NO. 1653
ANSWERED ON Tuesday, August 6, 2024
Sravana 15, 1946 Saka**

REGISTERED OFFICES OF FOREIGN COMPANIES

QUESTION

1653. Shri Akhilesh Prasad Singh:

Will the Minister of CORPORATE AFFAIRS
be pleased to state:

- (a) whether a total of 2,783 foreign companies with registered offices or subsidiaries in the country closed their operations between 2014 and November 2021;
- (b) if so, the reasons thereof;
- (c) the total number of active foreign subsidiaries operating in the country;
- (d) whether 64,000 jobs have been lost in the automobile industry since 2017 and if so, the details thereof; and
- (e) whether 2,485 crores worth of investments were lost by car dealerships after 2017 and if so, the details thereof?

ANSWER

Minister of State in the Ministry of Corporate Affairs; Minister of State in the Ministry of Road Transport and Highways.

(Shri Harsh Malhotra)

(a) and (b): Closure of operations of a company is a business decision peculiar to each company which include various factors such as cessation of operation of branch office, expiration of validity of permission / license 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. Further, under Companies Act, a company can close its operations or cease to exist and/or on many counts including on account of merger, amalgamation or absorption into or by another company; on conversion to LLP; by acquiring the status of dormant company; on dissolution under the Act; or under Section 248(1) of the Act under which the RoC is empowered to strike off companies from the Register of Companies as per the conditions laid out therein. This data is available in MCA-21 portal which is dynamic in nature and based on company filing either when an event takes place in the company or annual filing, the last date

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of which is 31st October of any Financial Year. Unless extension is granted by RoC upto 3 months, these companies can make filing with an additional fee as prescribed in the Companies Act. Accordingly, the foreign companies and their subsidiaries which close business or sought voluntary closure or status of dormancy or are under liquidation between 2014 till November, 2021, are 1747 in number.

(c) : There are 11,416 number of active foreign subsidiaries operating in the country, as on November, 2021.

(d) : Ministry of Corporate Affairs (MCA) is not required to maintain data regarding job loss under the provision of the Companies Act (the Act). However, Ministry of Labour & Employment, Labour Bureau has informed that Labour Bureau brings out Statistics on “Industrial Dispute, Closures, Retrenchments and Lay-offs in India” based on the voluntary administrative returns received every month from the Labour Departments of the States and the Regional Labour Commissioner (Central).

Based on the provisional information received in the Labour Bureau till 31st July, 2024 the requisite information is provided in the Table- (1) and Table- (2) below:-

Table-1

Cases of Closure and workers affected thereof (Since 2017) in respect of NIC Code 29
(Manufacture of motor vehicles, trailers and semi-trailers)

Sr. No.	Year	No. of Workers Affected
1.	2017	145
2.	2018	118
3.	2020	69
	Total	332

Further, it is informed that no case of Closure has been reported for the year 2019, 2021, 2022, 2023 &2024 (till June) as on 31st July, 2024 under respective NIC code.

Table-2

Cases of Retrenchment and Workers Retrenched thereof (Since 2017) in respect of NIC
Code 29 (Manufacture of Motor Vehicles, Trailers and Semi-Trailers)

Sr. No.	Year	No. of Worker Affected
1	2020	217
	Total	217

Further, it is informed that no case Retrenchment has been reported for the year 2017, 2018, 2019, 2021, 2022, 2023 &2024 (till June) as on 31st July, 2024 under respective NIC code.

(e): There are no such information/ record regarding loss of Investment by Car Dealership after 2017.
