

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 371
ANSWERED ON TUESDAY, 03rd FEBRUARY, 2026**

Relocation of foreign companies

371 Shri Saket Gokhale:

Will the Minister of *Corporate Affairs* be pleased to state:

- (a) the number of foreign-owned companies that have closed operations or relocated their registered offices out of the country in the last five financial years;
- (b) the primary reasons cited by these companies for their relocation or exit, as recorded by the Registrar of Companies (RoC); and
- c) the details of regulatory and compliance hurdles identified as deterrents by foreign investors and companies operating in the country and the steps taken to address them?

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): Foreign company is defined under section 2 (42) of the Companies Act, 2013 which means any company or body corporate incorporated outside India which has a place of business in India whether by itself or through an agent, physically or through electronic mode; and conducts any business activity in India in any other manner. Thus, foreign companies are incorporated outside India and they have a place of business in India. These companies are set up with foreign capital and can invest in India either by opening place of business in India or by incorporating their subsidiaries in India.

The number of foreign companies that have closed operations in India in the last 05 financial years are as under:-

Financial Year	Total Foreign Companies
2020-2021	121
2021-2022	104
2022-2023	63
2023-2024	68
2024-2025	63
Total	419

(b): The reason for closure of a foreign company is a business decision peculiar to each company which may include factors such as completion of project of parent Company, expiration of validity of permission / licence etc. granted by the Reserve Bank of India, not starting its operations 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, etc.

(c): The Ministry strives to provide quality services to all corporates in the implementation of the Companies Act, 2013. A user friendly MCA21 portal has also been created for easy and efficient filing of returns by companies and LLPs. During the period FY 2020-21 to FY 2025-26 (up to December, 2025), 10625 foreign companies have registered their Indian subsidiary companies.
