

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
STARRED QUESTION NO. *216
ANSWERED ON MONDAY, AUGUST 3, 2026**

CLOSURE OF FOREIGN BUSINESS OFFICES

QUESTION

***216: Smt. Manju Sharma:**

**Will the Minister of CORPORATE AFFAIRS
be pleased to state:**

कारपोरेट कार्य मंत्री

- (a) whether it is a fact that many foreign companies and their subsidiaries with registered functional offices in different parts of the country have closed their business offices in the country;**
- (b) if so, the details thereof and the reasons behind the closure of business activities/offices by the said companies and their subsidiaries during the last five years;**
- (c) whether the Government has any data regarding the total number of foreign companies and their subsidiaries currently carrying out their business activities in the country, if so, the details thereof; and**
- (d) the total number of Indian employees currently working in the said companies?**

ANSWER

**The Minister of Finance & Corporate Affairs
(SMT. NIRMALA SITHARAMAN)**

**(वित्त और कॉर्पोरेट मामलों के मंत्री)
श्रीमती निर्मला सीतारामन**

(a) to (d): A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PART (a) TO (d) OF LOK SABHA
STARRED QUESTION NO. *216(16th POSITION) FOR 3RD AUGUST, 2026
ASKED BY SMT. MANJU SHARMA HON'BLE MEMBER OF PARLIAMENT
REGARDING CLOSURE OF FOREIGN BUSINESS OFFICES.**

(a) & (b): A "Foreign Company" has been defined under sub-section (42) of Section 2 of the Companies Act, 2013. A "foreign company" means any company or body corporate incorporated outside India which (a) has a place of business in India whether by itself or through an agent, physically or through electronic mode; and (b) conducts any business activity in India in any other manner.

Foreign companies register under Section 380 of the Companies Act, 2013 as a Branch Office, Liaison Office and Project office. Many foreign body corporates also have Indian subsidiaries which are incorporated in India under section 7 of the Companies Act, 2013. The details of Foreign Companies as well as Indian subsidiaries of foreign body corporates registered and who have opted for closure during the last five financial years are at Annexure.

The closing of operations is a matter of commercial business decision. It depends on a host of factors such as viability of operations, sectoral strategy, global priorities, market size, capital and resource allocation within the company as well as the decision of a particular business entity whether to operate in different geographical areas or not.

(c) As of 30.07.2026, 3313 foreign companies and 19,881 number of companies incorporated in India whose holding company is incorporated outside India are carrying out their business activity in the country.

(d) The number of Indian nationals working in foreign companies and subsidiaries is not maintained with the Ministry.

Annexure

Referred to reply to part(a) and (b) of Lok Sabha Starred Q. No. 216 for 03.08.2026

Year	Number of Foreign Companies that have registered under Section 380 of the Companies Act, 2013	Number of foreign companies registered under Section 380 of the Companies Act, 2013 that have closed their place of business	Number of companies incorporated in India whose holding company is incorporated outside India	Number of companies incorporated in India whose holding company is incorporated outside India that have closed their place of business in India
2021-22	74	104	1,829	300
2022-23	51	63	1,832	134
2023 -24	66	68	2,112	242
2024-25	59	63	2,013	253
2025-26	102	84	2,191	294