

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE
LOK SABHA**

**UNSTARRED QUESTION NO. 5510.
TO BE ANSWERED ON WEDNESDAY, THE 05TH APRIL, 2023.**

CLOSURE OF MNCS

5510. SHRI ASADUDDIN OWAISI:

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether it is a fact that in the wake of ease of doing business in India, many Multinational Companies(MNCs) with registered offices or subsidiaries in India have closed down their operations in the country;
- (b) if so, the company-wise details thereof;
- (c) the circumstances under which the MNCs have decided to close down their operations in the country;
- (d) whether the Government has compiled the data on the loss incurred due to the closing down of MNCs in the country and the number of Indians rendered unemployed due to this step; and
- (e) if so, the measures taken to tackle the closing down of MNCs?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सोम प्रकाश)

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI SOM PARKASH)**

- (a) to (e):** The term Multinational Companies (MNCs) is not defined under Companies Act, 2013. However, 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. Many foreign companies have Indian subsidiaries which are Indian companies but are subsidiaries of foreign holding companies. Data shows that foreign companies and their subsidiaries keep on registering under Section 380 of the Companies Act, 2013 in various parts of the country and also close down their business operations from time to time. 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.

No data in regards to Multinational Company (MNC) is maintained.
