General Circular No. 01/ 2017
F. No. 1/23/2013-CL-V
Government of India
Ministry of Corporate Affairs

5th Floor, 'A' Wing, Shastri Bhawan,
Dr. R. P. Road, New Delhi

Dated: 22th February, 2017

To

All RDs,
All ROCs,
The Stakeholders.

Sub: Section 391(2) closure of place of business by a Foreign Company. - reg.

Sir,

Sub-Section (2) of Section 391 of the Companies Act, 2013, states that the provisions of Chapter XX shall apply mutatis mutandis for closure of the place of business of a foreign company in India as if it were a company incorporated in India. These provisions have been brought into force on 15th December, 2016. Stakeholders have sought clarification with regard to scope of application of the said sub-section.

2. The matter has been examined in the Ministry and it has been noted that sub-section (1) and sub-section (2) of section 391 needs to be read harmoniously. Accordingly, it is clarified that provisions of sub-section (2) of Section 391 of the Companies Act, 2013 would apply only in case of a foreign company which has issued prospectus or IDRs pursuant to provisions of Chapter XXII of Companies Act, 2013.

1
3. This issues with the approval of Competent Authority.

Yours faithfully,

(Sudhir Kapoor)
Deputy Director
Ph.-23386065

Copy to:-

(i) Guard File;
(ii) E-Governance Section and Web Contents Manager to place this circular on the Ministry’s web site.