

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. - req.

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.

3. This issues with the approval of Competent Authority.

Yours faithfully,



(Sudhir Kapoor)
Deputy Director
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