

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:1727

ANSWERED ON:30.11.2009

VIOLATION OF CONTRACTS BETWEEN INDIAN AND FOREIGN COMPANIES

Agarwal Shri Jai Prakash;Rawat Shri Ashok Kumar

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

- (a) whether the Government has any policy/mechanism to check the cases of violation of contracts between Indian and foreign companies;
- (b) if so, the details thereof alongwith the name of companies against whom action has been taken for violation of contract during the last three years and the remedial measures taken by the Government in this regard;
- (c) whether any survey has been conducted by any foreign company to set up industries in the country or in the Special Economic Zone; and
- (d) if so, the details of such foreign companies alongwith the criteria for setting up the industries, State-wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a) & (b): Adequate mechanisms are provided within the Indian legal system for enforcement of legal rights arising out of breach of contracts between contracting parties, including, inter alia, the Indian Contract Act, 1872 and the Arbitration and Conciliation Act, 1996. The contracting parties are free to seek recourse within the legal system for redressal of grievances arising out of breach of contracts, such as arbitration or litigation in the relevant courts, depending upon the provisions laid down in the contract agreement concluded between the parties concerned. Details of breach of contracts, between Indian and foreign companies, are not centrally maintained by this department.

(c) & (d): This department is not aware of any survey made by any foreign company to set up industries in the country or in the Special Economic Zone.