

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF INDUSTRIAL POLICY & PROMOTION**

LOK SABHA

**UNSTARRED QUESTION NO. 3716.
TO BE ANSWERED ON MONDAY, THE 19TH MARCH, 2018.**

VIOLATION OF CONTRACTS BY FOREIGN COMPANIES

3716. SHRI ASHOK MAHADEORAO NETE:

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether the Government has formulated any policy to prevent the cases of violation of contractual responsibilities between Indian and Foreign companies;
- (b) if so, the details thereof;
- (c) the names of companies against which any such action has been initiated during the last three years; and
- (d) the corrective measures taken/ proposed to be taken by the Government to prevent the re-occurrence of such cases?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्यमंत्री (श्री सी.आर. चौधरी)

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI C.R. CHAUDHARY)**

(a) to (d): Indian Contract Act, 1872 and the Specific Relief Act, 1963 are applicable to contracts entered into between parties including contracts signed between Indian and foreign companies, if entered into within the territory of India. The application of the said law extends to the whole of India except the State of Jammu and Kashmir as provided in section 1 of the said Acts.

Further, Indian Contract Act, 1872 is a law relating to contracts. While the provisions relating to performance of contracts are contained in Chapter IV of the said Act, the consequences of the breach of contracts are provided for in sections 73, 74 and 75 of Chapter VI thereof. Section 226 provides for enforcement and consequences of agent's contracts. The provisions of the said Act being substantive in nature, it encompasses all aspects of contracts entered into between

parties including contracts signed between India and foreign companies if entered into with the territory of India.

Also, the Specific Relief Act, 1963 provides for certain kinds of specific relief. Chapter II provides for specific performance for contracts. Section 21 provides for award of compensation in certain cases. Chapter VI provides for declaratory decrees. Chapter VII provides for preventive relief including injunctions and Chapter VIII provides for perpetual injunctions.

No data is centrally maintained regarding the names of the companies against which action of violations of contractual liabilities has been taken.
