

Foreign companies entering into joint ventures in India and operate in India—to obey the law of the land.

The Committee on Government Assurances, Rajya Sabha has recommended the following in its 41st and 42nd Report pertaining to MUL:

“The committee, therefore, recommends that while permitting the foreign companies to operate in India or while entering in the joint ventures in India they should be told in unequivocal terms that they shall have to obey the law of the land and there shall be no compromise or excuse for the ignorance of the Indian legal system in any manner”.

2. The Government have accepted the recommendations of the Committee. The administrative Ministries/Departments may please suitably advise the public enterprises under their administrative control to ensure implementations of the above recommendations of the Committee on Government Assurances, Rajya Sabha in all the joint venture cases where it is applicable. The Financial Advisers of the Ministry shall monitor implementation of the above recommendation from time to time.

(DPE O.M. No. 4(9)/97-Fin. dated 15/07/1997)