

Andhra State Act, 1953

Section 48 - Contracts

(1) Where before the appointed day the State of Madras had made any contract in the exercise of the executive power of that State for any purposes of the State, then such contract shall--

(a) if such purposes are as from that day--

(i) exclusively purposes of the State of Andhra, or

(ii) partly purposes of the State of Andhra and partly purposes of the State of Mysore and not purposes of the State of Madras as constituted on the appointed day,

be deemed to have been made in the exercise of the executive power of the State of Andhra instead of the State of Madras;

(b) if such purposes are as from that day exclusively purposes of the State of Mysore, be deemed to have been made in the exercise of the executive power of that State instead of the State of Madras; and

(c) in any other case, continue to have effect as having been made in the exercise of the executive power of the State of Madras;

and all rights and liabilities which have accrued or may accrue under any such contract shall, to the extent to which they would have been rights or liabilities of the State of Madras as constituted immediately before the appointed day, be rights or liabilities of the State of Andhra, the State of Mysore or the State of Madras, as the case may be.

(2) For the purposes of this section there shall be deemed to be included in the liabilities which have accrued or may accrue under any contract --

(a) any liability to satisfy an order or award made by any Court or other tribunal in proceedings relating to the contract; and

(b) any liability in respect of expenses incurred in or in connection with any such proceedings.

(3) This section shall have effect subject to the provisions relating to apportionment of liabilities in respect of loans, guarantees and other financial obligations contained in the Seventh schedule; and bank balances and securities shall, notwithstanding that they partake of the nature of contractual rights, be dealt with under the said provisions.