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G.O., 10th November 1888, No. 828.



No. 3680 W. 42^d Nov. 1888
NOVEMBER.

Contracts involving liabilities on the State.

Communicating to departments of the Secretariat Resolution of the Government of India placing certain restrictions on the power of Local Governments and Administrations to enter into—

with the order

Order—

Ordered, that a copy of this Resolution be forwarded to the several Departments of the Government of India; the several Local Governments and Administrations; the Mint Masters, Calcutta and Bombay; the Director-General of the Post Office; and the Commissioner of the Northern India Salt Revenue for information and guidance.

(Signed) J. E. O'CONOR,
Asst. Secy. to the Govt. of India.

ORDER—dated 10th November 1888, No. 828, Financial.

Communicated to departments of the Government of Madras for information and guidance.

(True Extract.)

Hedrick-Hill

Ag. Chief Secretary.

To departments of the Government. *Per. D.*

Exd. W. H. French.

18-11-88

10TH NOVEMBER 1888, No. 828, FINANCIAL.

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

READ—the following paper:—

Resolution of the Government of India, Department of Finance and Commerce, (Salaries, Establishments, &c.—Miscellaneous), dated Simla, the 20th October 1888, No. 5712.

Read—

Despatch No. 15, Public Works, dated 31st March 1887, from Her Majesty's Secretary of State to the Government of India, concerning restrictions on the power of Local Governments to enter into contracts involving liabilities on the State.

Resolution—

The Government of India having had under consideration certain cases in which agreements have been made with private persons or mercantile firms, which have resulted in loss or inconvenience to the State, has prescribed the following rules for the guidance of Local Governments and Administrations:—

I.—In those cases where it is considered expedient to grant concessions or to make agreements which create any exclusive privilege or impose any corresponding obligation upon the Government, the deed of concession, or the agreement, if the rights under it are transferable, must be so framed that it will be beyond the power of the persons with whom the agreement is made to transfer their rights, or a part of them, without the sanction of the Government.

II.—Whenever it is considered that the circumstances are such that it may be expedient that the property or rights should be placed in the hands of a joint stock company, the circumstances must be reported to the Government of India before the agreement is concluded or the concession finally made.

III.—All contracts, agreements, or concessions creating any exclusive privilege or imposing any corresponding obligation upon the Government which have currency of more than five years must be forwarded before execution for the approval of the Government of India, unless powers have been unconditionally reserved to Government in the contract to terminate it on giving notice of such intention.

IV.—Agreements with private persons, firms, or companies, under which a Local Government undertakes to execute works or perform services for them which involve expenditure from Government funds to the extent of a lakh of rupees altogether, or of a yearly sum of Rs. 5,000, or the cession of Government property valued at a lakh of rupees, should be submitted to the Government of India for approval.

V.—Contracts or agreements which fall under the terms of clause III will be subject to any special provision made by Government to meet particular cases, or particular classes of cases, in which a strict application of that clause would be inadvisable.

VI.—When agreements of the class referred to in this Resolution are executed by a Local Government, their terms should be considered in the Judicial Department and by the highest legal adviser to that Government, and they should be executed by the Secretary to the Local Government in the Judicial Department.

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No 3080w. of 21-7-1888.

Commnd to officious
of the Md Dept for
information & guidance
by W.L.C.B.

Gobt. of 1888 Madras.
FINANCIAL.

Issued

Recd.

G.O., 10th November 1888, No. 828.

NOVEMBER.

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Asst. Secy. to the Govt. of India.

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(True Extract.)

J. F. PRICE,
Ag. Chief Secretary.

To departments of the Government.

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