

## **Borrowing**

### **158. Power of Corporation to borrow. –**

The Corporation may, in pursuance of any resolution passed by it, borrow by way of debenture or otherwise on the security of any immovable property vested in it or proposed to be acquired by it or of all or any of the taxes, rates, cesses, fees and charges authorized by or under this Act any sums of money which may be required

- (a) for acquiring any land which it has power to acquire;
  - (b) for erecting any building which it has power to erect;
  - (c) for the execution of any permanent work, the provision of any plant, or the doing of any other thing which it has power to execute, provide or do, if the cost of carrying out the purpose in question ought to be spread over a term of years;
  - (d) to pay off any debt due to the Government;
  - (e) to repay a loan previously raised under this Act or any other Act previously in force:  
or
  - (f) for any other purpose for which the Corporation is, by virtue of this Act or any other law for the time being in force, authorized to borrow:
- Provided that :-

- (I) no loan shall be raised without the previous sanction of the Government or without previous publication of the application for sanction under the Local Authorities Loan Act, 1914, and the rules made there under: and
- (ii) the amount of loan, the rate of interest and the terms including the date of flotation, the time and method of the repayment and the like shall be subject to the approval of the Government.

(2) When any sum of money has been borrowed under sub-section (1), no portion of any sum of money borrowed for any of the purposes referred to in Clause (c) of sub-section (1) shall be applied to the payment of salaries and allowances to any Corporation officers or other Corporation employees other than those exclusively employed in connection with the carrying out of that purpose.

### **159. Time for repayment of money borrowed under Section 158. –**

The time for the repayment of any money borrowed under section 158 shall in no case exceed sixty years and the time for repayment of any money borrowed for the purpose of discharging any previous loan shall not, except with the express sanction of the Government, extend beyond the unexpired portion of the period for which such previous loan was sanctioned.

### **160. Form and effect of debentures.**

All debentures issued under this Chapter shall be in such form as the Corporation may, with the previous sanction of the Government, determine and shall be transferable in such manner as shall be therein expressed; and the right to sue in respect of the moneys

secured by any of such debentures shall vest in the holders thereof for the time being without any preference by reason of some such debentures being prior in date to others.

**161. Payment to survivors of joint payees. –**

When any debenture or security issued under this Act is payable to two or more persons jointly, and either or any of them dies, then, notwithstanding anything in Section 45 of the Indian Contract Act, 1872, the debenture or security shall be payable to the survivors of such person:

Provided that nothing in this section shall affect any claim by the legal representative of a deceased person against such survivor or survivors.

**162. Receipt by joint holders for the interest or dividend. –**

When two or more persons are joint holders of any debenture or security issued under this Act, any one of such persons may give an effectual receipt for any interest or dividend payable in respect of such debenture or security, unless notice to the contrary has been given to the Corporation by the order of such persons.

**163. Maintenance and investment of sinking funds. –**

(1) The Corporation shall maintain sinking funds for the repayment of money borrowed on debentures issued and shall pay every year into such sinking funds such sum as will be sufficient for the repayment within the period fixed for the loan of all moneys borrowed on the debentures issued.

(2) All moneys paid into the sinking funds shall, as soon as possible, be invested by the Commissioner in public securities and every such investment shall be reported by the Commissioner to the Corporation within fifteen days.

(3) All dividends and other sums received in respect of any such investment shall, as soon as possible after receipt, be paid into the sinking funds and invested in the manner laid down in sub-section (2).

(4) Any investment made under this section may, subject to the provisions of sub-section (2), be varied or transposed.

**164. Application of sinking funds. –**

A sinking fund or any part thereof shall be applied in or towards the discharge of the loan or a part of the loan for which such fund was created, and until such loan or part is wholly discharged shall not be applied for any other purpose.

**165. Annual statement by Commissioner. –**

(1) The Commissioner shall, at the end of every year, submit to the Corporation a statement showing

- (a) the amount which has been invested during the year under section 163;
- (c) the date of the last investment made previous to the submission of the statement
- (d) the aggregate amount of the securities then in his hand; and

(e) the aggregate amount which has up to the date of the statement been applied under Section 164, in or towards discharging loans.

(2) A copy of every such statement shall also be submitted to the Government.

**166. Priority of payment for interest and repayment of loans over other payments -**

All payment due from the Corporation for interest on and repayment of loans shall be made in priority to all other payments due from the Corporation.

**167. Attachment of Corporation Fund for recovery of money borrowed from Government. –**

(1) If any money borrowed or deemed to have been borrowed by the Corporation from the Government or any interest or costs due in respect thereof be not repaid according to the conditions of the loan, the Government may attach the Corporation Fund or any part thereof.

(2) After such attachment no person except an officer appointed in this behalf by the Government shall in any way deal with the attached fund; but such officer may do all acts in respect thereof which any municipal authority, officer or other employee might have done if such attachment had not taken place, and may apply the proceeds in satisfaction of the arrears and of all interests and costs due in respect thereof and of all expenses caused by the attachment and subsequent proceedings:

Provided that no such attachment shall defeat or prejudice any debt for which the fund was previously charged in accordance with law; and all such prior charges shall be paid out of the proceeds of the fund before any part of the proceeds is applied to the satisfaction of the debt due to the Government.

**168. Power to make regulations. –**

The Corporation may make regulations to carry out the purposes of this Chapter including, in particular, the issue of duplicate in case of loss of debentures by theft, destruction or other. Wise and renewal of debentures on payment of fees prescribed in this behalf by such regulations.

**169. Property vested in Corporation and management of public institutions. –**

(1) Subject to any special reservation made or to any specific conditions imposed by the Government, all property of the nature hereinafter in this section specified and situated within the City, shall vest applicable at thin and be under the control of the Corporation, and with all other property which vests in the Corporation by virtue of the provisions of this Act or another law for the time being in force, shall be held and applied by it for the purposes of this Act, that is it say

(a) all such public town walls, gates markets, stalls, slaughter houses, manure and night-soil depots and public buildings of every description as have been constructed or are maintained out of the Corporation Fund;

(b) all public streams, springs and works for the supply storage and distribution of water for public purposes, and all bridges, buildings, engines, materials and things connected therewith Or appertaining, thereto, and also any adjacent land (not being private property)

appertaining to any public tank or well;

(c) all public sewers and all drains, and sewers, drains, culverts and water courses in or under any public street, or constructed by or for the Corporation alongside any public street, and all works materials and things appertaining thereto;

(d) all public lamps, lamp-posts, and apparatus connected therewith or appertaining thereto;

(e) all land or other property transferred to the Corporation by the Government or acquired by gift. purchase or otherwise for public purchase or otherwise for public purposes;

(f) all public streets, not being land owned by Government and the pavements, stones and other materials thereof, and also trees growing on, and erections, materials, implements and things provided for, such streets.

(2) Where any immovable property is transferred otherwise than by sale by the Government to a Corporation for public purposes, it shall be deemed to be a condition of such transfer, unless specially provided to the contrary that should the property be at any time resumed by Government the compensation payable therefore, shall notwithstanding anything to the contrary in the Land Acquisition Act, 1894, in no case exceed the amount, if any paid to the Government for the transfer, together with the cost or the present value whichever shall be less, of any buildings erected other works executed on the land by the corporation.

(3) The Corporation shall maintain a register and a map of immovable property of which it is the proprietor or which vests in it. Or which it holds in trust for the Government.

(4)The management, control and administration of every public institution maintained out of the Corporation Fund shall vest in the Corporation.

(5) When any public institution has been placed under the direction, management and control of the Corporation, all property, endowments and funds belonging thereto shall be held by the Corporation in trust for the purposes to which such property, endowments and funds were lawfully applicable at the time when the institution was so placed:

Provided that the extent of the independent authority of the Corporation in respect of any such institution may be prescribed by the Government:

Provided further that nothing in this section shall be held to prevent the Vesting of any trust property in the treasurer of Charitable endowments under the Charitable Endowments Act, 1890.