

Provided that if at any time the sum standing to the credit of the sinking fund established for the repayment of any loan is of such amount that is allowed to accumulate at compound interest it will be sufficient to repay the loan within the period approved, then with the permission of the <sup>1</sup>[State] Government further payments into such fund may be discontinued.

(2) The Corporation may apply a sinking fund, or any part thereof, in or towards the discharge of the loan for which such funds was established and, until such loan or part is wholly discharged, shall not apply the same for any other purpose.

Investment of sinking fund.

**113.(1)** All money paid into a sinking fund shall within one month of the date on which the payment was due to be made under sub-section (1) of section 112 be invested in public securities.

(2) All interest and other sums received in respect of any such investment shall be paid into the sinking fund and shall, within one month of receipt, be invested in the manner prescribed by sub-section (1).

(3) Money standing to the credit of two or more sinking funds may, at the discretion of the Corporation, be invested in a common fund, and it shall not be necessary for the Corporation to allocate the securities held in such investments among the several sinking funds.

(4) When any part of a sinking fund is invested in debentures issued by the Corporation or is applied in paying off any part of a loan before the period fixed for repayment, the interest which would otherwise have been payable on such debentures or on such part of the loan shall be paid into the sinking fund and invested in the manner laid down in sub-section (1).

(5) Any investment made under sub-section (1) may be varied from time to time or may be transferred from one sinking fund to another:

Provided that the fund from which the transfer is made shall be reimbursed the value of such investment as on the date on which the transfer is made.

(6) During the year in which the loan for the repayment of which a sinking fund is established is due for repayment, the sum to be set apart as portion of the principal of such sinking fund and the sum received on account of interest on moneys forming part of such sinking fund may be retained by the Corporation in such form as it thinks fit.

Investment of sinking fund and surplus moneys in debentures issued by Corporation.

**114.(1)** In respect of any sinking funds which by this Act the Corporation is directed or authorised to invest in public securities and in respect of any surplus moneys which by this Act the Commissioner or the Transport Manager on behalf of the Corporation is empowered to invest in like securities, it shall be lawful for the Corporation to reserve and set apart for the purpose of any such investment any debentures issued or to be issued on account of any loan for which the sanction of the <sup>1</sup>[State] Government shall have been duly obtained :

Provided that the intention so to reserve and set apart such debentures shall have been notified to the <sup>1</sup>[State] Government as a condition of the issue of the loan.

(2) The issue of any such debentures direct to and in the name of the Municipal Commissioner or the Transport Manager of the Transport Undertaking on behalf of the Corporation shall not operate to extinguish or cancel such debentures, but every debenture so issued shall be valid in all respects as if issued to and in the name of any other person.

(3) The purchase by, or the transfer, assignment or endorsement to, the Corporation or to the Commissioner or Transport Manager on behalf of the Corporation of any debenture issued by the Corporation shall not operate to extinguish or cancel any such debenture, but the same shall be valid and negotiable in the same manner and to the same extent as if held by, or transferred, assigned or endorsed to, any other person.

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1. This word was substituted for the word "Provincial" by the Adaptation of Laws Order, 1950.