

Attachment of
Municipal Fund or
Transport Fund in
default of repayment
of loan.

117.(1) If any money borrowed by the Corporation or any interest or costs due in respect thereof is or are not repaid according to the conditions of the loan, the ¹[State] Government, if it has itself given the loan, may, and in other cases shall, on the application of the lender, attach the Municipal Fund or the Transport Fund or a portion of the Municipal Fund or the Transport Fund.

(2) After such attachment no person, except an officer appointed in this behalf by the ¹[State] Government, shall in any way deal with attached Fund or portion thereof; but such officer may do all acts in respect thereof which any municipal authority, officer or servant might have done if such attachment had not taken place and may apply the proceeds in satisfaction of the arrears and of all interest 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 or portion thereof attached was previously pledged in accordance with law, and all such prior charges shall be paid out of the proceeds of the Fund or portion thereof before any part of the proceeds is applied to the satisfaction of the liability in respect of which such attachment is made.

From of debentures.

118.(1) Debentures issued under this Act shall be in such form as the Corporation may with the previous sanction of the ¹[State] Government from time to time determine.

(2) The holder of any debenture in any form duly authorised under sub-section (1) may obtain in exchange therefor, upon such terms as the Corporation shall from time to time determine, a debenture in any other form so authorised.

(3) Every debenture issued by the Corporation under this act shall be transferable by endorsement.

(4) The right to payment of the moneys secured by any of such debentures and to sue in respect thereof shall vest in the holder for the time being without any preference by reason of some of such debentures being prior in date to others.

Coupons attached to
debentures to
bear signature
of Chairmen of
Standing Committee
and Commissioner.

119. All coupons attached to debentures issued under this Act shall be signed by the Chairman of the Standing Committee and the Commissioner on behalf of the Corporation and such signatures may be engraved, lithographed or impressed by any mechanical process.

Debentures issued to
two or more persons
jointly.

120. Notwithstanding anything contained in section 45 of the Indian Contract Act, 1872 —

(1) when any debenture or security issued under this Act is payable to two or more persons jointly, and either or any of them dies, the debenture or security shall be payable to the survivor or survivors of such persons:

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

(2) 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 any other of such persons.

Issue of duplicate
securities.

121.(1) When a debenture issued under this Act is alleged to have been lost, stolen or destroyed either wholly or in part and a person claims to be the person to whom but for the loss, theft or destruction it would be payable, he may, on application to the Commissioner, and on producing proof to his satisfaction of the loss, theft or destruction and of the justice of the claim, obtain from him an order—

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