

A special audit may be directed by ¹[State] Government.

108. (1) The ¹[State] Government may at any time appoint an auditor for the purpose of making a special audit of the municipal accounts including the accounts of the Transport Undertaking and of reporting thereon to the ¹[State] Government and the costs of any such audit as determined by the ¹[State] Government shall be chargeable to the Municipal Fund or the Transport Fund, as the case may be.

(2) An auditor so appointed may exercise any power which the Municipal Chief Auditor may exercise.

Audit and technical guidance and supervision over audit.

²**108A.** (1) The accounts of the municipal corporation shall be audited under the provisions of the Gujarat Local Fund Audit Act, 1963. Guj. XLIX of 1963.

(2) Notwithstanding anything contained in this Act, the State Government shall entrust the Comptroller and Auditor General of India the technical guidance and supervision over the audit of the municipal corporation.

(3) The State Government shall cause the audit report under the Gujarat Local Fund Audit Act, 1963 along with the report of the Comptroller and Auditor General of India on technical guidance and supervision as referred to in sub-sections (1) and (2) to be laid before the State Legislature]. Guj. XLIX of 1963.

CHAPTER X.

BORROWING POWERS.

Powers of Corporation to borrow money.

109. (1) The Corporation may, with the previous sanction of the ¹[State] Government, from time to time, borrow or re-borrow and take up at interest by the issue of debentures or otherwise on the security of any immovable property vested in the Corporation on or proposed to be acquired by it under this Act or of all the taxes or of any tax which it is authorised to levy for the purposes of this Act or the Transport Undertaking, or of all or any of those securities any sum necessary for the purpose of —

(a) defraying any costs, charges or expenses, incurred or to be incurred by it in the execution of this Act;

(b) for discharging any loan contracted under this Act or any other loan or debt for the repayment of which the Corporation is liable;

(c) generally for carrying out the purposes of this Act, including the advance of loans authorised thereunder :

Provided that —

(i) no loan shall be raised for the execution of any work other than a permanent work, which expression shall include any work of which the cost should, in the opinion of the ¹[State] Government, be spread over a term of years;

(ii) no loan shall be raised unless the ¹[State] Government has approved the terms on and the method by which the loan is to be raised and repaid;

(iii) the period within which the loan is to be repaid shall in no case exceed sixty years, and where a loan is raised for the repayment of a previous loan, the period within which the subsequent loan is to be repaid shall not extend beyond the unexpired portion of the period fixed for the repayment of the original loan, unless the ¹[State] Government so directs, and shall in no case extend beyond the period of sixty years from the date on which the original loan was raised.

(2) When any sum of money has been borrowed or re-borrowed under sub-section (1)—

(a) no portion thereof shall, without the previous sanction of the ¹[State] Government, be applied to any purpose other than that for which it was borrowed; and

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

2. Section 108A was inserted by Guj. 21 of 2011, s. 3.