

(b) no portion of any sum of money borrowed or re-borrowed for the execution of any work shall be applied to the payment of salaries or allowances of any municipal officers or servants other than those who are exclusively employed upon the work for the construction of which the money was borrowed:

Provided that such share of the cost on account of the salaries and allowances of municipal officers or servants employed in part upon the preparation of plans and estimates or the construction or supervision of or upon the maintenance of the accounts of such work as the Standing Committee may fix may be paid out of the sum so borrowed or re-borrowed.

110. Notwithstanding anything contained in section 109 the Corporation may borrow for the purposes of this Act from any bank or banks in which the surplus moneys at the credit of the Municipal Fund or the Transport Fund may be deposited, against any public securities in which for the time being the cash balances of the Corporation may be invested. Power of Corporation to borrow from banks against public securities.

¹[**110A.** (1) Notwithstanding anything contained in sections 109 and 110, the Corporation may, with the previous sanction of the State Government and on such terms and conditions as the State Government may impose, take from any bank or banks, credit on cash account to be opened and kept with such bank or banks in the name of the Corporation for a sum as may be fixed by the State Government from time to time on the security of all or any of the taxes which the Corporation is authorised to levy for the purpose of this Act. Corporation may take advances from banks and grant mortgages.

(2) The Corporation may also with the previous sanction of the State Government and on such terms and conditions as the State Government may lay down, mortgage any lands or property vesting in or belonging to the Corporation in security of the payment of the amount of such credit or of the sums advanced from time to time on such cash account with interest thereon.]

111. Every loan raised by the Corporation under section 109 shall be repaid within the time approved under proviso (ii) to sub-section (1) of the said section and by such of the following methods as may be approved under the said proviso, namely,— When and how loan shall be repaid.

(a) by payment from a sinking fund established under section 112 in respect of the loan;

(b) by equal payments of principal and interest;

(c) by equal payments of principal;

(d) in the case of a loan borrowed before the appointed day by annual drawings if such method was in operation for the repayment of such loan immediately before such day;

(e) from any sum borrowed for the purpose under section 109 (1) (b); or

(f) partly from a sinking fund established under section 112 in respect of the loan and partly from money borrowed for the purpose under section 109 (1) (b).

112. (1) Whenever the repayment of a loan from a sinking fund has been sanctioned under proviso (ii) to sub-section (1) of section 109, the Corporation shall establish such a fund and shall pay into it, on such dates as may have been approved under the said proviso, such sum as will, with accumulations of compound interest, be sufficient after payment of all expenses to pay off the loan within the period approved: Maintenance and application of sinking fund.

1. Section 110A was inserted by Guj. 8 of 1968, s. 3.