

ACT No. III OF 1904.¹

[20th February, 1904.]

An Act to make further provision regarding the borrowing powers of certain local authorities.

WHEREAS it is expedient to make further provision regarding the borrowing powers of certain local authorities; It is hereby enacted as follows:—

1. (1) This Act may be called the Local Authorities Loan Act, 1904. Short title and extent.

(2) It applies only to the local authorities specified in the schedule, and any other local authority to which the Governor General in Council may, by notification in the Gazette of India, extend its provisions

2. Notwithstanding anything in any other enactment for the time being in force, but subject always to the provisions of section 25 of the Issue of short-term bills.
XX of 1882. ² Indian Paper Currency Act, 1882, a local authority may, with the previous sanction of the Governor General in Council, borrow money by means of the issue of ³[bills or promissory notes payable] within any period, not exceeding twelve months, for any purpose for which such local authority may lawfully borrow money under any law for the time being in force:

Provided that the amount of the bills ³ [or promissory notes] which may be so issued, shall not exceed, when the amount of the other moneys for the time being borrowed by such local authority is taken into account, the total amount which such local authority is empowered by law to borrow.

3. Notwithstanding anything in any other enactment for the time being in force, a local authority may, with the previous sanction of the Governor General in Council, borrow money in any manner authorised by law for the purpose of repaying money previously borrowed in accordance with law: Power of borrowing to repay previous loan.

Provided that nothing in this section shall be deemed to empower a local authority to fix a period for the repayment of any money borrowed thereunder which, when the period fixed for the repayment of the money previously borrowed is taken into account, will exceed the maximum period fixed for the repayment of a loan by or under any enactment for the time being in force.

¹ For Statement of Objects and Reasons, see Gazette of India. 1903, Pt. V, p. 515; for Report of the Select Committee, see *ibid*, 1904, Pt. V, p. 19, and for Proceedings in Council, see *ibid*, 1903, Pt. VI, p. 169, *ibid*, 1904, Pt. VI, pp. 9 and 20.

² See now s. 26 of the Indian Paper Currency Act, 1910 (2 of 1910).

³ These words were inserted by s. 2 of the Local Authorities Loan Act, 1908 (8 of 1908), *post*.