

of the Corporations, or in any other undertaking which is interested in any contract with either of the Corporations.

9. Corporations to act on business principles.—In carrying out any of the duties vested in it by this Act, each of the Corporations shall act so far as may be on business principles.

CHAPTER III. FINANCE, ACCOUNTS AND AUDIT

10. Capital of the Corporations.—(1) All non-recurring expenditure incurred by the Central Government for, or in connection with, each of the Corporations up to the date of establishment of that Corporation and declared to be capital expenditure by that Government, shall be treated as capital provided by the Central Government to that Corporation.

(2) The Central Government may provide any further capital that may be required by either of the Corporations for the carrying on of the business of the Corporation or for any purpose connected therewith on such terms and conditions as the Central Government may determine.

(3) Each of the Corporations may, with the consent of the Central Government, or in accordance with the terms of any general authority given to it by the Central Government—

(a) borrow money for all or any of the purposes of the Corporation, and

(b) secure the payment of any money borrowed by it or any interest thereon by the issue of bonds, debentures, debenture-stock or any mortgage or charge or other security on the undertaking of the Corporation or any part of it or on any of its properties.

11. Vesting of properties in the Corporations.—All properties, assets and funds owned or acquired by the Central Government for the purpose of Indian Airlines or, as the case may be, Air India International before the establishment of those Corporations shall, on such establishment, vest in the Corporation concerned.

12. Funds of the Corporations.—(1) Each of the Corporations shall have its own funds and all receipts of the Corporation shall be carried thereto and all payments for the Corporation shall be made therefrom.

(2) Each of the Corporations may keep in current account with any scheduled bank as defined in section 2 of the Reserve Bank of India Act, 1934 (II of 1934) or in any other bank approved by the Central Government in this behalf a sum of money not exceeding such amount as may be prescribed, but any moneys in excess of the said sum shall be deposited in the Reserve Bank of India or with the agents of the Reserve Bank of India or invested in such manner as may be approved by the Central Government.

13. Powers of the Corporations in regard to expenditure.—Each of the Corporations shall have power, subject to the provisions of this Act, to spend such sums as it thinks fit on objects or for purposes authorised by this Act and such sum shall be treated as expenditure out of the funds of that Corporation.

14. Corporation to assume obligations of Central Government in respect of certain matters.—All obligations incurred, all contracts entered into and all matters and things engaged to be done by, with, or