

Cantonments Act, 2006

Chapter VI - Cantonment Fund and Property

(1) There shall be formed for every cantonment a cantonment fund and there shall be placed to the credit thereof the following sums, namely:--

- (a) the balance if any, of the cantonment fund formed for the cantonment under the Cantonments Act, 1924;
- (b) all sums received by or on behalf of the Board.

(2) There shall also be formed for every cantonment, a cantonment development fund and there shall be placed to the credit, thereof the following sums, namely:--

- (i) any sum received from the Central Government or the Government of any State by way of contributions, grants, subsidies or by any other way for the implementation of any specific scheme or for the execution of any specific project;
 - (ii) any sum received from any individual or association of individuals by way of gift or deposit; and
 - (iii) any sum raised or borrowed under section 121 for the execution of specific development projects.
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Section 120 - Custody of cantonment fund and cantonment development fund

(1) The cantonment fund and the cantonment development fund shall be kept in separate accounts which shall be maintained in State Bank of India or any of its subsidiary banks or any nationalised bank or any scheduled commercial bank having its branch either in the cantonment or in the municipal area adjoining the cantonment.

Explanation.--In this section,--

- (i) "nationalised bank" means corresponding new bank specified in the First Schedule to the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 or the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980;
- (ii) "State Bank of India" means the State Bank of India constituted under the State Bank of India Act, 1955;
- (iii) "subsidiary bank" means a subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959.

(2) The Chief Executive Officer may with the previous sanction of the President Cantonment Board may invest any portion of cantonment fund or cantonment development fund in securities of Central Government or in such securities, including fixed deposits in banks in the best interest of the Board and may dispose of such investments or vary them for others of a like nature.

(3) The income resulting from any fixed deposit or from any such securities as is referred to in sub-section (2) or from the proceeds of the sale of any such security shall be credited to the cantonment fund or, as the case may be, the cantonment development fund.

(4) Every action taken under sub-sections (2) and (3) may be subsequently brought to the next meeting of the Board.

Section 121 - Power of Board to borrow money

A Board may from time to time by a resolution passed in this behalf borrow money from another Board, on mutually agreeable terms any sum of money which may be required for the schemes or projects covered under this Act.

Section 122 - Property

Subject to any special reservation made by the Central Government all property of the nature hereinafter in this section specified which has been acquired or provided or is maintained by a Board shall vest in and belong to that Board, and shall be under its direction, management and control, that is to say,--

- (a) all markets, slaughter-houses, manure and night-soil depots, and buildings of every description;

(b) all water-works for the supply, storage or distribution of water for public purposes and all bridges, buildings, engines, materials, and things connected therewith or appertaining thereto;

(c) all sewers, drains, culverts and water-courses, and all works, materials and things appertaining thereto;

(d) all dust, dirt, dung, ashes, refuse, animal matter, filth and rubbish of every kind, and dead bodies of animals collected by the Board from the streets, houses, privies, sewers, cesspools or elsewhere, or deposited in places appointed by the Board for such purposes;

(e) all lamps and lamp-posts and apparatus connected therewith or appertaining thereto;

(f) all lands or other property transferred to the Board by the Central or a State Government, or by gift, purchase or otherwise for local public purposes; and

(g) all streets and the pavements, stones and other materials thereof, and also all trees, erections, materials, implements, and things existing on or appertaining to streets.

Section 123 - Application of cantonment fund, cantonment development fund and property

The cantonment fund, cantonment development fund and all property vested in a Board shall be applied for the purposes, whether express or implied, for which, by or under this Act or any other law for the time being in force, powers are conferred or duties or obligations are imposed upon the Board:

Provided that the Board shall not incur any expenditure for acquiring or renting land beyond the limits of the cantonment or for constructing any work beyond such limits except--

(a) with the sanction of the Central Government, and

(b) on such terms and conditions as the Central Government may impose:

Provided further that priority shall be given in the order hereinafter set forth to the following liabilities and obligations of a Board, that is to say,--

(a) to the liabilities and obligations arising from a trust legally imposed upon or accepted by the Board;

(b) to the repayment of, and the payment of interest on, any loan incurred under the provisions of the Local Authorities Loan Act, 1914 or under the provisions of this Act.

(c) to the payment of establishment charges;

(d) to the payment of any sum the payment of which is expressly required by the provisions of this Act or any rule or bye-law made thereunder.

Section 124 - Acquisition of immovable property

When there is any hindrance to the permanent or temporary acquisition upon payment of any land required by a Board for the purposes of this Act, the Central Government may, on the recommendation of the Board, procure the acquisition thereof under the provisions of the Land Acquisition Act, 1894, and, on payment by the Board of the compensation awarded under that Act and of the charges incurred by the Government in connection with the proceedings, the land shall vest in the Board.

Section 125 - Power to make rules regarding cantonment fund, cantonment development fund and property

The Central Government may make rules consistent with this Act to provide for all or any of the following matters, namely:--

(a) the conditions on which property may be acquired by Boards or on which property vested in a Board may be transferred by sale, mortgage, lease, exchange or otherwise; and

(b) any other matter relating to the cantonment fund or cantonment development fund or cantonment property, in respect of which no provision or insufficient provision is made by or under this Act and provision is, in the opinion of the Central Government necessary.
