

Cantonments Act, 2006

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 (5 of 1970) or the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (40 of 1980); (ii) "State Bank of India" means the State Bank of India constituted under the State Bank of India Act, 1955 (23 of 1955); (iii) "subsidiary bank" means a subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959 (38 of 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-sec. (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-secs. (2) and (3) may be subsequently brought to the next meeting of the Board.