

**PROCEEDINGS FOR THE SPECIAL BOARD MEETING OF AURANGABAD  
CANTONMENT BOARD HELD ON 21/07/2022 AT 1100 HOURS IN THE  
OFFICE OF THE CANTONMENT BOARD AURANGABAD.**

**MEMBERS PRESENT**

- |                                  |   |                  |
|----------------------------------|---|------------------|
| 1. Brig. K.S. Narayanan          | - | President        |
| 2. Shri. Sanjay C. Sonawane, CEO | - | Member Secretary |
| 3. Shri. Prashant Suresh Targe   | - | Nominated Member |

**1. VEHICLE ENTRY TAX**

To consider the letter received from Principal Director, Defence Estates Southern Command, Pune bearing No. 12332/XV/DE dated 14/06/2022 and Directorate General, Defence Estates, Delhi Cantt, Delhi letter No. 53/50/Gen/VET and VEF/C/DE/2022 dated 14/06/2022 towards forwarding proposal with clear recommendations for abolition of Vehicle Entry Tax (VET) implemented by Cantonment Board Aurangabad.

Relevant paper and letters are placed on the table.

Board to consider further course of action.

**RESOLUTION :**

Board noted the letters issued by the Principal Director, Defence Estates Southern Command, Pune bearing No. 12332/XV/DE dated 14/06/2022 and Directorate General, Defence Estates, Delhi Cantt, Delhi letter No. 53/50/Gen/VET and VEF/C/DE/2022 dated 14/06/2022.

Board asked the CEO, M.S. about the rule position. The Chief Executive Officer, M.S briefed that :

- 1) As per provision of section 66 of the Cantonments Act, 2006 Aurangabad Cantonment Board is empowered for collection of the VET at entry points, sanctioned vide SRO No. 2/CB/VET/2003, Part III Section 4 dated 11<sup>th</sup> July, 2003 published on 26<sup>th</sup> July, 2003. The VET at Seven entry points of Aurangabad Cantonment is collected by leasing out rights as per provision of Section 92 of Cantonments Act, 2006.
- 2) VET is imposed by the Cantonment Aurangabad under provision of section 66 of the Cantonments Act, 2006 with prior sanction of Central Government. As per provisions of Cantonments Act, 2006 under section 66 (2) ***"that the Board shall not abolish any tax imposed under this section or vary it to the Boards financial disadvantage without the prior sanction of the Central Government and the tax mentioned in sub - section (2) shall not exceed the ceiling prescribed in this behalf by clause (2) of article 276 of the Constitution"***.



Chief Executive Officer



A gazette notification in this regard is required for abolition of VET.

Board asked the CEO, M.S. about the Legal opinion.

The Chief Executive Officer, M.S. briefed that, Legal Advice sought in the subject matter and that,

**"As per the Legal Advice sanction of Central Government is necessary for abolition of VET".**

The Legal Advice is considered by the Board.

Board asked CEO, M.S. about the revenue position of the Board and VET contribution in the total revenue.

The Chief Executive Officer, M.S. briefed the revenue position of the Board and VET contribution in the total revenue.


Sl. No.	YEAR	REVENUE OF VET	TOTAL TAX DEMAND	% Share of VET
1	2017-18	6,70,25,024/-	9,06,61,355/-	73.92%
2	2018-19	6,10,40,148/-	10,85,53,965/-	56.23%
3	2019-20	7,19,96,700/-	10,40,17,067/-	69.21%
4	2020-21	6,89,45,599/-	10,48,89,144/-	65.73%
5	2021-22	6,07,50,925/-	7,65,97,933/-	79.31%
6	2022-23	8,35,84,635/-	9,98,02,806/-	83.74%

After detailed discussion on the above, Board is of the opinion that the VET is the major source of income. **Board's income of Rs. 8,35,84,635/- (Eight Crore Thirty Five Lakh Eighty Four Thousand Six Hundred and Thirty Five) is derived from VET.** On abolition of VET, there will be scarcity / paucity of fund with Cantonment Board Aurangabad. The Cantonment Board Aurangabad will not be in position to fulfill the obligations / duties and function delegated to Board as per Cantonments Act, 2006 under section 62 and 64 after loss of this revenue source an amount of Rs. 8.35 Crore every year.

The Board asked about the Grant-in-Aid received by Cantonment Board for last three years.

The CEO, M.S. informed Board that following details in respect of grant - in -aid recommended by GOC-in-C, SC, Pune and actually received by Cantonment Board :

Year	Amount of Ordinary Grant Recommended by GOC-in-C,SC	Amount of Actual Grant received by Cantonment Board	Received grant against total sanction in %
2019-20	10,20,13,595/-	4,26,21,309/-	41 %
2020-21	8,75,82,309/-	2,38,78,664/-	27.26%
2021-22	10,52,92,543/-	2,25,00,000/-	21%

  
Chief Executive Officer  
Aurangabad Cantonment Board



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The Board was apprised that, as the Grant-in-Aid is received against sanction / recommended is very less and loosing of VET revenue will impact badly on Boards finance.

Board asked CEO, M.S. about service charges received by Board.

The CEO, M.S. informed Board that following details in respect of service charges recommended by GOC-in-C, SC, Pune and actually received by Cantonment Board :

YEAR	CURRENT DEMAND	ARREARS	SERVICE CHARGES	
			Total Demand	Received Payment
2019-20	9445495	7432391	16877886	9445495
2020-21	9445495	7432391	16877886	9445495
2020 -21 (Additional)	0	7432391		5000000
2021-22	9445495	2432391	11877886	9445495
2022-23	9445495	2432391	11877886	4722748

There is a balance amount of Rs. 71, 55,138/- for the current year.

The Board asked CEO, M.S. about increase in revenue of the Board by any other means.

The CEO, M.S. informed Board that the Cantonment Board Aurangabad is having only 1300 No. of residential properties and there are no bigger markets or commercial area in Cantonment Board Aurangabad. Also there are no commercial activities in Cantonment Aurangabad. The revenue derived from this is very less as compared to the increase in the expenditure required for running the establishment and providing different civic amenities to the residents of Cantonment area as per provisions of Cantonment Act 2006. Further due to weaker financial position and land related policies there is a acute possibility of revenue generation from present assets of Cantonment Board Aurangabad.

The Board asked CEO, M.S. about the statutory / committed liabilities.

The CEO, M.S. informed Board that the monthly statutory / committed liabilities are as detailed below:

**A) FOR ESTABLISHMENT**

SR. NO.	MONTHLY SALARY AND OF CB STAFF	MONTHLY PENSION OF RETIRED STAFF	MONTHLY SALARY & PENSION AMOUNT
1	(37,61,997/- + 24,85,000/-)	Rs. 14,67,546/-	77,14,543/-

*[Signature]*

Chief Executive Officer



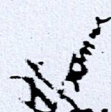
**B) FOR SERVICES :**

<b>SR. NO.</b>	<b>DESCRIPTION</b>	<b>MONTHLY AMOUNT IN RS.</b>
1	Electricity bills for street lights	1,16,220/-
2	Electricity bills for water supply	1,43,000/-
3	Payment towards sanitation and hygiene, door to door garbage collection	6,42,000/-
4	Payment towards water supply monthly bill	7,00,000/-
5	Purchase of medicines for hospital and hospital works	50,000/-
6	Other incidental charges like repair to water and drain line, electric street lights replacement etc	5,00,000/-
	<b>TOTAL IN RS.</b>	<b>21,51,220/-</b>

The revenue received from VET monthly is about **Rs. 64,11,972/-** and total amount of monthly expenditure as detailed above (A + B) is **Rs. 98,65,763/-**.

Following points were resolved by the Board after considering the above detailed discussion in deliberate details with possibilities and effects of abolition of VET.

- (a) VET is the only major source of revenue of the Board through its local sources. Revenue generated from VET is utilized to provide municipal services to the residents of Cantonment area. Abolition of this major source is against the rule position contained in Section 66 (2) ***"that the Board shall not abolish any tax imposed under this section or vary it to the Boards financial disadvantage."*** A gazette notification in this regard is required for abolition of VET.
- (b) Cantonment Board Aurangabad is a cash deficit Board and is heavily dependent on Grant-in-Aid from the Central Government. Presently Board is having statutory / committed liabilities amounting to Rs. 6,94,14,552/- with respect to pensionary benefits of pensioners and ACP, 7<sup>th</sup> Pay arrears of employees, civic services etc.
- (c) Board pointed out that there is huge difference between the Grant-in-Aid sanctioned and received actually. Also Board pointed out the difference between service charges sanctioned and actually received. If VET is abolished it will further worsen the financial condition of the Board.
- (d) The Chief Executive Officer, M.S. briefed that collection of Vehicle Entry Tax by Cantonment Board Aurangabad is carried out without installing barricades / mechanical barriers or any tools from implementation of Vehicle Entry Tax in Cantonment Board Aurangabad i.e. from 2014 to till date 2022 there is no complaints for any traffic problem or congestion at the Cantonment Board Aurangabad VET entry points.

  
**Chief Executive Officer**  
**Aurangabad Cantonment Board**

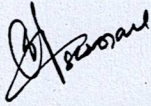


(e) The Board resolved that, an amount of Rs. 3,20,59,860/- in the year 2022 for remaining contract period till December 2022 and an amount of Rs. 8,35,84,635/- for next year from December 2022 to December 2023 be obtained from the Government first. The necessary proposal for the same be forwarded immediately.

(f) The proposal of compensation of revenue loss of Rs. 8.5 Crore every year towards abolition of VET may also demanded / submitted and on receipt of the compensation sanction or principal approval be sought from the competent authority.

(g) Board further resolved that till resolving the issue of loss of revenue and equal share from Government VET be continued at Cantonment Board Aurangabad.

In the light of the above discussion, Board unanimously resolved not to recommend discontinuation of VET and also resolved to request the competent authority to re-consider the matter sympathetically considering financial interest of the Board till such time the requisite funds for running the Cantonment Board is made available in advance.



(Sanjay C. Sonawane)  
CEO, Member Secretary  
Aurangabad Cantonment Board  
Date: 21/07/2022.



(Brig. K.S. Narayanan)  
President  
Aurangabad Cantonment Board  
Date: 21/07/2022.

