

## KMDA's Resources

At the time of KMDA's establishment, KMDA was endowed with special central assistance for capital works and was given half of the net collection of Octroi that was levied on all goods entering Kolkata as a buoyant source of recurrent annual revenue. From time to time KMDA continued to receive both plan and non-plan allocations under the annual budgets. Government of India (GoI) projects on urban infrastructure development extending GoI assistance for such projects in Kolkata helped KMDA receive tied funds through budgetary allocations. A major part of KMDA's capital works programme under the 3 phases of Calcutta Urban Development Programme (CUDP) between 1974 and 1992 came from the World Bank and were channeled through GoI allocations. However, Octroi was withdrawn in the late 1980s and the World Bank assisted CUDP was discontinued since 1992. The State Government then decided to extend fixed revenue grant to KMDA, in lieu of Octroi, to the tune of what KMDA was getting from Octroi; but this source has lost the buoyancy that Octroi had provided. KMDA started receiving central assistance under the centrally sponsored Calcutta Megacity Programme since 1996 for capital works projects, although the actual receipt was found to be much lower than what was anticipated. Calcutta Megacity Programme has also been discontinued from the current fiscal. Besides these, funds under the State Plan and also under some other programmes – assisted by both the State and Central governments – have been received by KMDA for capital works.

Presently, the major sources of receipts under both revenue and capital accounts are as follows:

On the revenue account, the following are important sources:

- Fixed grant to KMDA (in lieu of Octroi since abolished)
- Grant for operation & maintenance (O&M) of assets created under the different capital works programmes of KMDA
- Disposal of capital assets (surplus)
- Interest on time deposits

The major sources of capital receipts are:

- Loan from the State Government
- Loans from financial institutions
- Grants from the State Government (for Megacity projects, Basic Minimum Services [BMS], GAP-Phase-II etc.)
- Grants from Government of India (GAP-Phase-II, NLCP etc.)
- Disposal of flats, commercial spaces, land etc.
- Deposit works (against projects that KMDA implements on behalf of other government departments/agencies)
- Central assistance under the 'Infrastructure & Urban Governance' Sub-Mission of JN-NURM
- Central assistance under the 'Basic Services for Urban Poor' Sub-Mission of JN-NURM
- Escrow Account containing the proceeds of lease premium/dividends etc. received from private partners against the PPP projects

The annual receipt for capital works from external sources has averaged about Rs.442 crores per annum in the recent years. There has been a quantum jump in capital receipts, owing primarily to increasing funds flowing under the JN-NURM projects.

The annual receipt from revenue sources averages between Rs.125 and Rs.160 crores. KMDA's own sources of revenue constitute sales proceeds that KMDA receives from lease of lands, flats and commercial spaces constructed by KMDA itself, development fees under provision of T&CP Act, water charges, road tolls, advertising rights, sale of tender papers etc. The annual income from own sources has averaged about Rs.60 crores per annum for the last five years.

It should be evident from above that the major sources of revenue receipts of KMDA are in the form of transfer from the government sources. However, these are not adequate to cover KMDA's plan investments or even the non-plan expenditure.