KMDA’s Resources

At the hour of KMDA’s emergence, 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 annual budgets. Govt. 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 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 However, Octroi was withdrawn in the late 1980s and the World Bank assisted CUDP was discontinued since 1992.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 decided to extend fixed revenue grant to KMDA to the tune of what KMDA was getting from Octroi, in lieu of Octroi, but this source was devoid of buoyancy. 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 Govt.
- Loans from financial institutions
- Grants from the State Govt. (for Megacity projects, Basic Minimum Services [BMS], GAP-Phase-II etc.)
- Grants from Govt. of India (for Megacity projects, GAP-Phase-II, VAMBAY, NLCP etc.)
- Disposal of flats, commercial spaces, lands 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 the different external sources averages
out to Rs.200 crore per annum in the recent years. It is likely to make a quantum jump in the coming years as funds would start flowing under JN-NURM and other PPP projects.

The annual receipt from revenue sources averages out to between Rs.150 and Rs.200 crore. KMDA’s own sources of revenue are constituted of the 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 averages out to around Rs.30 crore per annum for the last five years.

It should be evident from above that major sources of revenue receipts of KMDA are in the form of transfer from the government sources and own sources constitute a small portion of total receipts.