

GOVERNMENT OF INDIA
MINISTRY OF PANCHAYATI RAJ
LOK SABHA
STARRED QUESTION NO. 124
ANSWERED ON 29.07.2025

OWN SOURCE REVENUE OF GRAM PANCHAYATS

*124. SMT. KANIMOZHI KARUNANIDHI:

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) the total Own Source Revenue (OSR) generated by Gram Panchayats in the country along with the per capita OSR between 2017 to 2024, State and year-wise;
- (b) the State-wise OSR figures, highlighting the States with the highest and lowest per capita OSR, and the factors contributing to these disparities;
- (c) whether the Government has identified challenges faced by Panchayats in generating OSR, such as lack of OSR rules or administrative hurdles and if so, the details thereof;
- (d) the measures taken by the Government to enhance the financial autonomy of Panchayats through improved OSR generation, including any capacity-building initiatives or policy reforms; and
- (e) whether there has been any assessment of the impact of low OSR on the functioning and service delivery of Panchayats, if so, the details thereof and if not, the reasons therefor?

ANSWER

THE MINISTER OF PANCHAYATI RAJ

(SHRI RAJIV RANJAN SINGH ALIAS LALAN SINGH)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 124 FOR AN ANSWER ON 29.07.2025 REGARDING 'OWN SOURCE REVENUE OF GRAM PANCHAYATS'

(a) to (c) As per Article 243H of the Constitution of India, legislature of the State may, by law, authorize a Panchayat to levy, collect and appropriate such taxes, duties, tolls and fees in accordance with such procedure and subject to such limits and assign to the Panchayats such taxes, duties, tolls and fees levied and collected by the State Government for such purposes and subject to such conditions and limits as may be specified in the law.

The Ministry of Panchayati Raj does not maintain the data pertaining to OSR of Panchayats, as Panchayat, being "Local Government", is a State subject and part of the State list of the Seventh Schedule of the Constitution of India. Furthermore, States as well as Panchayats often do not share OSR data related to Panchayats. However, the Ministry of Panchayati Raj constituted an "Expert Committee on Own Source Revenue of Rural Local Bodies" in 2022 to review the status of OSR of Panchayats. As per the report of the Expert Committee, around Rs. 25595 Crores OSR have been collected by Panchayati Raj Institutions in the 30 States/UTs, during 2017-18 to 2021-22 and per capita OSR at the national level was around Rs. 59 annually, for the same period. The per capita OSR varies significantly across the States, ranging up to Rs. 1635 per annum in Goa. As per the Expert Committee report, the major factors contributing to these disparities and challenges faced by the Panchayats in generating OSR are :

- i. Non-formation/updation of rules/guidelines at the State level
- ii. Inadequate devolution of powers by States to PRI to levy taxes/fees/tolls, etc., in letter and spirit
- iii. Lack of willingness of Panchayats to impose taxes/fees, etc.
- iv. Non-cooperation of citizens of PRIs and non-penalisation of defaulters;
- v. Dependence of PRIs on Centre and State Funds
- vi. Lack of infrastructure & resources for the collection of OSR
- vii. Inadequate utilization of existing taxation powers.

The State/UT-wise OSR of Panchayats (2017-18 to 2021-22) is placed as **Annexure-I**.

The State/UT-wise Average Per Capita OSR by Panchayats (2017-18 to 2021-22) is placed as **Annexure-II**.

(d) & (e) The Ministry has been implementing the Centrally Sponsored Scheme of Revamped Rashtriya Gram Swaraj Abhiyan (RGSA) with the primary objective of developing governance capabilities of Panchayati Raj Institutions to deliver on Sustainable Development Goals. The scheme also aims to enhance Panchayats' capabilities to raise their own sources of revenue. It provides interventions relating to gap-filling support for economic development and income enhancement in the Panchayat.

Ministry of Panchayati Raj, in collaboration with the Indian Institute of Management-Ahmedabad (IIM-A), has developed specialised modules on the generation of Own Source Revenue (OSR) by the Panchayats. Based on the specialised modules of OSR training of State Level Master Trainers (SLMTs) of 31 States/UTs are being trained by the team of IIM-A.

The incentivization of Panchayats is also being carried out under the revamped Rashtriya Gram Swaraj Abhiyan (RGSA) scheme. Under this scheme, in 2025, the Ministry of Panchayati Raj has launched the Atma Nirbhar Panchayat Special Award (ANPSA) on National Panchayati Raj Day (NPRD), and it is for the first time that the Ministry has institutionalised dedicated Special Category Awards to incentivise and acknowledge exemplary efforts of Gram Panchayats in Atmanirbharta (Self-Reliance) through augmentation of Own Sources Revenue (OSR). Atma Nirbhar Panchayat Special Award (ANPSA) is to promote Atmanirbharta through augmentation of Own Source Revenue (OSR) by Panchayats.

The Ministry of Panchayati Raj (MoPR) has also undertaken a significant step to digitise the OSR collection of the Panchayats by developing the “SAMARTH Panchayat portal”, a dedicated digital platform that facilitates the generation of tax & non-tax demands, maintenance of tax registers, and online tracking of revenue. This digital empowerment is designed to bring transparency, efficiency, and scalability to local financial administration.

The Ministry of Panchayati Raj (MoPR) has also constituted a committee to formulate Model Rules for the Own Sources of Revenue of the Panchayats, which would serve as a benchmark for states in formulating or revising their OSR rules.

Annexure-I

(Annexure referred to in reply to parts (a) to (c) of the Lok Sabha Starred Question No. 124 answered on 29.07.2025)

State/UT-wise OSR of Panchayats (2017-18 to 2021-22)**(Rs in Crores)**

Sl. No.	State/UT	2017-18	2018-19	2019-20	2020-21	2021-22
1	Andaman & Nicobar Islands	2.12	1.6	2.5	2.84	3.02
2	Andhra Pradesh	688.74	739.77	685.08	876.95	969.09
3	Assam	25.98	25.63	15.25	21.22	26.65
4	Bihar	0	0	0	0	37.89
5	Chhattisgarh	166.51	144.8	159.69	132.57	141.5
6	Goa	225.49	61.08	220.54	85.62	218.52
7	Gujarat	864.1	778.3	881.46	795.14	0
8	Haryana	50.58	108.56	83.73	71.99	60.06
9	Himachal Pradesh	0.04	0.41	0.42	0.53	1.45
10	Jammu & Kashmir	0	0	15.01	0	2.08
11	Jharkhand	0.16	0.42	1.78	23.64	1.86
12	Karnataka	385.94	552.86	671.37	715.41	812.21
13	Kerala	868.62	802.84	792.05	769.94	781.28
14	Ladakh	0.28	0.07	0.09	0.04	0.05
15	Lakshadweep	0.04	0.04	0.04	0.01	0.03
16	Madhya Pradesh	0	0	0	105.22	63.93
17	Manipur	0.61	1.06	0.18	0.2	0.41
18	Mizoram	0.04	0.04	0.06	0.09	0.04
19	Nagaland	0	0	0	0	0
20	Odisha	38.82	44.26	42.13	43.14	0
21	Puducherry	29.46	35.28	45.26	41.08	45.93
22	Punjab	126.45	172.28	170.93	164.17	157.98
23	Rajasthan	40.98	40.9	49.48	66.35	56.73
24	Sikkim	1.58	1.78	2.87	0	0
25	Tamil Nadu	731.93	795.24	433.49	209.3	411.55
26	Telangana	397.54	425.66	321.02	278.25	292.98
27	Tripura	3.02	3.94	3.8	0	0
28	Uttar Pradesh	192.89	204.27	0	229.08	246.34
29	Uttarakhand	14.17	15.41	14.4	13.26	16.21
30	West Bengal	522.63	502.88	487.23	198.43	464.66
		5378.74	5459.38	5099.84	4844.47	4812.46

Source: Report of the Expert Committee on OSR of Rural Local Bodies

Annexure-II

(Annexure referred to in reply to parts (a) to (c) of the Lok Sabha Starred Question No. 124 answered on 29.07.2025)

State/UT-wise Average Per Capita OSR by Panchayats (2017-18 to 2021-22)

Sl. No.	State/UT	Average OSR (₹ Crore)	Per Capita OSR (₹)
1	Goa	162.25	1,635
2	Puducherry	39.4	757
3	Kerala	802.95	286
4	Andhra Pradesh	791.93	209
5	Gujarat	829.75	199
6	Telangana	343.09	159
7	Karnataka	627.56	148
8	Tamil Nadu	516.3	109
9	Andaman & Nicobar Islands	2.42	94
10	Punjab	158.36	87
11	Chhattisgarh	149.01	70
12	West Bengal	435.17	57
13	Haryana	74.99	41
14	Sikkim	1.25	25
15	Uttarakhand	14.69	20
16	Madhya Pradesh	84.58	15
17	Uttar Pradesh	218.14	13
18	Odisha	42.09	11
19	Rajasthan	50.89	9
20	Tripura	3.59	9
21	Assam	22.95	7
22	Lakshadweep	0.03	5
23	Bihar	37.89	4
24	Ladakh	0.1	4
25	Jammu & Kashmir	3.42	3
26	Jharkhand	5.57	2
27	Manipur	0.49	2
28	Himachal Pradesh	0.57	1
29	Mizoram	0.05	1
30	Nagaland	0	0
	Total	5,118.98	59

Source: Report of the Expert Committee on OSR of Rural Local Bodies
