



# GOVERNANCE IN ACTION

## Strengthening Own Source Revenue of City Governments

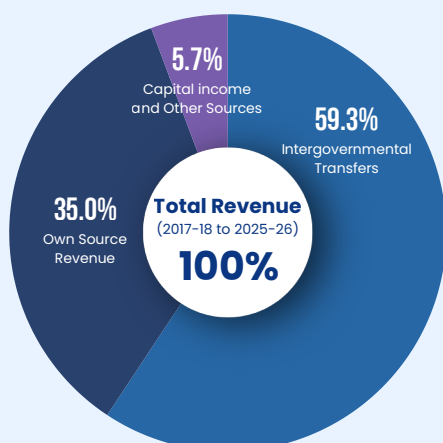
Every city aspires to provide better roads, reliable water supply, efficient waste management, public health services, green spaces and climate-resilient infrastructure. Delivering these services, however, depends on one fundamental question: **Can the city generate enough of its own revenue?**

The Fiscal Empowerment of City Governments Report 2026 by Praja Foundation finds that most Indian cities continue to rely heavily on grants from State and Central Governments, limiting their financial independence and their ability to respond quickly to local priorities. Building stronger Own Source Revenue (OSR) is, therefore, not just a financial objective; it is central to stronger urban governance.

### WHERE DO INDIAN CITIES STAND TODAY?

Revenue Sources 2017-18 to 2025-26

This analysis covers revenue data for 43 city governments across 28 states and 2 Union Territories in India.



Source: Praja's Fiscal Empowerment Report 2026 - Analysis of City Govts. Finance Data 2017-18 to 2025-26



59.3%

Intergovernmental Transfers

42.3% State Government

17.0% Central Government



35.0%

Own Source Revenue

17.8% Tax Revenue

17.2% Non-Tax Revenue including user charges, fees, licences, rent, advertisement, parking



5.7%

Capital Income and Other Sources

2.7% Capital Income and Other Sources

3.0% of which from Market Borrowing

### CITY REVENUE: WHERE THE ₹100 COMES FROM

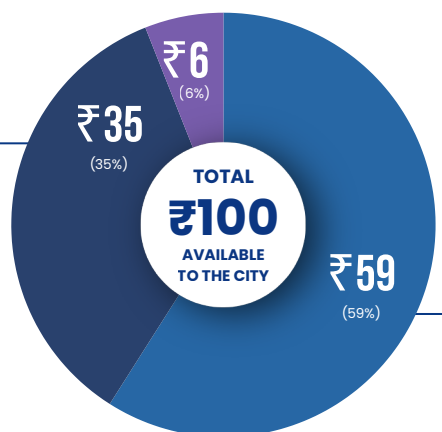
For every ₹100 available to the city

- Property Tax**
- Trade License Fees**
- User Charges & Fees**
- Advertisement Tax**
- Other Municipal Receipts**

SELF-GENERATED REVENUE  
(Own Source Revenue)

**₹35**  
(35%)

Revenue raised by the city from its own source



GOVERNMENT TRANSFERS  
(Grants & Devolutions)

**₹59**  
(59%)

Funds received from State and Central Government

- State Finance Commission Devolution**
- State & Central Grants**
- Centrally Sponsored Schemes**
- Other Transfer**

The Praja Fiscal Empowerment Report 2026 highlights significant variation between cities. Some municipal corporations generate a substantial share of their revenue independently, many continue to depend overwhelmingly on grants.



# GOVERNANCE IN ACTION

## Revenue Sources

| City/ Tax List     | Property Tax | Advertisement Tax / Fees | Professional | Water Tax | Solid Waste Mngt. Charges |
|--------------------|--------------|--------------------------|--------------|-----------|---------------------------|
| Agartala           |              |                          |              |           |                           |
| Ahmedabad          |              |                          |              |           |                           |
| Aizawl             |              |                          |              |           |                           |
| Amritsar           |              |                          |              |           |                           |
| Asansol            |              |                          |              |           |                           |
| Bengaluru          |              |                          |              |           |                           |
| Bhopal             |              |                          |              |           |                           |
| Bhubaneswar        |              |                          |              |           |                           |
| Chennai            |              |                          |              |           |                           |
| Coimbatore         |              |                          |              |           |                           |
| Cuttack            |              |                          |              |           |                           |
| Dehradun           |              |                          |              |           |                           |
| Delhi              |              |                          |              |           |                           |
| Dharamshala        |              |                          |              |           |                           |
| Gandhinagar        |              |                          |              |           |                           |
| Gangtok            |              |                          |              |           |                           |
| Gurugram           |              |                          |              |           |                           |
| Guwahati           |              |                          |              |           |                           |
| Hyderabad          |              |                          |              |           |                           |
| Imphal             | -            | -                        | -            | -         | -                         |
| Indore             |              |                          |              |           |                           |
| Itanagar           | -            | -                        | -            | -         | -                         |
| Jaipur             |              |                          |              |           |                           |
| Kanpur             |              |                          |              |           |                           |
| Kochi              |              |                          |              |           |                           |
| Kohima             | -            | -                        | -            | -         | -                         |
| Kolkata            |              |                          |              |           |                           |
| Lucknow            |              |                          |              |           |                           |
| Mangaluru          |              |                          |              |           |                           |
| Mumbai             |              |                          |              |           |                           |
| Nagpur             |              |                          |              |           |                           |
| Panaji             |              |                          |              |           |                           |
| Patna              |              |                          |              |           |                           |
| Raipur             |              |                          |              |           |                           |
| Ranchi             |              |                          |              |           |                           |
| Shillong           |              |                          |              |           |                           |
| Shimla             |              |                          |              |           |                           |
| Srinagar           | -            | -                        | -            | -         | -                         |
| Thiruvananthapuram |              |                          |              |           |                           |
| Udaipur            |              |                          |              |           |                           |
| Vijayawada         |              |                          |              |           |                           |
| Vishakhapatnam     |              |                          |              |           |                           |
| Warangal           |              |                          |              |           |                           |

Legend: YES  NO  N.A.

## Good Practices from Indian Cities



**Indore Municipal Corporation** integrated **GIS mapping, digitised records, and online property tax payments** to identify unassessed properties, improve billing accuracy, and increase property tax collections.



**Pune Municipal Corporation** strengthened **user charges and digital payment systems** to improve cost recovery for municipal services and reduce dependence on government grants.



**Hyderabad Municipal Corporation** digitised **municipal revenue systems and online tax payments**, making tax compliance easier while improving transparency and collection efficiency.



**Bruhat Bengaluru Mahanagara Palike** introduced a **Guidance Value-Based Property Tax System** with GIS mapping, digital records, online payments, and early payment rebates to improve tax compliance and transparency.



**Ahmedabad Municipal Corporation** focused on **strong financial management and accounting systems** to improve budgeting, resource mobilisation, and long-term fiscal sustainability.



**Raipur Municipal Corporation** adopted **GIS mapping, drone surveys, Digital Door Numbers (DDN)**, and the MOR Raipur platform to expand the property tax base, simplify payments, and improve tax administration.



The **"Fiscal Empowerment of City Governments 2026"** report by Praja Foundation analyses municipal finance trends, revenue structures, budgeting practices, and fiscal autonomy across Indian cities to support evidence-based urban governance reforms.



To explore the full report **Scan the QR Code** or visit **Praja.org** for detailed analysis and ward-wise insights.