

GOVERNMENT OF INDIA
MINISTRY OF PLANNING

RAJYA SABHA
UNSTARRED QUESTION NO. 1264
TO BE ANSWERED ON 10.03.2025

INDEX BASED FINANCIAL PERFORMANCE OF STATES

1264 SHRI ASHOKRAO SHANKARRAO CHAVAN:

Will the Minister of PLANNING be pleased to state:

- (a) whether Government has recently released an index based on the financial performance of the States for fiscal year 2022-23 and hence giving ranking accordingly;
- (b) if so, the details thereof along with names of the States;
- (c) the details of parameters on which such rankings has been issued to the States by NITI Aayog;
- (d) whether Government has any proposal to provide additional financial assistance to the States which have not performed well in the said index, if so, the details thereof; and
- (e) the details of other steps taken/being taken to improve the financial health of States lagging behind in the said index?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION; MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF CULTURE

(RAO INDERJIT SINGH)

- (a) to (e) Yes Sir, NITI Aayog released the inaugural edition of “Fiscal Health Index (FHI) 2025” on January 24, 2025, in New Delhi. The FHI aims at providing critical, data-driven insights into the fiscal health of India’s states, supporting informed policymaking and guiding strategic interventions. The analysis and findings aim to assist policymakers by offering a clear understanding of the fiscal health of individual states, helping to pinpoint areas that need improvement. The ranking of the 18 major states is placed in the Annexure. The states have been categorised under 4 categories, i.e., Achievers, Front Runners, Performers, and Aspirational.

The composite Fiscal Health Index (FHI) has been formulated using the Comptroller and Auditor General of India (CAG) data. The period of the analysis is the Financial Year 2022-23. This index evaluates states on five indicators: Quality of Expenditure, Revenue Mobilization, Fiscal Prudence, Debt Index and Debt Sustainability. The detailed methodology and analysis can be seen at https://www.niti.gov.in/sites/default/files/2025-01/Fiscal_Health_Index_24012025_Final.pdf. FHI report aids in realising NITI Aayog's goal of empowering states to take greater control over their fiscal outcomes. The report has been shared with all States/UTs to help them assess their fiscal performance in key indicators and to also study and leverage from the experiences and best practices of the better-performing states. States are also encouraged to adopt sustainable fiscal practices best suited to their economies and to make efforts in following path of fiscal prudence through respective and appropriate state level interventions.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PART (a) to (e) OF RAJYA SABHA UNSTARRED QUESTION NO. 1264 FOR 10.03.2025 BY SHRI ASHOKRAO SHANKARRAO CHAVAN: REGARDING INDEX BASED FINANCIAL PERFORMANCE OF STATES

Rank	State	Category
1	Odisha	Achiever
2	Chhattisgarh	Achiever
3	Goa	Achiever
4	Jharkhand	Achiever
5	Gujarat	Achiever
6	Maharashtra	Front Runner
7	Uttar Pradesh	Front Runner
8	Telangana	Front Runner
9	Madhya Pradesh	Front Runner
10	Karnataka	Front Runner
11	Tamil Nadu	Performer
12	Rajasthan	Performer
13	Bihar	Performer
14	Haryana	Performer
15	Kerala	Aspirational
16	West Bengal	Aspirational
17	Andhra Pradesh	Aspirational
18	Punjab	Aspirational
