

GOVERNMENT OF INDIA
MINISTRY OF PLANNING

LOK SABHA
UNSTARRED QUESTION NO. 5286
TO BE ANSWERED ON 02.04.2025

FISCAL HEALTH INDEX

†5286. SHRI KANWAR SINGH TANWAR:
DR. MANNA LAL RAWAT:
SHRI BASAVARAJ BOMMAI:
SMT. BHARTI PARDHI:
SHRI DAMODAR AGRAWAL:
SHRI P P CHAUDHARY:
SHRI ALOK SHARMA:
SHRI SHRIRANG APPA CHANDU BARNE:
SHRI BAJRANG MANOHAR SONWANE:
SHRI GAJENDRA SINGH PATEL:

Will the Minister of PLANNING be pleased to state:

- (a) whether the Government proposes to launch a Fiscal Health Index in the country;
- (b) if so, the details and the salient features thereof;
- (c) the names and the categories of the States/UTs likely to be included or excluded in the said Index and the criteria fixed for inclusion/exclusion of the States/UTs;
- (d) the details of the sub-indices and parameters to be considered for ranking States in the Index along with their weightage and measurement methodology;
- (e) whether the Government has taken any steps for public awareness regarding fiscal health including budgeting, debt management and responsible expenditure and if so, the details thereof;
- (f) the manner in which the effectiveness of the said awareness campaigns is measured; and
- (g) whether any benchmarking system has been established to compare States' fiscal performance against national and international standards and if so, the details thereof?

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 (g) On January 24, 2025, NITI Aayog published the first edition of the "Fiscal Health Index (FHI) 2025" in New Delhi. The FHI is designed to offer crucial, data-driven insights into the fiscal health of India's states, aiding informed policymaking and guiding

strategic interventions. Its analysis and findings aim to provide policymakers with a clear picture of the fiscal health of individual states, identifying areas in need of improvement. In the inaugural edition, 18 major states, excluding North East and Himalayan States as well as the Union Territories, were ranked on the fiscal parameters, with the states categorized into four groups: Achievers, Front Runners, Performers, and Aspirational. 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 reform and strategic focus. The report helps understand fiscal status at the sub-national level and to drive policy reforms that will promote sustainable and resilient economic growth. The rankings are at Annexure.

The composite Fiscal Health Index (FHI) has been developed using data from the Comptroller and Auditor General of India (CAG), covering the Financial Year 2022-23. The index assesses states based on five key indicators: Quality of Expenditure, Revenue Mobilization, Fiscal Prudence, Debt Index, and Debt Sustainability. A detailed methodology and analysis can be accessed at https://www.niti.gov.in/sites/default/files/202501/Fiscal_Health_Index_24012025_Final.pdf. The detailed examination highlights individual state performances and also provides valuable insights into broader fiscal trends over time, allowing for a better understanding of fiscal health across the country.

The FHI report has been shared with all States/UTs to help them evaluate their fiscal performance across key indicators. States are encouraged to adopt sustainable fiscal practices suited to their economies and work towards fiscal prudence through appropriate state-level interventions

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PART (a) to (g) OF LOK SABHA UNSTARRED QUESTION NO. 5286 FOR 02.04.2025 BY SHRI KANWAR SINGH TANWAR: DR. MANNA LAL RAWAT: SHRI BASAVARAJ BOMMAI: SMT. BHARTI PARDHI: SHRI DAMODAR AGRAWAL: SHRI P P CHAUDHARY: SHRI ALOK SHARMA: SHRI SHRIRANG APPA CHANDU BARNE: SHRI BAJRANG MANOHAR SONWANE: SHRI GAJENDRA SINGH PATEL: REGARDING FISCAL HEALTH INDEX

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
