Fiscal Health Index

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Fiscal Health Index Latest News

Recently, the NITI Aayog released the second annual edition of the “Fiscal Health Index 2026” in New Delhi.

About Fiscal Health Index

- It was **introduced by NITI Aayog,** provides a systematic framework to evaluate the fiscal performance of **18 major Indian states**, **10 North-Eastern and Himalayan states**.
- It provides a comprehensive and comparable assessment of the **fiscal performance of Indian states.**
- The Index has **been designed as a data-driven framework** to evaluate fiscal soundness, guide reforms, and promote evidence-based fiscal policymaking across states.
- It is built on **five key pillars of fiscal health**: Quality of Expenditure, Revenue Mobilisation, Fiscal Prudence, Debt Index, and Debt Sustainability.
- **The index classifies states into four tiers.**
    - **Achievers:** These are states with strong fiscal discipline, high own-tax revenues, low deficits, and manageable debt;

- **Front Runners:** These states maintain broadly sound finances but fall short of the top tier on one or more indicators;
- **Performers:** They occupy the middle ground, with mixed results across the five pillars.
- **Aspirational:** These states are those facing the most significant fiscal stress, characterised by persistent deficits, high debt, and limited revenue capacity.

Key Highlights of Fiscal Health Index (FHI) 2026

- **Odisha, Goa and Jharkhand** have been categorised as achievers.
- **Karnataka and Telangana** moved from front runner to performer, and Kerala and Tamil Nadu slipped further to the aspirational group.
- **Among northeastern and Himalayan states,** Arunachal Pradesh has topped in the index, followed by Uttarakhand, Tripura, Meghalaya, Assam and Mizoram.

Source: **PIB**
