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Q11

Explain how the Fiscal Health Index (FHI) can be used as a tool for assessing the fiscal performance of states in India. In what way would it encourage the states to adopt prudent and sustainable fiscal policies?

UPSC Civil Services Mains 2025 · GS III · 15 marks · Government Budgeting

Government Budgeting.

Facts & figures for this PYQ only.

Numbers move. Confirm the latest Budget, Economic Survey or census round. This sheet is for revision, not a substitute for the model answer.

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FHI 2025

NITI Aayog's first widely discussed Fiscal Health Index covering eighteen major States, released in January 2025.

Odisha lead

Odisha topped that edition, showing that mineral-revenue management and fiscal ratios can outrank a larger coastal economy.

Debt-GSDP

A core sustainability ratio: how large a State's debt is compared with its economy, and how much of the budget is eaten by interest.

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