
S&P Global



***S&P GLOBAL RATINGS UPGRADES INDIA TO
'BBB' WITH STABLE OUTLOOK***

- S&P Global Ratings has **upgraded India's long-term sovereign credit rating to 'BBB' from 'BBB-'**
- The sovereign rating upgrade by S&P is significant for two key reasons. **One, it came after a gap of nearly two decades; and two, it has meaningful implications for the Indian economy.**
- The short-term rating has also been raised to **'A-2' from 'A-3'.**
- The agency said **India's prioritisation of fiscal consolidation, along with its strong infrastructure investment push, reflects a clear political commitment to sustainable public finances.**
- It expects strong economic fundamentals to continue driving growth over the next two to three years, **supported by more effective monetary policy in anchoring inflation expectations.**
- The stable outlook assumes continued policy stability and high infrastructure investment, **coupled with cautious fiscal and monetary measures aimed at easing India's elevated debt and interest burden.**
- S&P noted that India's buoyant growth and improved monetary policy framework have strengthened its credit metrics. **Real GDP growth averaged 8.8% between FY2022 and FY2024, the fastest in the Asia-Pacific and is projected to average 6.8% annually over the next three years.**