

**GOVERNMENT OF INDIA**  
**MINISTRY OF FINANCE**  
**DEPARTMENT OF ECONOMIC AFFAIRS**  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 5124**

TO BE ANSWERED ON MONDAY, APRIL 3, 2023 / Chaitra 13, 1945 (Saka)

**Credit Worthiness of the Country**

**5124. SHRI SHRIRANG APPA BARNE**

SHRI SANJAY SADASHIVRAO MANDLIK

SHRI DHAIRYASHEEL SAMBHAJIRAO MANE

SHRI PRATAPRAO JADHAV

SHRI BIDYUT BARAN MAHATO

SHRI SUDHEER GUPTA

Will the Minister of FINANCE be pleased to state:

- (a) whether the country's economic matric/credit worthiness have improved significantly since the pandemic and if so, the details thereof;
- (b) whether the Government has held any meeting with the officials of top international rating agencies recently and if so, the details and the outcomes thereof along with the reasons therefor;
- (c) the steps taken/being taken by the Government to upgrade the sovereign credit rating of the country;
- (d) the details of target set by the Government for deduction of fiscal deficit to GDP for current year and the next three years to put the country on to the path of economic development; and
- (e) the other steps taken by the Government to enhance economic growth of the country?

**ANSWER**  
**MINISTER OF STATE FOR FINANCE**  
**(SHRI PANKAJ CHAUDHARY)**

- (a) Yes Sir. The outlook for India's sovereign credit ratings has improved during the pandemic. Ratings assigned/affirmed by key Credit Ratings Agencies in the pandemic period is enclosed as **Annexure I**. India's strong economic growth and resilience to external shocks have been key drivers of the improved sovereign credit profile.

- (b) & (c)** Yes Sir. The Government of India has been proactively engaging with prominent global credit rating agencies (CRAs) to improve India's sovereign credit ratings over time. Concerted efforts have been made during periodic credit review meetings, transparency calls and outreach by senior officials of the Government to sensitise CRAs about the fundamentals of the Indian economy, latest economic developments, growth perspective, fiscal consolidation and commitment to reforms.
- (d)** The Fiscal Deficit is estimated at 6.4 per cent of GDP for RE 2022-23 and 5.9 per cent of GDP for BE 2023-24. Further, the Government has announced its intention of reducing the Fiscal Deficit to a level below 4.5% of GDP by FY 2025-26 in Union Budget 2021-22. Nonetheless, in light of continued global uncertainty, the Medium-Term Fiscal Policy cum Fiscal Policy Strategy Statement FY 2023-24 does not outline any medium-term fiscal projections.
- (e)** The Government of India has taken series of measures to enhance economic growth including substantial increase in capital expenditure outlay, Production Linked Incentive (PLI) Scheme and reforms in various sectors.

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**Annexure I**

**Ratings assigned / affirmed by key Credit Ratings Agencies during Pandemic**

Rating Agency	Year	Foreign Currency		Local Currency		Remarks
		Ratings	Outlook	Ratings	Outlook	
<b>Moody's</b>	2022	Baa3	Stable	Baa3	Stable	Outlook improved from Negative to Stable in 2021
	2021	Baa3	Stable	Baa3	Stable	
	2020	Baa3	Negative	Baa3	Negative	
<b>Fitch</b>	2022	BBB-	Stable	BBB-	Stable	Outlook improved from Negative to Stable in 2022
	2021	BBB-	Negative	BBB-	Negative	
	2020	BBB-	Negative	BBB-	Negative	
<b>S&amp;P</b>	2021	BBB-	Stable	BBB-	Stable	Outlook has remained unchanged.
	2020	BBB-	Stable	BBB-	Stable	