GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
UNSTARRED QUESTION No. 228
TO BE ANSWERED ON 22 JULY 2025/31 ASHADHA, 1947 (SAKA)

SOVEREIGN CREDIT RATINGS OF INDIA

228. Dr. V. Sivadasan:

Will the Minister of FINANCE be pleased to state:

(a) the current sovereign credit ratings of India assigned by major international rating agencies, namely Moody's, Standard & Poor's (S&P), and Fitch Ratings;

(b) the key factors cited by these agencies in determining India's rating; and

(c) the steps taken by Government to improve India's sovereign credit ratings?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): The current sovereign credit rating of India assigned by major credit rating agencies - Moody's, Standard & Poor's (S&P), Fitch Ratings and Morningstar DBRS - stands respectively at Baa3 with a "Stable" outlook, BBB- with a "Positive" outlook, BBB- with a "Stable" outlook and BBB with a "Stable" trend.

(b): According to the methodology documents published by the credit rating agencies, various quantitative and qualitative factors are used to determine the ratings of countries, including India. These factors are broadly grouped under the major categories such as economic strength, fiscal strength and flexibility, monetary performance and resilience, external resilience, and institutional strength. The methodology and relative weight assigned to each factor vary across the major agencies in their respective rating processes.

(c): The Government has made sustained efforts to strengthen India's overall economic outlook, thereby positively impacting its credit profile. These include maintaining sound macroeconomic fundamentals, such as steady growth, price stability, fiscal consolidation, a resilient external sector, robust foreign exchange reserves, a strong banking sector and enhancing physical and digital infrastructure to support investment. Further, the emphasis laid by the Government on robust capital expenditure, infrastructure build-up, financial sector reforms, ease of doing business, employment and skill development contributes to long-term economic stability and growth. In addition, the Government has strengthened its engagement with these agencies through a structured interactive process, during which it presents its perspectives on the overall macroeconomic scenario and addresses specific considerations of the agencies.

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