

India pitches for upgrade in ratings at Fitch meeting

HOW THEY FARE

Agency	Rating	Outlook
Fitch	BBB-	Stable
S&P	BBB-	Stable
Moody's	Baa3	Stable

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The Finance Ministry has cited India's strong fundamentals and resilience in the face of global headwinds to pitch for a ratings upgrade.

In a meeting with representatives of ratings agency Fitch on Thursday, senior officials, including Chief Economic Advisor V Anantha Nageswaran, spoke about India's macroeconomic stability, strong financial sector, corporate balance sheets, and the Centre's capital expenditure push, among other issues, *Business Standard* has learnt.

Nageswaran attended via video-link from Chennai, where he is taking part in a G20 Framework Working Group (FWG) meeting.

At the meeting, the officials also cited to Fitch representatives India's narrowing current account deficit, and the steps taken by the fiscal and monetary authorities to contain inflation. They said India's headline retail inflation was expected to moderate further in the coming months, as a 25-month low wholesale inflation would transmit to consumer prices.

The National Statistical Office has estimated GDP growth for FY23 at 7 per cent, and the 2022-23 Economic Survey pegs baseline growth for FY24 at 6.5 per cent. Both these projections make India one of the fastest-growing major economies at a time when a third of the global economy is expected to slip into recession, including many of India's western trading partners.

WPI inflation for February eased to 3.85 per cent in February, the lowest in more than two years. CPI inflation meanwhile, came in at 6.44 percent, lower than January, but still above the Monetary Policy Committee's medium-term target.

"The Fitch representatives were apprised of the steps taken in the budget, including the centre's plans to spend ₹10 trillion in capital expenditure in FY24, towards high-multiplier infrastructure projects," said an official.

