

India's Sovereign Rating Upgraded to BBB+ (Stable) by Rating and Investment Information, Inc. (R&I), Japan

This is third such upgrade of India by a sovereign credit rating agency this year, following S&P's upgrade to 'BBB' (from BBB-) in August 2025 and Morningstar DBRS' upgrade to 'BBB' (from BBB (low)) in May 2025

Three credit rating upgrades for India in five months reflect increasing global recognition for India's robust and resilient macroeconomic fundamentals and prudent fiscal management, and underscore global confidence in India's medium-term growth prospects amid prevailing global uncertainties

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The Government of India welcomes the decision by the Japanese credit rating agency, Rating and Investment Information, Inc. (R&I), to upgrade India's long-term sovereign credit rating to 'BBB+' from 'BBB', while retaining the "Stable" Outlook for the Indian economy.

This is the third such upgrade by a sovereign credit rating agency this year, following S&P's upgrade to 'BBB' (from BBB-) in August 2025 and Morningstar DBRS' upgrade to 'BBB' (from BBB (low)) in May 2025, reaffirming India's position as one of the most dynamic and resilient major economies in the world.

As per R&I's India sovereign rating review published today ([Link: news_release_cfp_20250919_23993_eng.pdf](#)), the ratings upgrade is supported by India's position as one of the world's largest and fastest-growing economies, underpinned by its demographic dividend, robust domestic demand, and sound government policies. R&I in its report recognises the progress in fiscal consolidation by the Government, driven by buoyant tax revenues and rationalisation of subsidies, and manageable level of debt along with high growth. It also highlights India's strengthened external stability, reflected in modest current account deficit, stable surpluses in services and remittances, low external debt-to-GDP ratio, and sufficient forex cover.

The agency further stated that the risks associated with the financial system remain limited. "While

the government has been increasing capital expenditures, it has managed to reduce the fiscal deficit thanks to the tax revenue increase backed by the strong domestic demand as well as the cut of subsidies”, agency noted in its statement. The recent increase in tariffs by the U.S. was acknowledged as a risk factor by the agency, however, it observed that India’s limited reliance on U.S. exports and its domestic demand-driven growth model will contain the impact. Further it observed that while the GST rationalisation will result in revenue losses, the negative impact will likely be offset to some extent by the stimulation of private consumption.

The agency also praised the policies of the administration of Prime Minister Shri Narendra Modi aimed mainly at attracting foreign manufacturers to India, developing infrastructure, institutionalizing the legal framework to improve the business environment, reducing the reliance on energy imports and ensuring the economic security.

This is the third credit rating upgrade India has got this year from S&P, Morningstar DBRS and R&I and it reflects the increasing global recognition for India’s robust and resilient macroeconomic fundamentals and prudent fiscal management. It also underscores global confidence in India’s medium-term growth prospects amid prevailing global uncertainties. The Government of India remains committed to building on this momentum through policies that promote inclusive, high-quality growth alongside fiscal prudence and macroeconomic stability.

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