

CareEdge announces entry into Global Scale Ratings



Ahmedabad, CareEdge Global IFSC Ltd, a subsidiary of CARE Ratings Ltd, one of India's leading credit rating agencies, has today unveiled its report on Sovereign Ratings of Global Economies, assigning sovereign ratings to 39 countries. The rating agency has assigned long term foreign currency (LTFC) rating of CareEdge BBB+ to India. With this, CareEdge has become the first Indian credit rating agency to enter the Global Scale Ratings space, through its subsidiary, CareEdge Global IFSC Limited. CareEdge Global has assigned a long-term foreign currency rating of BBB+ to India, based on the resilient post-pandemic rebound of the Indian economy and increased focus on infrastructure investment. The outlook also factors the projected lowering in the general government debt, albeit gradually, aided by

healthy nominal GDP growth and continued focus on fiscal consolidation. CareEdge projects general government debt to GDP to reduce to 78% by FY30 and further to 73.5% by FY35 from around 80% level currently. However, it believes that the still elevated general government debt and weak debt affordability remain the key credit constraints. According to CareEdge Global, India's credit assessment gains from its large and diverse economic structure as well as its healthy growth performance. CareEdge expects GDP growth in the range of 6.5-7% in the next few years. Additionally, India's high foreign exchange reserves and low levels of external debt contribute to a favourable external position supporting its overall credit profile. However, these positives are balanced against high general government debt and weak debt affordability.