

With rating action, India in for more capital inflows: Industry

Financial sector stalwarts say the rating upgrade was long overdue and will cut cost of borrowing

PRESS TRUST OF INDIA
NEW DELHI, 17 NOVEMBER

Giving a thumbs-up to Moody's rating upgrade, corporate India today said the move is a reaffirmation of the government's reforms push that will boost foreign capital inflows and lead to overseas borrowings at better rates.

The US-based Moody's today upgraded India's sovereign credit rating by a notch to 'Baa2' with a stable outlook, citing improved growth prospects driven by economic and institutional reforms.

The rating action may act as a catalyst of sorts for those foreign investors eyeing India, say analysts.

"The rating upgrade, along with the recently reported improvement in India's ease of doing business ranking, underlines the fact that we are moving in the right direction. India's growth story is more promising than ever and we see a further improvement in confidence level of the glob-

al investment community," Ficci president Pankaj Patel said.

According to Assocham secretary general D S Rawat, the upgrade will make a huge difference to India Inc's capacity to tap global financial markets at very competitive rates.

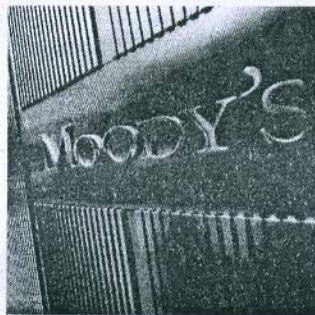
"The upgraded rating of Baa2 will enable lower cost of borrowing in international markets for Indian businesses and attract more foreign funds flows into India. CII hopes that the other rating agencies will soon follow with similar rating upgrades," CII director general Chandrajit Banerjee said.

The rating upgrade comes after a gap of 13 years ~ Moody's had last upgraded India's rating to 'Baa3' in 2004.

The 'Baa3' rating is the lowest investment grade ~ just a notch above the 'junk' status.

Financial sector stalwarts have hailed India's rating upgrade by Moody's, saying it was long overdue and will reduce the borrowing cost for

RATING UPGRADE AFTER 13 YEARS



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the country.

SBI chairman Rajnish Kumar said it is a positive development that will be a great enabler for the Indian financial markets.

"The bond yields, Indian rupee and stock markets have already reacted favourably. Over a point of time, this will reduce borrowing costs of the government and financial institutions and result in increased investor confidence in the India growth and reform

story," Mr Kumar said in a statement.

ICICI Bank MD & CEO Chanda Kochhar said this is a well deserved recognition of the structural reforms implemented by the Modi government over the past couple of years.

"The economic reforms have targeted overall formalisation of the economy through manifold measures... This is also a huge positive for the Indian government and Indian corporates as it reduces

borrowing costs for the government and will lead to lower credit risk premiums for corporates leading to cheaper cost of capital.

"These structural reforms will help in cementing the sustainability of our fiscal path over the medium-term by boosting government revenues and making the expenditure profile more efficient," Ms Kochhar said.

Mortgage lender HDFC Ltd vice-chairman and CEO Keki Mistry said the rating agencies are now beginning to recognise India's potential.

HDFC chairman Deepak Parekh said India deserved it much earlier.

"The rating agencies always take time to analyse... So I think it was long overdue and I always felt that the rating agencies are not being fair on India because particularly in the last one-and-half-year, the number of transformatory and big bang reforms have been executed by the government, so on these grounds, they should have done it much earlier," Mr Parekh added.

MOODY'S THUMBS UP MODI GOVT

India Inc hails ratings; says will boost capital inflows, borrowings

PHS ■ NEW DELHI

Welcoming the Moody's move India Inc said the ratings upgrade is a reaffirmation of the Government's reforms push that will boost foreign capital inflows and lead to overseas borrowings at better rates.

The US-based Moody's on Friday upgraded India's sovereign credit rating by a notch to Baa2 with a stable outlook, citing improved growth prospects driven by economic and institutional reforms.

The rating action may act a catalyst for some of those foreign investors eyeing India, say analysts. The rating upgrade, along with the recently reported improvement in India's ease of doing business ranking, underlines the fact that we are moving

THE RATING ACTION MAY ACT AS A CATALYST OF SORTS FOR THOSE FOREIGN INVESTORS EYEING INDIA, SAY ANALYSTS

in the right direction. India's growth story is more promising than ever and we see a further improvement in confidence level of global investment community," Fictl President Pankaj Patel said.

According to ASSOCHAM Secretary General D S Rawat, the upgrade will make a huge difference to India Inc's capacity to tap global financial markets at very competitive rates.

"With reinforcement of the perception of being a prudent

and growing economy, India would continue to attract foreign funds, both in the form of FDI and FII," Rawat said, adding that other global rating agencies are expected to follow a similar path.

The upgraded rating of Baa2 will enable lower cost of borrowing in international markets for Indian businesses and attract more foreign funds flows into India. CII hopes that the other rating agencies will soon follow with similar rating upgrades. CII Director General Chandranjit Banerjee said.

The rating upgrade comes after a gap of 13 years - Moody's had last upgraded India's rating to Baa3 in 2004.

In 2015, the rating outlook was changed to 'positive from stable'. The Baa3 rating is the lowest investment grade - just a notch above the junk status.

Govt's good work led to upgradation: India Inc

• AGENCIES
New Delhi

Echoing the government's views, Indian industry on Friday said Moody's sovereign rating upgrade was in sync with the various government reform measures over the last three-to-four years. "Moody's upgrade of India's rating is a reaffirmation of the various reform measures undertaken by the government over the last three-to-four years and we welcome this move", said FICCI President Pankaj R. Patel. "The ratings upgrade along with the recently reported improvement in India's ease of doing business ranking underline the fact that we are moving in the right direction."

"India's growth story is more promising than ever and we see a further improvement in confidence level of global investment community. This move will not only give a further push to foreign investment inflows into the country but will also enhance our prospects of borrowing money abroad at better rates," he added.

"The upgraded rating of Baa2 will enable lower cost of borrowing in internation-

"This is a well-deserved recognition of the structural reforms that have been undertaken by this government over the past couple of years. It is also very heartening to note that Moody's has taken cognisance of India's higher growth potential and increased economic resilience as compared to other countries in our rating cohort,"

CHANDA KOCHHAR / ICICI Bank's MD and CEO

al markets for Indian businesses and attract more foreign fund flows into India."

Another major business body Assocham Secretary General D.S. Rawat said: "Rating upgrade by Moody's Investors Service on India's sovereign bonds would make a huge difference to India Inc's capacity to tap the global financial markets at very competitive rates."

"With reinforcement of a perception of being a prudent and growing economy, India would continue to attract foreign funds both in the form of FDI and FII. Some of the recent steps like recapitalisation of banks, GST, taking off the Insolvency and Bankruptcy Code have gone quite well with the Moody's," he added.

US credit rating agency Moody's on Friday upgraded India's sovereign rating to Baa2 from its lowest investment grade of Baa, while

changing the outlook for the country's rating to stable from positive, and said it was based on the Indian government's "wide-ranging programme of economic and institutional reforms". The rating agency simultaneously upgraded India's local and foreign currency issuer rating to Baa2 from Baa3. CII's Director General Chandrajit Banerjee said: "The upgrade in India's rating by Moody's comes as a major boost to market sentiment on India and a recognition of the transformational reforms being conducted by the government."

"It reaffirms our belief that measures such as GST, doing business and bankruptcy reforms, public spending on infrastructure, reduced use of cash and banking reforms have all contributed to the rating upgrade," Banerjee said.

'200 crore IoT devices in 4 years'

New Delhi, November 17

Internet of Things (IoT) devices in India are expected to increase 10 times to 200 crore in the next 3-4 years, said Ravi Shankar Prasad, IT Minister, on Friday. The Minister said 20 crore IoT instruments are working in the country, and that the figure is likely to touch 200 crore in the next 3-4 years. All this is happening because Indians have passion for technology. He was addressing the International Technology Summit organised by Assocham here. Any product or equipment whose function can be controlled using internet falls under the category of IoT. PTI

India to have 200 cr IoT devices in 4 years, says Prasad

PNS ■ NEW DELHI

Internet of things (IoT) devices in India are expected to increase 10 times to 200 crore in the next 3-4 years, owing to passion for technology among the people, IT Minister Ravi Shankar Prasad said on Friday.

The Minister said 20 crore IoT instruments are working in the country and the figure is likely to touch 200 crore in the next 3-4 years. All this is happening because Indians have passion for technology, he said addressing the International Technology Summit organised by Assocham here.

Any product or equipment whose function can be controlled using internet falls under the category of IoT. The minister said all new technologies must be encouraged and leveraged.

"We have already set up centre of excellence. Now for technology from cyber security to blockchain, we propose to set up more new centres," Prasad said. The Minister said the government is trying to push Indian digital economy to \$1 trillion in the next 5-7 years and two consultant firms are working on its roadmap.

