

Transmitted At: 2015-04-10 14:45

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Moody's Upgrades India's Rating Outlook to 'Positive' as Canada gets ready to Welcome PM Modi

TORONTO, April 10, 2015 /CNW/ - On April 9th 2015, Moody's Investors Service upgraded India's sovereign rating outlook from 'Baa3 Stable' to 'Baa3 Positive' indicating a potential upgrade in the future. This comes as a sign of confidence for the newly appointed Indian government, as they move forward with reforms to improve India's macro-economic, infrastructure and institutional profile. The ratings outlook upgrade may reduce the cost of borrowing for sovereign and corporate India and may assist in further boosting the already accelerating economy.

Rationale for the Positive Outlook

Moody's decision to revise the ratings outlook to 'positive' from 'stable' is based on its view that there is an increasing probability that actions by policy makers will enhance the country's economic strength and, in turn, the sovereign's financial strength over the coming years.

India has grown faster than its similarly rated peers over the last decade due to favorable demographics, economic diversity, high savings and its investment rates.

Moody's believes that recent measures to address inflation, keep external balances in check, simplify the regulatory regime for investors, increase foreign direct investment, and facilitate infrastructure development will improve India's sovereign credit over time¹.

Imminent Ratings Upgrade

Moody's expects evidence over the coming months of policymakers' success in their efforts to introduce growth-enhancing and growth-stabilizing economic and institutional reforms that would result in India's credit rating being considered for an upgrade². The foundation for a higher rating will become apparent over the next 12 to 18 months.

Prime Minister Modi's Visit to Canada

Moody's rating outlook upgrade comes at a time when Canada is preparing to welcome Indian Prime Minister, Narendra Modi, to our country. This is a historic event, as this is the first time an Indian Prime Minister will be visiting Canada since 1973.

Prime Minister Modi's visit will revolve around increasing foreign direct investment into India and highlighting the 'Make in India' campaign, which promotes domestic manufacturing in the country, as well the promotion of trade and nuclear energy partnerships with Canadian businesses.

[Excel Funds](#), a proud welcoming partner organizer of Prime Minister Modi's visit to Canada, is the authority in investing in emerging markets and is the manager of the [Excel India Fund](#), the largest and longest running India fund in Canada.

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¹ https://www.moodys.com/research/Moodys-affirms-Indias-Baa3-rating-changes-outlook-to-positive--PR_320605?WT.mc_id=AM~UmV1dGVyc051d3NfU0JfUmF0aW5nIE51d3NfQWxs~20150408_PR_320605

² https://www.moodys.com/research/Moodys-affirms-Indias-Baa3-rating-changes-outlook-to-positive--PR_320605?WT.mc_id=AM~UmV1dGVyc051d3NfU0JfUmF0aW5nIE51d3NfQWxs~20150408_PR_320605

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