

Credit ratio of firms tops pre-Covid levels

The credit ratio for Indian firms, which measures upgrades to downgrades, breached the pre-pandemic levels in the April-August period of FY22, indicating improving corporate health.

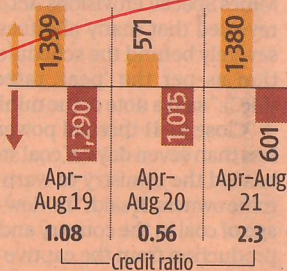
It moved up sharply to 2.3 in 2021, from 0.56 a year ago and 1.08 in 2019, according to Acuite Ratings.

The number of upgrades more than doubled to 1,380 from 571, while downgrades shrank 40.8 per cent from 1,015 in April-August 2020 to 601 in the corresponding period in 2021. Upgrades in 2019 were at 1,399 and downgrades at 1,290.

Policy support along with steps to provide liquidity and lower debt levels vis-a-vis the fears in the early part of the

CORPORATE CREDIT QUALITY ON MEND

Upgrades Downgrades



Source - Acuite

pandemic and robust export demand have shaped the ratings. Ratings have also started to factor in expected revival in private consumption, the agency said.

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