

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

INDIAN GROWTH STORY TO REMAIN LARGELY INTACT

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The uncertainty in the global markets due to recent developments in United States of America (USA) and Euorzone have had some impact on capital markets in India. The economy, however, is basically domestic demand driven, as about 85 per cent of its GDP is from domestic sources. The calibrated approach to capital account convertibility has prevented surge and reversal of debt creating capital flows. Indian banking sector is robust and the export basket is increasingly diversified in terms of products and destinations, with developing economies emerging as the largest export market. The Indian growth story is, therefore, expected to remain largely intact, as its fundamentals are strong.

The Government is, however, keeping a close watch on global development and action would depend upon how the global situation unfolds.

There has been no downgrading of India's credit rating.

This information was given by the Minister of State for Finance Shri Namo Narain Meena in a written reply to a question raised in Lok Sabha today.

DSM/SS/SL