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**THE CRITICAL STUDY OF THE EFFECTS OF DEPRECIATION OF INDIAN
RUPEE IN COMPARISON TO U.S DOLLAR ON ECONOMIC PERFORMANCE**

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ABSTRACT

Fitch Ratings, in a newly published report, says that the credit ratings of 274 investment grade corporate companies (constituting 92% of the outstanding adjusted debt) are unlikely to be impacted despite the sharp depreciation of the Indian rupee. Another 28 issuers may expect negative rating actions, such as an Outlook change or a rating downgrade, in the event of a sustained depreciation of rupee. Limited Impact for Most: Sustained rupee depreciation is unlikely to have a negative impact on the credit ratings for most investment-grade issuers that come under the Fitch Ratings Indian National scale. Two hundred and seventy-four (accounting for over 92% of outstanding debt) of 302 publicly rated issuers are unlikely to face a negative rating action should the rupee trade between INR55/USD1 to INR60/USD1. The depreciation of rupee has increased the cost of imports by Rs 65999 cores.

KEYWORDS: *Depreciation, Exchange Rate, Economic Impact, Currency Market, Rupee*
