

CARE Ratings Debt Quality Index (CDQI) – April 2017

CARE Ratings Debt Quality Index (CDQI) denotes the quality of debt that can be interpreted over time and juxtaposed with other developments in the financial sector. The CDQI captures, on a scale of 100 (index value for the base year FY12), whether the quality of debt is improving or declining. Intuitively an upward movement indicates improvement in quality of debt benchmarked against the base year. As it is contemporary with minimum time lags, the health of the debt and credit markets is encapsulated on a near-real-time basis.

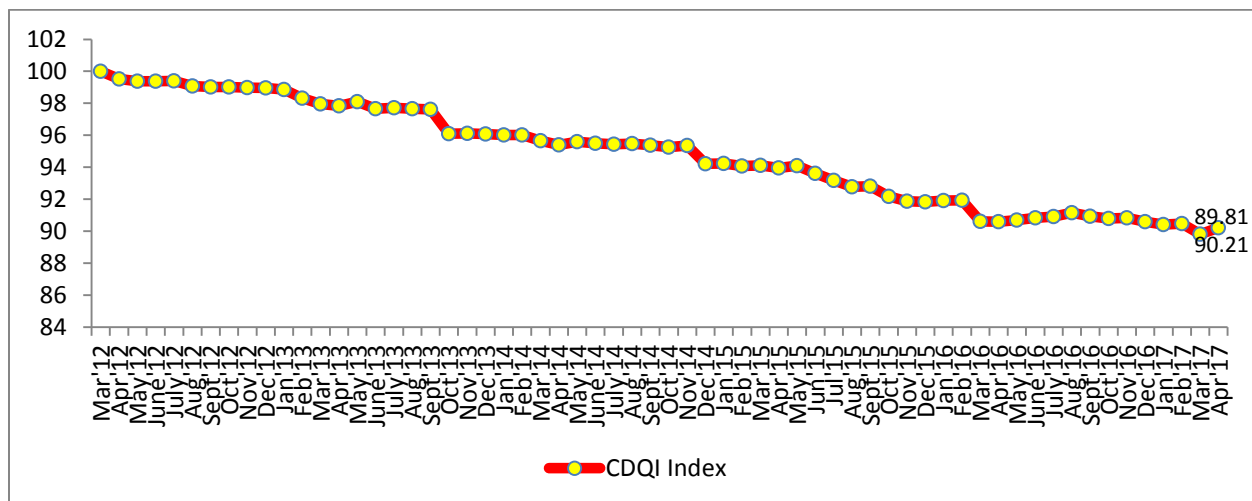
The dataset comprises of 1,579 companies from the CARE’s portfolio of 2,980 companies as of March 2012. The dataset is revisited at regular intervals and is replaced suitably with a new set of companies with a similar rating and an approximate volume of outstanding debt rated in case if an entity ceases to have a rating coverage. Currently, the volume of debt of the sample companies stands at Rs.30.65 lakh crore in April 2017.

Movement in index:

The CDQI had exhibited stability, though with an upward bias, in the few months of FY17. The index, has, however, largely followed a declining trend during the second half of FY17. In Apr’17, the index witnessed a significant improvement and increased above 90, influenced primarily by higher share of AAA issuers.

Table: Movement in CDQI

Month	CDQI- Index	Change
Sept’16	90.93	-0.23 ↓
Oct’16	90.80	-0.13 ↓
Nov’16	90.83	0.03 ↑
Dec’16	90.59	-0.24 ↓
Jan’17	90.42	-0.17 ↓
Feb’17	90.47	0.05 ↑
Mar’17	89.81	-0.66 ↓
Apr’17	90.21	0.40 ↑



For detailed methodology see: <http://www.careratings.com/pdf/Banner/CDQI%20PR%20&%20Report%20for%20website.pdf>