

### CARE Ratings Debt Quality Index (CDQI) – July 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.

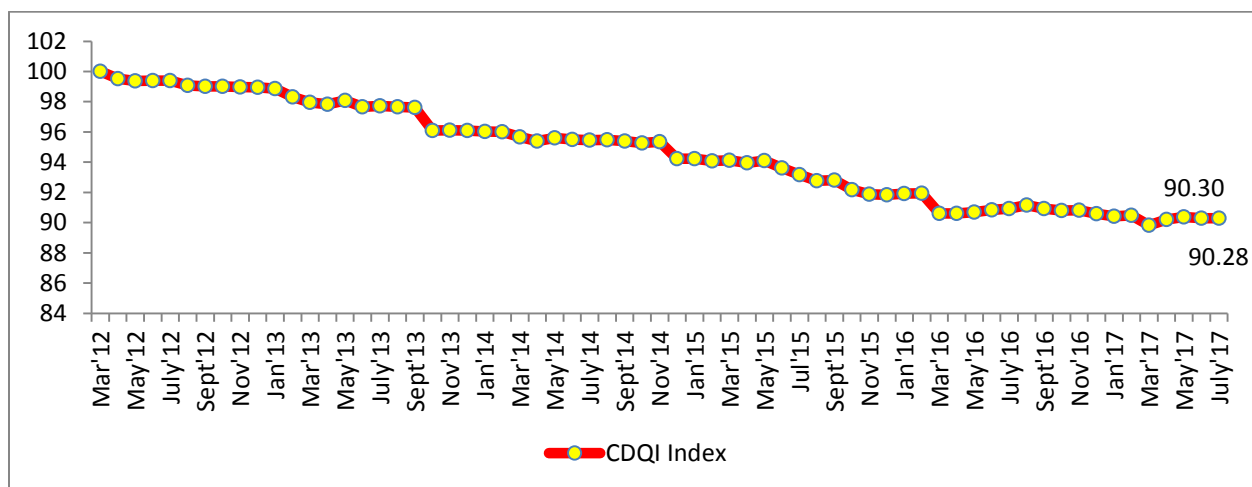
The dataset comprises of 1,588 companies from CARE’s portfolio of 2,980 companies as of March 2012. The dataset is revisited at regular intervals and is replaced suitably with a new set of companies with a similar rating and an approximate volume of outstanding debt rated in case if an entity ceases to have a rating coverage. Currently, the volume of debt of the sample companies stands at Rs.30.97 lakh crores in July 2017.

**Movement in index:**

CDQI largely followed a declining trend during the second half of FY17. It, however, improved in the first two months of FY18 and remained by and large stable in June’17 and July’17. Though there have been few downgrades in the ‘CARE AA’ and ‘CARE A’ categories, in July 2017, the index remained largely stable due to the new issuances in the ‘CARE AAA’ rating category. Currently, the index stands at 90.28.

**Table: Movement in CDQI**

Month	CDQI- Index	Change
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 ↑
May’17	90.36	0.16 ↑
June’17	90.30	-0.07 ↓
July’17	90.28	-0.02 ↓



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