

### CARE Ratings Debt Quality Index (CDQI) – September’17

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.

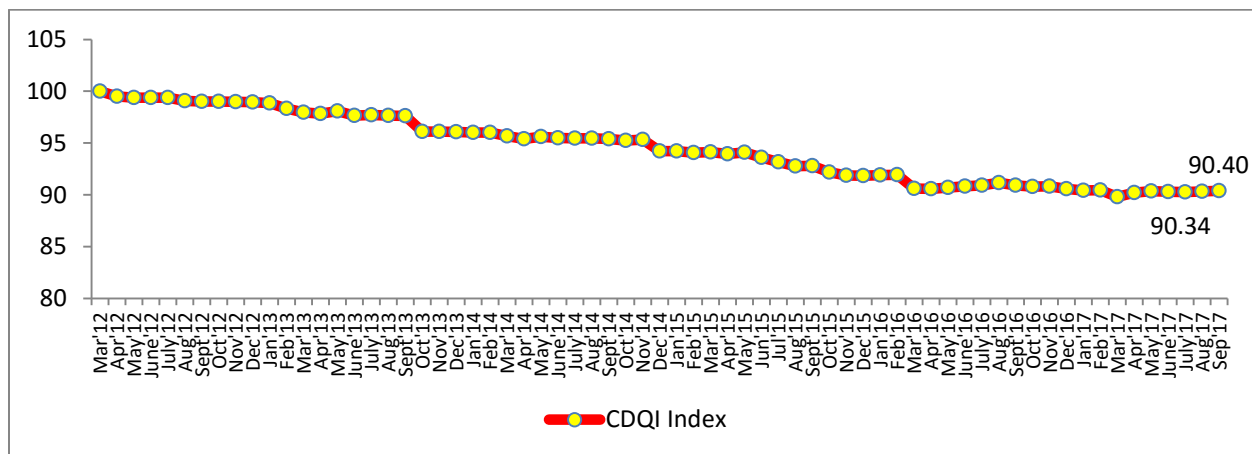
The dataset comprises of 1,593 companies from CARE’s portfolio of 2,980 companies as of March 2012. The dataset is revisited at regular intervals and is replaced suitably with a new set of companies with a similar rating and an approximate volume of outstanding debt rated in case if an entity ceases to have a rating coverage. Currently, the volume of debt of the sample companies stands at Rs.31.57 lakh crore in September 2017.

**Movement in index:**

CDQI largely followed an improving trend in the first half of FY18, except in June 2017 and July 2017 when it declined marginally. CDQI witnessed a marginal improvement in the months of August and September 2017.

**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 ↓
Aug’17	90.34	0.06 ↑
Sep’17	90.40	0.06 ↑



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