

CARE Ratings Debt Quality Index (CDQI) - April 2016

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.

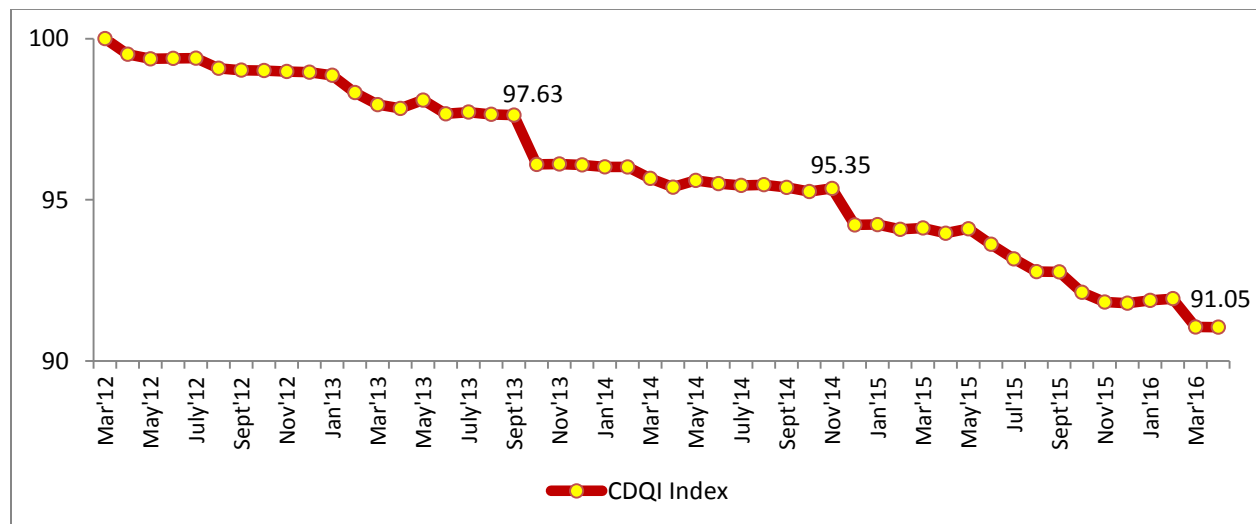
The dataset comprises of 1,581 companies from the CARE’s portfolio of 2,980 companies as of March 2012. The dataset is revisited at regular intervals and is replaced suitably with a new set of companies with a similar rating and an approximate volume of outstanding debt rated in case if the rating has been withdrawn or suspended. Currently, the volume of debt of the sample companies stands at Rs.28.52 lakh crore during April 2016.

Movement in index -

The CDQI has been witnessing a downward movement since June’15. The index exhibited some stability with a moderation of merely 0.01 point during Sept’15 at 92.76, followed by a significant decline to 92.13 in Oct’15 and 91.83 in Nov’15. It continued to register a contraction (albeit marginal) in Dec’15 and stood at 91.79. The index, after witnessing marginal recovery in the month of January 2016 and February 2016, declined by 0.88 points in March 2016 and remained at the same level in the month of April 2016.

Table :Movement in CDQI

Month	CDQI- Index	Change
Sept’15	92.76	-0.01 ↓
Oct’15	92.13	-0.63 ↓
Nov’15	91.83	-0.30 ↓
Dec’15	91.79	-0.04 ↓
Jan’16	91.88	0.09 ↑
Feb’16	91.93	0.05 ↑
Mar’16	91.05	-0.88 ↓
Apr’	91.05	0.00 ↔



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