

## CARE Ratings Debt Quality Index (CDQI) - June 2015

The dataset comprising 1,589 companies used for calculating the CARE Debt quality index has been reshuffled since April 2015. This change in data set has been mainly on account of replacement of the companies whose ratings have either been suspended or withdrawn. Accordingly, these companies have been suitably replaced with a new set of companies which bear a similar rating and an approximate volume of outstanding debt rated. Below are the adjustments made in the dataset -

- 72 companies with aggregate outstanding debt of Rs.51,037.55 crore in March'15 have now been replaced with the debt of Rs.38,814.02 crore since April'15. The difference between the two is merely 0.005% of o/s debt as of March 2015.
- Post these adjustments in the dataset; the aggregate outstanding debt of the sample has registered an increase of 1.98% in April from Rs.24.98 lakh crore (pre-adjustment) to Rs. 25.31 lakh crore (post adjustment). Similarly for the month of May'15, the outstanding amount increased by 1.54% from Rs. 25.12 lakh crore to Rs. 25.51 lakh crore.

### ***Movement in index -***

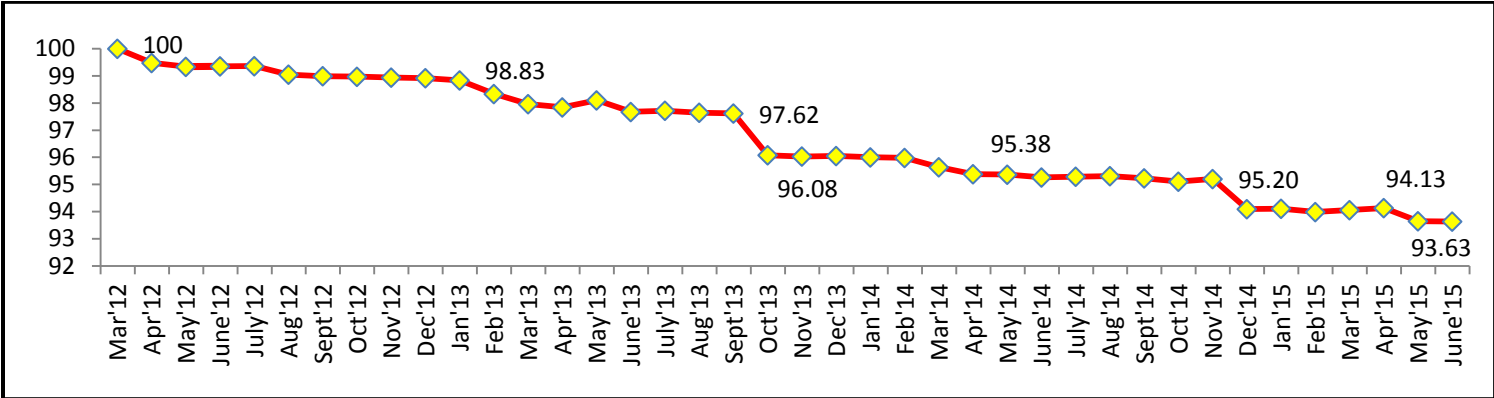
The CDQI stood at 94.06 and further at 94.13 with an upward movement during March'15 and April'15 indicating a slight improvement in the quality of debt. However, in the subsequent two months the CDQI has moved downwards by 0.48 points to 93.65 in May'15 and further down by 0.02 points to 93.63 in June'15. The downward movement in the index implies that the quality of debt has deteriorated over the past two months.

**Table : Movement in CDQI**

Month	CDQI- Index*	Change	CDQI- Index	Change
March'15	94.06	0.07 ↑	94.06	0.07 ↑
April'15	94.13	0.08 ↑	93.96	-0.09 ↓
May'15	93.65	-0.48 ↓	93.72	-0.24 ↓
June'15	93.63	-0.02 ↓	-	-

\* Index calculation post adjustments

**Exhibit: Movement in CDQI - Mar'12 to Jun'15**



For detailed methodology see:

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