

CareEdge Debt Quality Index: April-22

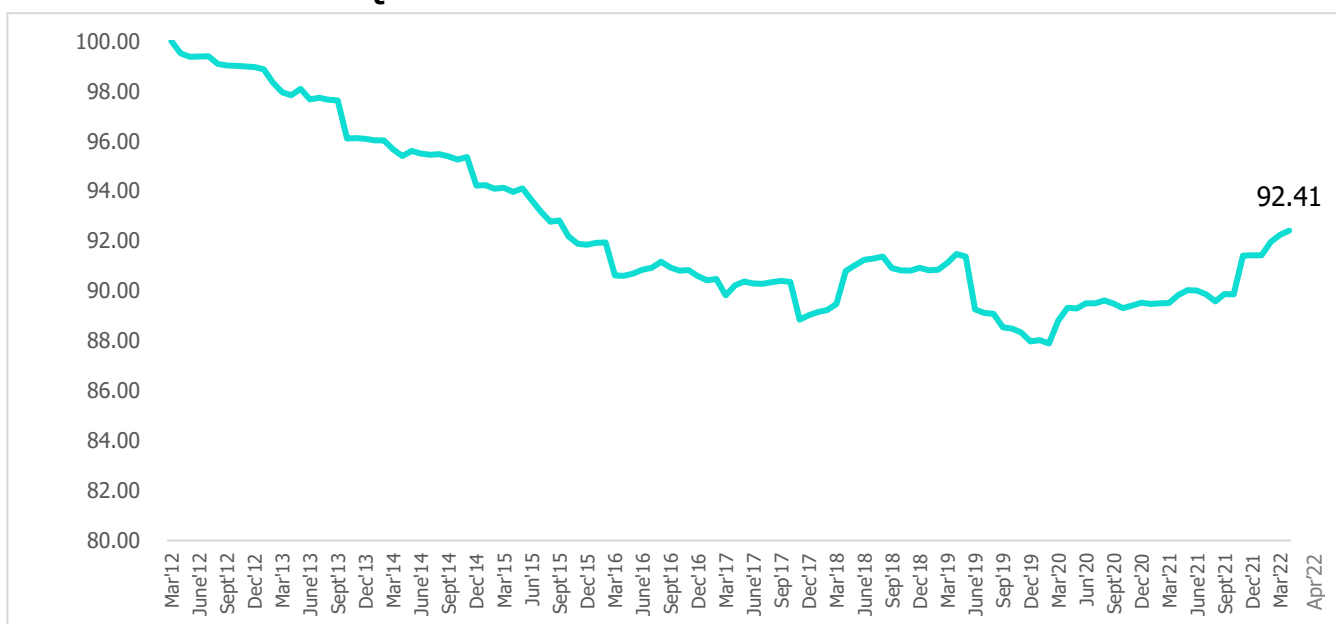


Ratings • Advisory • Research • Risk Solutions

May 12, 2022 | Economics

The CareEdge Debt Quality Index (CDQI) has been steadily inching upwards since November 2021. The April 2022 index increased to 92.41 from 92.24 in March 2022, mainly due to upgrades and enhancements in the rated debt of entities in the construction, energy and finance sectors.

Exhibit 1: Movement in CDQI



Source: CareEdge calculations

About the CDQI Index

CareEdge 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 an improvement in the 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 1,639 companies from our 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 an entity ceases to have a rating coverage. Currently, the volume of debt of the sample companies stands at Rs 45.3 lakh crore in April 2022.

For detailed methodology see:

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

Annexure 1: Movement in CDQI in Last Two Years

Month	CDQI - Index	Change
Apr-20	89.32	+0.51
May-20	89.30	-0.02
Jun-20	89.50	+0.20
Jul-20	89.50	0.00
Aug-20	89.62	+0.12
Sep-20	89.48	-0.14
Oct-20	89.30	-0.18
Nov-20	89.40	+0.10
Dec-20	89.53	+0.13
Jan-21	89.48	-0.05
Feb-21	89.50	+0.02
Mar-21	89.51	+0.01
Apr-21	89.84	+0.33
May-21	90.02	+0.19
Jun-21	90.01	-0.01
Jul-21	89.85	-0.16
Aug-21	89.57	-0.28
Sep-21	89.87	+0.30
Oct-21	89.86	-0.01
Nov-21	91.41	+1.55
Dec-21	91.43	+0.02
Jan-22	91.43	0.00
Feb-22	91.96	+0.53
Mar-22	92.24	+0.28
Apr-22	92.41	+0.18

Source: CareEdge calculations

Contact

Milind A. Gadkari	Senior Director	milind.gadkari@careedge.in	+91-22-6754 3466
Smita Rajpurkar	Director	smita.rajpurkar@careedge.in	+91-22-6837 4416
Akanksha Bhende	Associate Economist	akanksha.bhende@careedge.in	+91-22-6754 3424
Mradul Mishra	Media Relations	mradul.mishra@careedge.in	+91-22-6754 3596

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East),
Mumbai - 400 022
Phone : +91 - 22 - 6754 3456 | CIN: L67190MH1993PLC071691

Connect :     

Locations: Ahmedabad | Andheri-Mumbai | Bengaluru | Chennai | Coimbatore | Hyderabad | Kolkata | New
Delhi | Pune

About:

CareEdge (CARE Group) is a knowledge-based analytical group that aims to provide superior insights based on technology, data analytics capability and detailed research methods. CareEdge (CARE Ratings Limited) is one of the leading credit rating agencies in India. It has an impressive track record of rating companies for almost three decades and has played a pivotal role in developing the corporate debt market in India. CareEdge provides near real time research on all domestic and global economic developments. The wholly owned subsidiaries include CareEdge Advisory & Research arm focused on providing advisory and consultancy services and CareEdge Risk solutions a platform that provides risk management solutions

Disclaimer:

This report has been prepared by CareEdge (CARE Ratings Limited). CareEdge has taken utmost care to ensure accuracy and objectivity based on information available in the public domain. However, neither the accuracy nor completeness of the information contained in this report is guaranteed. CareEdge is not responsible for any errors or omissions in analysis/inferences/views or for results obtained from the use of the information contained in this report and especially states that CareEdge has no financial liability whatsoever to the user of this report.