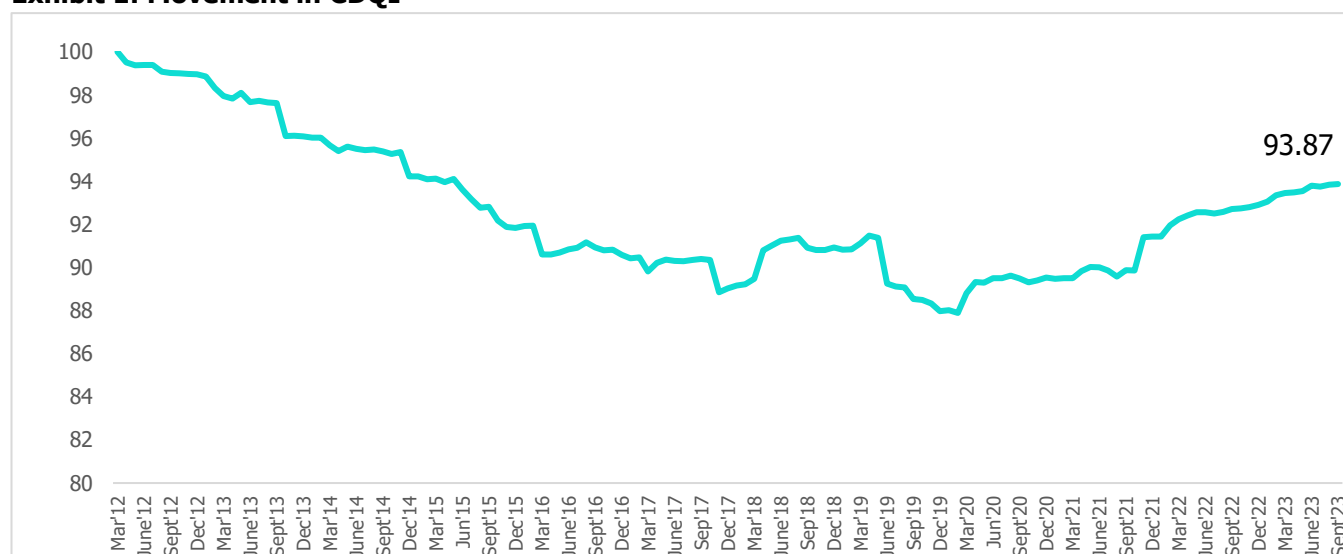


The CareEdge Debt Quality Index (CDQI) has witnessed the rising trend since November 2021. It registered marginal improvement to the level 93.87 in September 2023 as against 93.83 in August 2023 on account of upgrades in the investment grade rating categories.

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 1,684 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 49.6 lakh crore in September 2023.

For detailed methodology see:

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

Annexure 1: Movement in CDQI

Month	CDQI – Index	Change	Month	CDQI - Index	Change
Oct-21	89.86	-0.01	Oct-22	92.74	+0.04
Nov-21	91.41	+1.55	Nov-22	92.80	+0.06
Dec-21	91.43	+0.02	Dec-22	92.90	+0.10
Jan-22	91.43	0.00	Jan-23	93.05	+0.15
Feb-22	91.96	+0.53	Feb-23	93.35	+0.30
Mar-22	92.24	+0.28	Mar-23	93.45	+0.10
Apr-22	92.41	+0.18	Apr-23	93.48	+0.03
May-22	92.56	+0.15	May-23	93.54	+0.06
Jun-22	92.56	0.00	Jun-23	93.79	+0.25
Jul-22	92.50	-0.06	Jul-23	93.75	-0.04
Aug-22	92.58	+0.08	Aug-23	93.83	+0.08
Sep-22	92.70	+0.12	Sep-23	93.87	+0.04

Source: CareEdge calculations

Contact

Padmanabh Bhagavath	Senior Director	ps.bhagavath@careedge.in	+91 - 22 - 6754 3407
Chaitanya Raut	Associate Director	chaitanya.raut@careedge.in	+91 - 22 - 6837 4696
Girish Patil	Assistant Director	girish.patil@careedge.in	+91 - 22 - 6754 3411
Mradul Mishra	Media Relations	mradul.mishra@careedge.in	+91 - 22 - 6754 3596

CARE Ratings Limited

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 Us:

CareEdge is a knowledge-based analytical group that aims to provide superior insights based on technology, data analytics and detailed research. CARE Ratings Ltd, the parent company in the group, is one of the leading credit rating agencies in India. Established in 1993, it has a credible track record of rating companies across multiple sectors and has played a pivotal role in developing the corporate debt market in India. The wholly-owned subsidiaries of CARE Ratings are (I) CARE Advisory Research & Training Ltd, which offers customised advisory services, credible business research and analytical services (II) CARE Risk Solutions Private Ltd, which 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.

