

CRISIL-IBX Financial Services 3-6 Months Debt Index

“CRISIL-IBX Financial Services 3-6 Months Debt Index” is a constant maturity index that seeks to track the performance of Commercial Papers (CPs), Certificates of Deposit (CDs) & corporate bond securities maturing within 3 to 6 months from the date of inclusion in the index.

Inception date: 10-Dec-2024

Asset Allocation: 100% CPs, CDs & Bonds.

Index Duration: - The index will have securities maturing in the 3 to 6 months maturity at inception and securities will be reviewed on a set frequency to maintain the steady maturity profile of the index.

Asset Allocation:

CPs, CDs & Bonds	100%
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- The weights between asset classes (CPs, CDs and Bonds) are not fixed and could be different during various review periods based on the availability of securities in the market and may also drift due to price movements in the securities.

Index Construction:

Parameter	Asset class 1 – CPs, CDs & Bonds
Eligibility criteria	<ul style="list-style-type: none"> Issuers in the financial services sector with long term conservative rating of AAA with a minimum amount outstanding of Rs. 1500 crores and having securities (CPs, CDs & Bonds) with residual maturity of 3 to 6 months. Minimum security level amount outstanding of Rs. 100 crores. Only listed issuers shall be included in the index. An issuer will be considered to be listed if at least one security (CPs or Bonds) of such issuer is listed as evaluated at the inception date of the index. CDs are not listed on the exchanges, and hence all CDs are considered eligible if they meet the remaining criteria.
Universe exclusions	<ul style="list-style-type: none"> Perpetual bonds Floating rate bonds Tax-free bonds CE/SO rated bonds Partly paid bonds Partial redemption bonds Single put/call options Embedded put & call options with same exercise date CPs/CDs with short-term ratings other than A1+

Parameter	Asset class 1 – CPs, CDs & Bonds
Issuer selection at inception	<ul style="list-style-type: none"> All issuers qualifying the eligibility criteria mentioned above will form a part of universe. Up to 20 traded issuers from the universe will be ranked and selected based on liquidity. If less than 8 issuers are available, then select remaining issuers (to bring the count to 8) based on the highest amount outstanding from the universe of outstanding securities as evaluated at the inception date of the index. If the number of issuers is still below 8, then all such eligible issuers with securities maturing in the 3 to 6 months residual maturity period will be shortlisted. Count of 8 issuers will be ensured by relaxing amount outstanding criteria first and then the residual maturity criteria i.e., highest amount outstanding issuers or highest residual maturity of issuers will be selected respectively from the outstanding data.
Security selection at inception	<ul style="list-style-type: none"> For each selected issuer, the security (CPs/CDs/Bonds) with highest residual maturity maturing in the 3 to 6 months period will be selected from the eligible universe. The selected security must have a minimum amount outstanding of Rs. 100 crores.
No. of constituents	<ul style="list-style-type: none"> Maximum: 20 Minimum: 8
Weighing approach	<ul style="list-style-type: none"> Weights to the issuers will be divided equally as on the base date of the index subject to issuer cap and group cap. Since it's a sectoral index sector caps are not applicable. Issuers weights should not exceed 15% for AAA rated issuers. Group cap of 25% will be ensured. When any issuer is excluded, the weight of that issuer will be redistributed proportionally amongst the rest of the issuers of the index, subject to issuer & group cap.
Rating change treatment	<ul style="list-style-type: none"> In case any issuer gets downgraded below AAA, such issuers shall be excluded from the index within the next 5 working days. In that case, the weight of that issuer will be redistributed proportionally in rest of the issuers of the index, subject to issuer cap & group cap. In case of less than 8 issuers are present, then new issuers will be added (to bring the count to 8) from the last reviewed working data as per above mentioned issuer selection criteria at inception.
Cash flow treatment	<ul style="list-style-type: none"> Any cash flows accruing to the index on account of coupon cash flows, part/full redemption of the security or securities, will be reinvested on the same day in the index in the proportion of existing weights subject to issuer & group cap.
Reconstitution/Rebalancing	<ul style="list-style-type: none"> The same process for issuer selection would be repeated as that followed at inception.
17. Issuer selection	
18. Treatment of existing issuers	<ul style="list-style-type: none"> The eligibility criteria and process for issuer selection will be repeated. Existing issuers will be removed if they fail to qualify on the basis of the criteria and process. The objective of such reconstitution is to maintain the liquidity and duration profile of the index
19. Security selection	<ul style="list-style-type: none"> Same as the process followed during that on the inception of index.
20. Treatment of existing securities	<ul style="list-style-type: none"> The eligibility criteria and process for issuer/security selection will be repeated. Existing issuers/security will be removed if they fail to qualify basis the criteria and process. The objective of such reconstitution is to maintain the liquidity and duration profile of the index
Reconstitution frequency	<ul style="list-style-type: none"> Quarterly (January, April, July, October)
Weight reset frequency	<ul style="list-style-type: none"> Quarterly (January, April, July, October) The weights of securities/issuer will float based on the price movement and will be reset to equal weight during the quarterly review.