

CRISIL Indices

Annual Criteria Review - 2021

CRISIL Fixed Income Research

February 2021

Published Date: 9th March 2021

Updated as on: 31st March 2021

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Background

CRISIL currently maintains 100 standard indices that track various aspects of the fixed-income market in India. These indices are used as performance benchmarks by asset managers, including mutual funds, insurance companies, wealth advisors, banks, and corporate entities.

In our endeavour to keep the indices representative and replicable, we undertake an annual review of the criteria for index construction, and have completed the review for 2021. Following are the changes that are being incorporated in the indices:

- i) Inclusion of T-bills and exclusion of all CP and CD issuers with a long term rating below AA in CRISIL Liquid Fund Index
- ii) Change in methodology of benchmark change in 10 year Gilt Index
- iii) Weights to the sub-indices of standard composite indices.
- iv) Considering only listed issuers in bond & CP indices

Please refer to the section below for the detailed changes, which will be incorporated with effect from April 5, 2021.

Criteria Review for CRISIL Liquid Fund Index

The allocation to liquid assets in the CRISIL Liquid Fund index shall be increased in line with changing market conditions. Accordingly T-bills shall be included in addition to TREPS in the CRISIL Liquid fund index with from 5th April 2021. The updated asset allocation based on these changes is summarized below:

<u>Sub- Index/ Asset Class</u>	<u>Existing Sub – Index Weights</u>	<u>New Sub – Index Weights</u>
T-Bills	-	20%
CRISIL Overnight Index	20%	15%
CRISIL Up to 91 Day CD Index	20%	10%
CRISIL Up to 91 Day CP Index	60%	55%

The selection criteria of CP and CDs in CRISIL Liquid Fund Index has also been modified. At present, all the issuers with short term rating of A1+ are eligible for selection in the index, irrespective of their long term rating. With effect from 5th April 2021, only those issuers that have a long term rating of AAA, AA+ or AA along with a short term rating of A1+ will be eligible for selection in the CP and CD indices. All CP and CD issuers with a long term rating below AA will be ineligible for selection in CRISIL Liquid Fund Index.

Criteria Review for CRISIL 10 Year Gilt Index

(Updated as on 31st March, 2021)

CRISIL 10 Year Gilt Index seeks to track the performance of the on-the-run 10 year benchmark government security.

In the current methodology, on the run 10 year government security was considered as benchmark after taking the polls from the market participants on a weekly basis post the issuance of a new 10 year gilt security to ascertain the 10 year benchmark. A new methodology has been introduced where the polls from market participants will not be taken to ascertain the change in benchmark.

According to the new methodology, the 10 Year Gilt security will rollover if one of the following conditions for the on the run 10 year government security is satisfied:

1. Amount outstanding of new security should be minimum of Rs. 24,000 Crore
2. The average traded volume of new security as a percentage of old, during last 7 working days, should be a minimum of 50%

Review of asset allocation for composite indices

The revised weights are arrived at keeping in mind the issuance trends and other constraints defined by regulations.

The table below summarises the changes in weights to sub-indices effective from April 5, 2021:

Index	Sub- Index/ Asset Class	Sub-indices Weights (Existing)	Sub-indices Weights (New)
		Oct-20	Apr-21
CRISIL Low Duration Debt Index	CRISIL AAA up to 1 Year Short Term Bond Index	11.00%	5.00%
	CRISIL AAA 1 to 3 Year Short Term Bond Index	21.00%	16.00%
	CRISIL AA and AA+ up to 1 Year Short Term Bond Index	3.00%	2.00%
	CRISIL AA and AA+ 1 to 3 Year Short Term Bond Index	5.00%	7.00%
	CRISIL 1 Year T-Bill Index	0.00%	10.00%
	CRISIL Composite CD Index	15.00%	9.00%
	CRISIL Composite CP Index	45.00%	51.00%
CRISIL Corporate Bond Composite Index	CRISIL AAA Long Term Bond Index	30.00%	29.33%
	CRISIL AAA Medium Term Bond Index	19.00%	18.57%
	CRISIL AAA Short Term Bond Index	33.00%	32.26%
	CRISIL AA+ Long Term Bond Index	1.00%	1.61%
	CRISIL AA+ Medium Term Bond Index	1.00%	1.61%
	CRISIL AA+ Short Term Bond Index	1.00%	1.61%
	CRISIL AA- Long Term Bond Index	1.00%	0.27%
	CRISIL AA- Medium Term Bond Index	2.00%	0.54%
	CRISIL AA- Short Term Bond Index	2.00%	0.54%
	CRISIL AA Long Term Bond Index	1.00%	0.37%
	CRISIL AA Medium Term Bond Index	4.00%	1.46%
	CRISIL AA Short Term Bond Index	5.00%	1.83%

Index	Sub- Index/ Asset Class	Sub-indices Weights (Existing)	Sub-indices Weights (New)
		Oct-20	Apr-21
	CRISIL Short Term Gilt Index	0.00%	10.00%
CRISIL Long Term Corporate Bond Index	CRISIL AAA Long Term Bond Index	84.00%	82.00%
	CRISIL AA+ Long Term Bond Index	1.00%	3.00%
	CRISIL AA- Long Term Bond Index	3.00%	2.00%
	CRISIL Short Term Gilt Index	0.00%	10.00%
	CRISIL AA Long Term Bond Index	12.00%	3.00%
		CRISIL AAA Medium Term Bond Index	84.00%
CRISIL Medium Term Corporate Bond Index	CRISIL AA+ Medium Term Bond Index	1.00%	4.00%
	CRISIL AA- Medium Term Bond Index	7.00%	1.00%
	CRISIL Short Term Gilt Index	0.00%	10.00%
	CRISIL AA Medium Term Bond Index	8.00%	4.00%
		CRISIL AAA Short Term Bond Index	74.00%
CRISIL Short Term Corporate Bond Index	CRISIL AA+ Short Term Bond Index	11.00%	10.00%
	CRISIL AA- Short Term Bond Index	6.00%	1.00%
	CRISIL 1 Year T-Bill Index	0.00%	10.00%
	CRISIL AA Short Term Bond Index	9.00%	4.00%
		CRISIL AAA Long Term Bond Index	10.00%
CRISIL Composite Credit Risk Index	CRISIL AAA Medium Term Bond Index	7.00%	4.89%
	CRISIL AAA Short Term Bond Index	10.00%	6.99%
	CRISIL AA+ Long Term Bond Index	1.00%	0.38%
	CRISIL AA+ Medium Term Bond Index	1.00%	0.38%
	CRISIL AA+ Short Term Bond Index	1.00%	0.38%
	CRISIL AA- Long Term Bond Index	5.00%	4.26%
	CRISIL AA- Medium Term Bond	5.00%	4.26%

Research

Index	Sub- Index/ Asset Class	Sub-indices Weights (Existing)	Sub-indices Weights (New)
		Oct-20	Apr-21
	Index		
	CRISIL AA- Short Term Bond Index	9.00%	7.66%
	CRISIL AA Long Term Bond Index	5.00%	5.34%
	CRISIL AA Medium Term Bond Index	18.00%	19.24%
	CRISIL AA Short Term Bond Index	18.00%	19.24%
	CRISIL A Medium to Long Term Bond Index	6.00%	6.00%
	CRISIL A Short Term Bond Index	4.00%	4.00%
	CRISIL Short Term Gilt Index	0.00%	10.00%
CRISIL Banking and PSU Debt Index <i>(updated as on 31st March, 2021)</i>	CRISIL Medium to Long Term PSU Debt Index	25.00%	33.00%
	CRISIL Short Term PSU Debt Index	25.00%	33.00%
	CRISIL Medium To Long Term Banking Debt Index	25.00%	10.00%
	CRISIL Composite CD Index	25.00%	14.00%
	CRISIL Short Term Gilt Index	0.00%	10.00%
CRISIL Short Term Credit Risk Index	CRISIL AAA Short Term Bond Index	26.00%	18.00%
	CRISIL AA+ Short Term Bond Index	4.00%	2.00%
	CRISIL AA- Short Term Bond Index	23.00%	14.00%
	CRISIL AA Short Term Bond Index	37.00%	46.00%
	CRISIL A Short Term Bond Index	10.00%	10.00%
	CRISIL 1 Year T-Bill Index	0.00%	10.00%
CRISIL Medium Term Credit Risk Index	CRISIL AAA Medium Term Bond Index	9.39%	6.77%
	CRISIL AAA Short Term Bond Index	16.21%	11.68%
	CRISIL AA Medium Term Bond Index	19.90%	23.43%
	CRISIL A Medium term Bond Index	2.50%	2.50%
	CRISIL A Short Term Bond Index	7.50%	7.50%
	CRISIL AA+ Medium Term Bond Index	0.97%	0.34%
	CRISIL AA+ Short Term Bond Index	3.42%	1.21%

Index	Sub- Index/ Asset Class	Sub-indices Weights (Existing)	Sub-indices Weights (New)
		Oct-20	Apr-21
	CRISIL AA- Medium Term Bond Index	7.60%	5.01%
	CRISIL AA- Short Term Bond Index	12.94%	8.53%
	CRISIL AA Short Term Bond Index	19.57%	23.04%
	CRISIL Short Term Gilt Index	0.00%	10.00%
CRISIL Composite Bond Fund Index	CRISIL Composite Gilt Index	45.00%	45.00%
	CRISIL AAA Long Term Bond Index	18.00%	17.00%
	CRISIL AAA Medium Term Bond Index	12.00%	11.00%
	CRISIL AAA Short Term Bond Index	21.00%	20.00%
	CRISIL AA and AA+ Long Term Bond Index	1.00%	2.00%
	CRISIL AA and AA+ Medium Term Bond Index	1.00%	2.00%
	CRISIL AA and AA+ Short Term Bond Index	2.00%	3.00%
CRISIL Short Term Bond Fund Index	CRISIL Short Term Gilt Index	15.00%	15.00%
	CRISIL AAA up to 1 Year Short Term Bond Index	13.00%	11.00%
	CRISIL AAA 1 to 3 Year Short Term Bond Index	19.00%	17.00%
	CRISIL AA and AA+ up to 1 Year Short Term Bond Index	3.00%	5.00%
	CRISIL AA and AA+ 1 to 3 Year Short Term Bond Index	5.00%	7.00%
	CRISIL AAA Medium Term Bond Index	29.00%	26.00%
	CRISIL AA and AA+ Medium Term Bond Index	1.00%	4.00%
	CRISIL Composite CD Index	4.00%	2.00%
	CRISIL Composite CP Index	11.00%	13.00%
CRISIL Liquid Fund Index	CRISIL Overnight Index	20.00%	15.00%
	CRISIL Upto 91 Day CD Index	20.00%	10.00%
	CRISIL Upto 91 Day CP Index	60.00%	55.00%
	CRISIL T-Bill Index	0.00%	20.00%
CRISIL Ultra Short Term Debt Index	CRISIL Composite CD Index	20.00%	12.00%
	CRISIL Composite CP Index	58.00%	66.00%
	CRISIL Composite T-Bill Index	10.00%	10.00%

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Index	Sub- Index/ Asset Class	Sub-indices Weights (Existing)	Sub-indices Weights (New)
		Oct-20	Apr-21
	CRISIL AAA up to 1 Year Short Term Bond Index	5.00%	5.00%
	CRISIL AAA 1 to 3 Year Short Term Bond Index	4.00%	4.00%
	CRISIL AA and AA+ up to 1 Year Short Term Bond Index	2.00%	2.00%
	CRISIL AA and AA+ 1 to 3 Year Short Term Bond Index	1.00%	1.00%
CRISIL Money Market Index	CRISIL Composite CD Index	20.00%	11.00%
	CRISIL Composite CP Index	58.00%	64.00%
	CRISIL Composite T-Bill Index	22.00%	25.00%
CRISIL Medium Term Debt Index	CRISIL Short Term Gilt Index	10.00%	10.00%
	CRISIL AAA Long Term Bond Index	4.00%	4.00%
	CRISIL AA and AA+ Long Term Bond Index	1.00%	1.00%
	CRISIL AAA Medium Term Bond Index	81.00%	76.00%
	CRISIL AA and AA+ Medium Term Bond Index	4.00%	9.00%
CRISIL Medium To Long Term Debt Index	CRISIL Medium Term Gilt Index	50.00%	50.00%
	CRISIL AAA Long Term Bond Index	32.00%	33.00%
	CRISIL AA and AA+ Long Term Bond Index	3.00%	2.00%
	CRISIL AAA Medium Term Bond Index	14.00%	13.00%
	CRISIL AA and AA+ Medium Term Bond Index	1.00%	2.00%
CRISIL Long Term Debt Index	CRISIL Long Term Gilt Index	45.00%	45.00%
	CRISIL AAA Long Term Bond Index	51.00%	52.00%
	CRISIL AA and AA+ Long Term Bond Index	4.00%	3.00%
CRISIL Composite CD Index	CRISIL 2 Month CD Index	36.00%	6.00%
	CRISIL 3 Month CD Index	33.00%	51.00%
	CRISIL 6 Month CD Index	9.00%	17.00%
	CRISIL 1 Year CD Index	22.00%	26.00%
CRISIL Composite CP Index	CRISIL 2 Month CP Index	32.00%	15.00%
	CRISIL 3 Month CP Index	59.00%	69.00%
	CRISIL 6 Month CP Index	4.00%	6.00%

Index	Sub- Index/ Asset Class	Sub-indices Weights (Existing)	Sub-indices Weights (New)
		Oct-20	Apr-21
	CRISIL 1 Year CP Index	5.00%	10.00%
CRISIL Composite T-Bill Index	CRISIL 91 Day T-Bill Index	47.00%	38.00%
	CRISIL 182 Day T-Bill Index	31.00%	34.00%
	CRISIL 1 Year T-Bill Index	22.00%	28.00%
CRISIL Arbitrage Index	S&P BSE Arbitrage Rate Index	70.00%	70.00%
	CRISIL Liquid Fund Index	30.00%	30.00%
CRISIL Equity Savings Index	S&P BSE Arbitrage Rate Index	35.00%	35.00%
	S&P BSE Sensex 50 TR	35.00%	35.00%
	CRISIL Short Term Bond Fund Index	30.00%	30.00%
CRISIL Dynamic Debt Index	CRISIL Dynamic Gilt Index	45.00%	45.00%
	CRISIL AAA Long Term Bond Index	28.00%	25.00%
	CRISIL AAA Medium Term Bond Index	15.00%	13.00%
	CRISIL AAA Short Term Bond Index	7.00%	9.00%
	CRISIL AA and AA+ Long Term Bond Index	2.00%	2.00%
	CRISIL AA and AA+ Medium Term Bond Index	1.00%	2.00%
	CRISIL AA and AA+ Short Term Bond Index	2.00%	4.00%
CRISIL Composite AA Long Term Bond Index	CRISIL AA+ Long Term Bond Index	17.00%	46.00%
	CRISIL AA Long Term Bond Index	67.00%	28.00%
	CRISIL AA- Long Term Bond Index	16.00%	26.00%
CRISIL Composite AA Medium Term Bond Index	CRISIL AA+ Medium Term Bond Index	15.00%	28.00%
	CRISIL AA Medium Term Bond Index	43.00%	57.00%
	CRISIL AA- Medium Term Bond Index	42.00%	15.00%
CRISIL Composite AA Short Term Bond Index	CRISIL AA+ Short Term Bond Index	41.00%	25.00%
	CRISIL AA Short Term Bond Index	36.00%	57.00%
	CRISIL AA- Short Term Bond Index	23.00%	18.00%

Inclusion of only listed issuers in bond and CP indices

With effect from 5th April 2021, only listed issuers shall be included in all CRISIL bond & CP indices. An issuer will be considered to be listed if at least one security of such issuer is listed. Other issuers shall be excluded from selection of all bond and CP indices.

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Last updated: April 2016

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