

**PRESS INFORMATION BUREAU  
GOVERNMENT OF INDIA**

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**QUARTERLY REPORT ON DEBT MANAGEMENT FOR THE FIRST QUARTER (APRIL-JUNE 2015) OF CURRENT FINANCIAL YEAR 2015-16 (Q 1 FY 16) RELEASED; GOVERNMENT ISSUES DATED SECURITIES WORTH RS. 180,000 CRORE IN Q1 OF FY 16 LOWER THAN RS. 198,000 CRORE IN Q1 OF FY 15; NET MARKET BORROWINGS DURING THE FIRST QUARTER STOOD AT 23.6 PER CENT OF BUDGET ESTIMATES (BE), ALSO LOWER THAN 26.6 PER CENT OF BE IN THE PREVIOUS YEAR; TRADING VOLUMES DURING THE QUARTER, ON AN OUTRIGHT BASIS, WERE marginally HIGHER BY 0.91 PER CENT OVER THE PREVIOUS QUARTER, WITH TREASURY BILLS CONTRIBUTED TO MOST OF THE INCREASE IN TRADING ACTIVITY; THE ANNUALISED OUTRIGHT TURNOVER RATIO FOR CENTRAL GOVERNMENT DATED SECURITIES FOR Q1 OF FY16 WAS AT 4.6.**

**New Delhi, September 17, 2015**  
**Bhadrapada 26, 1937**

Since April -June (Q1) 2010-11, Middle Office (MO), Budget Division, Department of Economic Affairs, Ministry of Finance, is bringing-out a Quarterly Report on Debt Management on regular basis. The Current Report pertains to the Quarter April-June 2015 i.e. First Quarter of Financial Year 2015-16 (Q1 FY 16).

During Q1 of FY16, the Government issued dated securities worth Rs. 180,000 crore (30.0 per cent of BE), lower than Rs. 198,000 crore (33.0 per cent of BE) in Q1 of FY 15. Net market borrowings during the quarter at 23.6 per cent of BE were, also lower than 26.6 per cent of BE in the previous year. Auctions during Q1 of FY16 were held broadly in accordance with the pre-announced calendar. Four new securities were issued during the quarter, including a new 10-year benchmark paper. The weighted average maturity (WAM) of dated securities issued during Q1 of FY16 was at 15.19 years. The weighted average yield (cut-off) of issuance during Q1 of FY16, was at 7.92 per cent as against 7.79 per cent in Q4 of FY15, reflecting marginal hardening in yields during the quarter. Liquidity conditions in the economy remained tight during mid part of the quarter and eased towards the quarter end. The cash position of the Government during Q1 of FY16 was comfortable and remained in surplus mode during the quarter. The issuance amount under Treasury bills were also broadly as per calendar.

The Public Debt (excluding liabilities under the 'Public Account') of the Central Government provisionally increased by 3.5 per cent in Q1 of FY 16 on Q-o-Q basis. Internal debt constituted 92.3 per cent of public debt as at end-June 2015, while marketable securities accounted for 84.2 per cent of public debt. About 29.5 per cent of outstanding stock has a residual maturity of up to 5 years, which implies that over the next five years, on an average, around 5.9 per cent of outstanding stock needs to be rolled over every year. Thus, the rollover risk in the debt portfolio continues to be low. The implementation of budgeted buy back/ switches in coming years is expected to reduce roll over risk further.

G-Sec market opened the quarter on positive note on account of weak US job data. The yields, however, saw some hardening during the quarter. The yield of 10-year benchmark paper breached 8% in May 2015, first time since mid- December 2014. Ten year benchmark yield closed at 7.87% on June 30, 2015 as against 7.80% on March 31, 2015. In the first quarter, trading volumes, on an outright basis, were marginally higher by 0.91 per cent over the previous quarter, with Treasury bills contributed to most of

the increase in trading activity. The annualised outright turnover ratio for Central Government dated securities for Q1 of FY16 was at 4.6.

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