

## **Press Release**

### **Government's Borrowing Plan for First Half of Financial Year 2018-19**

1. The Government of India, in consultation with Reserve Bank of India, deliberated over its borrowing programme for 2018-19 and finalised its borrowing calendar for the first half of 2018-19. Government had budgeted for 2018-19 Gross G-Sec borrowing of ₹ 6,05,539 crore. The Government intends to use larger inflows from Small Savings Schemes to fund its Fiscal Deficit during the year. The Government will borrow ₹ 1,00,000 crore from NSSF as against budgeted amount of ₹ 75,000 crore.
2. After making careful assessment of its financial needs for the first half, the Government's gross G-Sec borrowing will be only ₹ 2,88,000 crore in H1 of 2018-19. This makes up only 47.5 per cent as against 60-65 percent share in this period in previous years.
3. The Government also plans to issue more Floating Rate Bonds (**FRBs**) and introduce CPI linked bonds, both put together, to the extent of 10% of issuances during the year. It may be noted that the Government and RBI are in the final stage of discussions for increasing FPI limits from April 1, 2018.
4. The Government will introduce two benchmarks during this half year - 2-year and 5-year - to meet the market demand. More issuance will be planned in short and long-term maturity bucket, reducing the issuance in medium term segments of 10-14 years to around 29%, as against more than 50% issuances in previous years. Share of issuances under different maturities bucket will be 1-4 years: 8.3 %; 5-9 years: 25.0 %; 10-14 years: 29.2%; 15-19 years: 14.6 %; and more than 20 years: 22.9%.
5. Government's T Bill programme for the first quarter is to raise ₹ 1,95,000 crore. During this period, T Bills of ₹ 1,53,000 crore will expire. The gross borrowing per week under T-Bills will be ₹ 15,000 crores.
6. Details of borrowing programme, including T bills programme, are being uploaded as part of detailed Press Releases on the Finance Ministry's and RBI's website. The Government will also be coming out with a separate switching calendar to allow investors to sell back their illiquid securities to the Government, and also a calendar for Sovereign Gold Bonds issuance.

**Government of India  
Ministry of Finance  
Department of Economic Affairs  
Budget Division  
North Block, New Delhi-110001  
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