

# PUBLIC DEBT MANAGEMENT

QUARTERLY REPORT

JULY-SEPTEMBER 2014

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

BUDGET DIVISION

DEPARTMENT OF ECONOMIC AFFAIRS

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## **Introduction**

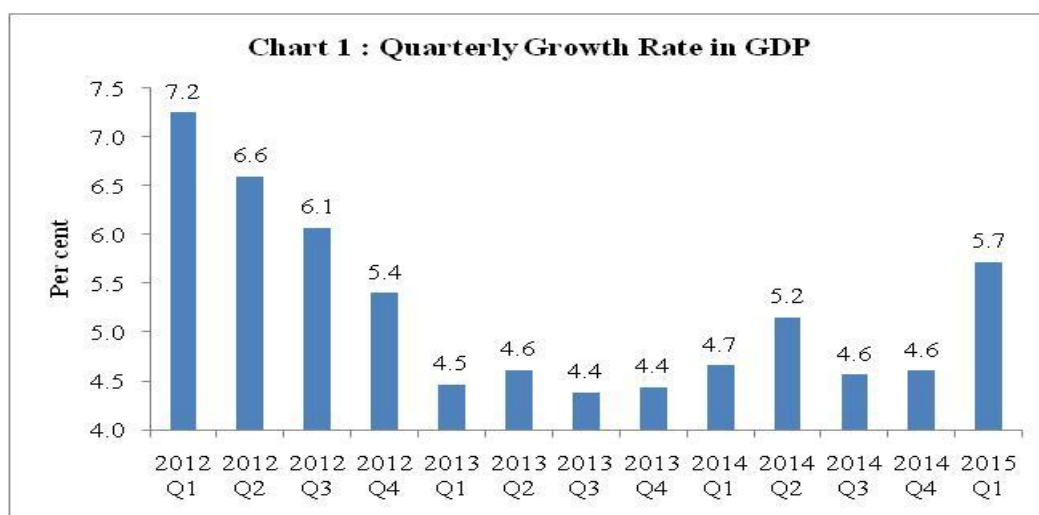
The Middle Office was set up in September 2008, in Department of Economic Affairs, Ministry of Finance, Government of India. With the objective of enhancing transparency of debt management operations, Middle Office began publishing on its website a quarterly report titled “Public Debt Management - Quarterly Report” from the first quarter of the fiscal year 2010-11. The previous reports are available on the website of Ministry of Finance ([http://finmin.nic.in/reports/Public\\_Debt\\_Management.asp](http://finmin.nic.in/reports/Public_Debt_Management.asp)). This report pertains to the second quarter of the fiscal year 2014-15, viz., July-September 2014.

The report gives an account of the debt management and cash management operations during the quarter, and attempts a rationale for major activities. The report also tries to provide detailed information on various aspects of debt management.

While all attempts have been made to provide authentic and accurate information, it is possible that some errors might have crept in inadvertently. Readers may inform us of such errors, as indeed their valuable suggestions, at [mo-dea@nic.in](mailto:mo-dea@nic.in).

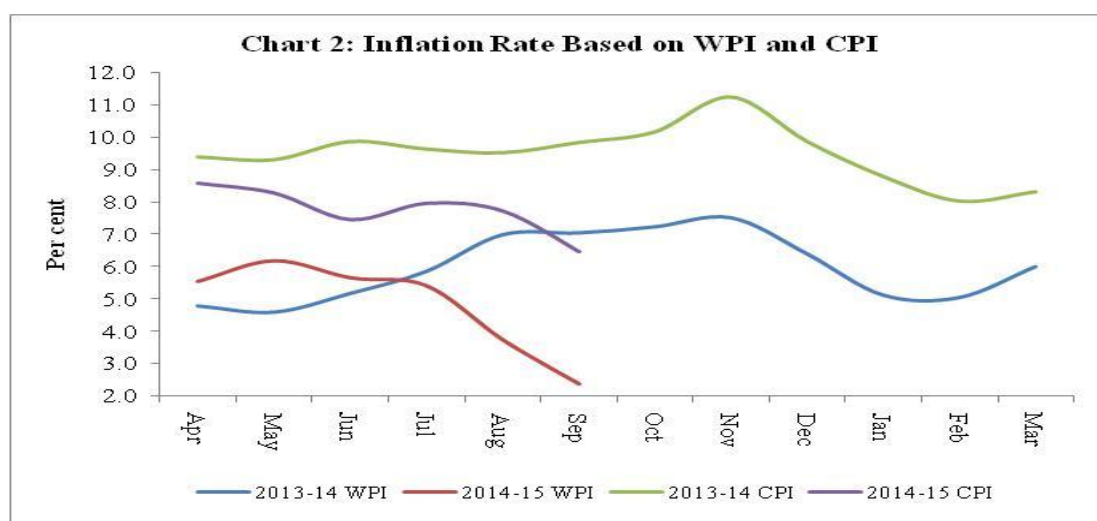
## Section 1 – Macroeconomic Developments

1.1 The GDP growth rate in the first quarter (April-June) of financial year 2014-15 (FY15) rebounded to 5.7 per cent per annum as compared with growth of 4.6 per cent per annum in the previous quarter (Q4 of FY14) (Chart 1). The economic activities which registered significant growth in Q1 of 2014-15 over Q1 of 2013-14 were 'electricity, gas & water supply' at 10.2 per cent, 'financing, insurance, real estate and business services' at 10.4 per cent and 'community, social and personal services' at 9.1 per cent. The estimated growth rates in other economic activities were 4.8 per cent in 'construction', 3.5 per cent in 'manufacturing', 2.8 per cent in 'trade, hotels, transport and communication', 3.8 per cent in 'agriculture, forestry & fishing', and 2.1 per cent in 'mining & quarrying' during this period. Any negative??

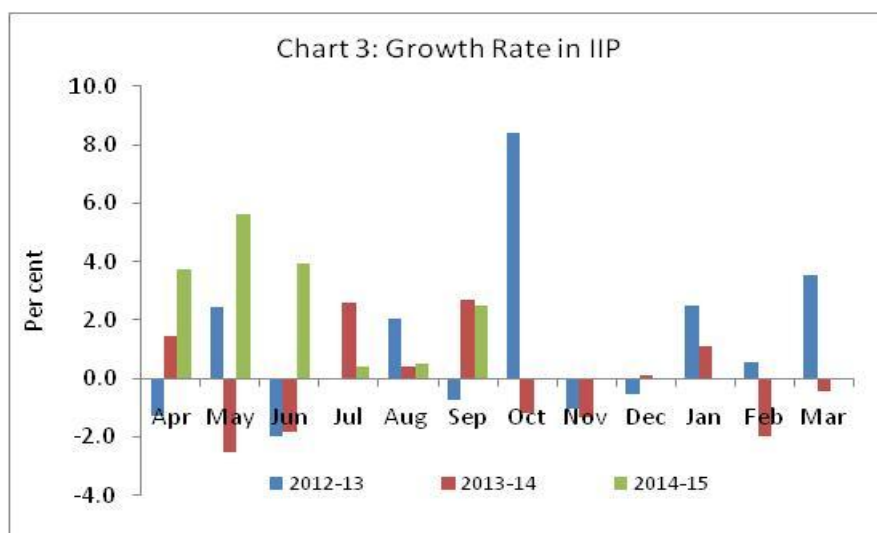


1.2 Inflation rates moderated and touched new lows in the second quarter of FY15, on account of significant correction in commodity prices since June 2014. India's wholesale price inflation eased for a fourth straight month in September 2014 to 2.38 percent, its lowest level in nearly five years. CPI inflation rate which remained elevated in July 2014 eased for a second consecutive month in September 2014 touching a three year low reading of 6.5 per cent. Average WPI inflation in Q2 of FY 15 was lower at 3.85 per cent as compared with 5.80 per cent in the previous quarter and 6.63 in Q2 of FY 14. Average CPI inflation rate during Q2 of FY 15 also moderated to 7.38 per cent as compared with the 8.11 per cent in previous quarter and 9.67 per cent in previous year's Q2 (Chart 2). Food inflation declined to 3.52 per cent during September 2014 (y-o-y) as compared with 18.68 per cent in

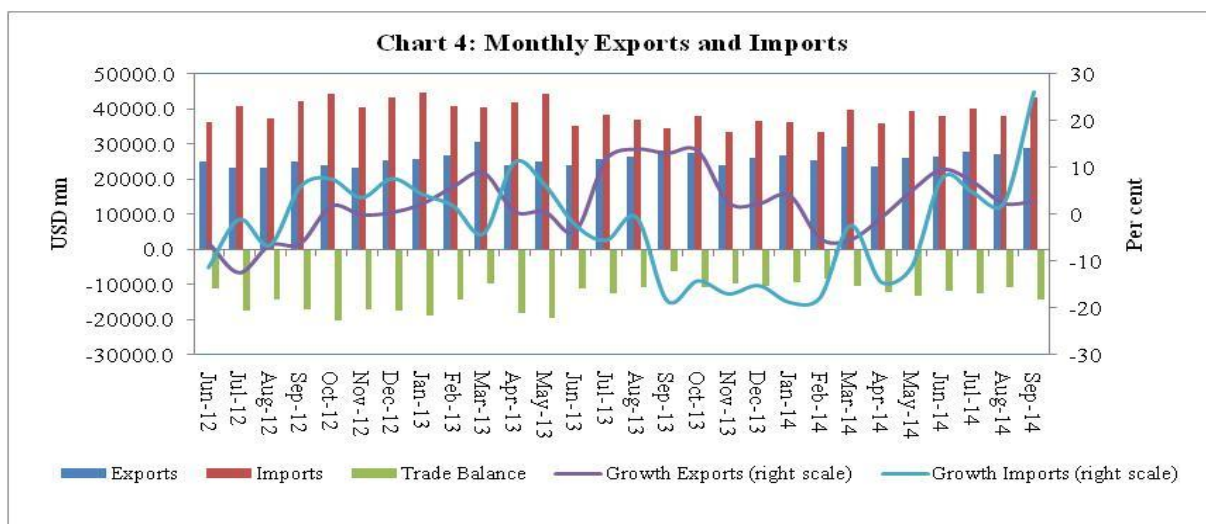
September 2013 due to decline in prices of cereals, onion, vegetables and protein products. Inflation rate of 'fuel & power' group moderated to 9.34 per cent due to decline in prices of petrol and high speed diesel and 'manufactured products' too showed a slightly lower inflation rate of 3.69 per cent in September 2014 (3.88 per cent during September 2013). Within 'manufactured products', prices of 'sugar', 'textiles' 'Chemicals & Chemical Products', 'Cement and Lime', Basic Metals Alloy & Metal Product registered a decline in inflation rate in September 2014, while prices of leather and leather products, rubber and plastic products, paper and paper products rose y-o-y during September 2014. Build up inflation rate in the financial year so far was 2.61 per cent as compared to a build up rate of 6.23 per cent in the corresponding period of the previous year.



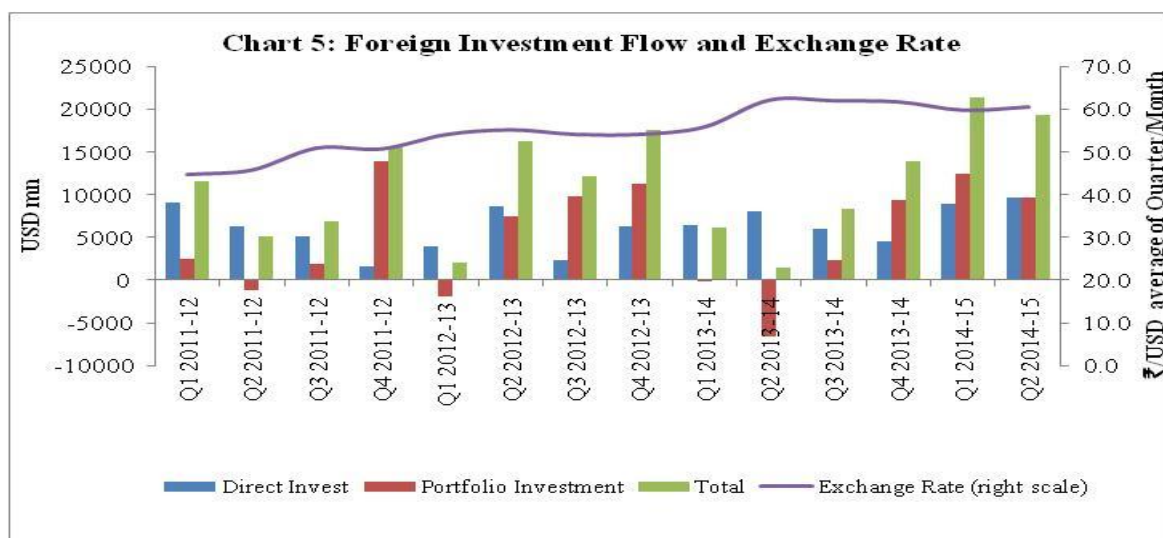
1.3 Growth in Index of Industrial Production (IIP) was placed higher at 2.5 per cent in September 2014 as compared to growth of 0.5 per cent and 0.4 per cent, respectively in August 2014 and July 2014. The mining, manufacturing and electricity components recorded growth (y-o-y) rates of 0.7 per cent, 2.5 per cent and 3.9 per cent, respectively in September 2014 as compared with growth rates of 3.6 per cent, 1.4 per cent and 12.9 per cent, respectively in September 2013. The cumulative growth in IIP during the financial year 2014-15 (Apr-Sep) was, higher at 2.8 per cent as compared to 0.5 per cent during the same period of the previous year (Chart 3).



1.4 India's exports during Q2 of 2014-15 (Jul-Sep 2014) registered a growth of 3.9 per cent(y-o-y) as compared with a growth of 4.6 per cent (y-o-y) during Q1 of 2014-15. Imports rose significantly by 10.4 per cent (y-o-y) during Q2 of 2014-15 as compared with a decline of 6.9 per cent (y-o-y) in Q1 of 2014-15. Trade deficit in Q2 of 2014-15 (Jul-Sep 2014) increased to USD 37.5 bn from USD 36.9 bn in Q1 of 2014-15. On a y-o-y basis, trade deficit increased by 28.1 per cent during Q 2 FY 15 (Jul-Sep) as compared with a decline of 24.1 per cent in Q1 of 2014-15. On a monthly basis, while exports posted a positive growth of 2.7 per cent in September 2014 for the fifth consecutive month, growth rate has been low and declining since June 2014. Imports registered a significantly higher growth of 26.0 per cent in September 2014 after registering low positive growth of 4.5 per cent and 2.1 per cent in July 2014 and August 2014 respectively. The average monthly trade deficit during Jul-Sep 2014 increased marginally to USD 12.5 bn as against USD 12.3 bn in Q1 of 2014-15 (Chart 4).



1.5 Net inflows on account of foreign investment declined marginally during Jul-Sep 2014 on account of lesser inflows of portfolio investment by foreign institutional investors notwithstanding higher FDI inflows (Chart 5). During the quarter the pressure on rupee accentuated and rupee crossed ₹ 61.6 a USD mark on September 30, 2014 after remaining at average ₹60.1 a USD in July 2014 and average ₹60.9 a USD in August 2014, respectively. Besides, widening of trade deficit during second quarter of FY 15, the other major factors that put pressure on Indian rupee during the quarter included general strength of US dollar since July 2014 (USD index DXY rose from sub-80 levels to 83 by September 2014 and currently trading around 88) due to recovery in the US, market expectation for early rate hike by US Fed, worries on account of falling growth in other developed economies like Europe and Japan, *etc.*, notwithstanding intermittent rise of rupee.



Note: Data on FDI have been revised since April 2011 to expand the coverage.

## Section 2– Debt Management - Primary Market Operations

### A. Government Finances

2.1 The gross fiscal deficit of the Central Government in budget estimates (BE) 2014-15 (FY15) was placed at ₹ 5,31,177 crore (4.1 per cent of GDP) as against ₹5,24,539 crore (4.6 per cent of GDP) in the revised estimates (RE) for 2013-14. The gross and net market borrowing of the Government in FY15 BE at ₹6,00,000 crore and ₹4,61,205 crore shows an increase of 6.4 per cent and 1.6 per cent, respectively over the levels of ₹5,63,911 crore (gross) and ₹4,53,902 crore (net) in FY14RE.

2.2 The CGA released the fiscal outcome for first half (H1) of the FY 15 (April-September 2014) on October 31, 2014. Gross tax collections during the H1 of FY15 were ₹4,90,618 crore, which was 36.0 per cent of BE, showing a growth of 7.1 per cent over H1 of previous year. Collections from income tax, customs duty, excise duty and services tax stood at ₹109,412 crore, ₹87,408 crore, ₹60,547 crore and ₹65,201 crore respectively, which was 38.5 per cent, 43.3 per cent, 29.2 per cent and 30.2 per cent, respectively of the 2014-15 budget estimates. Total expenditure during April-September 2014 stood at ₹8,62,053 crore showing a growth of 6.6 per cent over H1 of 2013-14 and was 48.0 per cent of budget estimates. Revenue deficit and fiscal deficit during April-Sep 2014 at 91.2 per cent and 82.6 per cent of BE were placed at ₹3,45,053 crore and ₹4,38,826 crore respectively. The fiscal outcome for April-September 2014 of the FY15 as a percentage of BE, *vis-a-vis* their position during the same period of the previous fiscal year are provided in Table 1.

**Table 1: Fiscal Outcome during April -September 2014-15 (Amount in ₹ crore)**

Item	2014-15 BE	April-Sep 2014-15	April-Sep 2014-15 (% of BE)	April-Sep 2013-14 (% of BE)
<b>Revenue Receipts</b>	<b>1,189,763</b>	<b>417,896</b>	<b>35.1</b>	<b>36.9</b>
Tax Receipts	977,258	323,191	33.1	34.8
Non-Tax Receipts	212,505	94,705	44.6	47.8
<b>Other Non-debt Receipts</b>	<b>73,952</b>	<b>5,331</b>	<b>7.2</b>	<b>10.6</b>
<b>Total Expenditure</b>	<b>1,794,892</b>	<b>862,053</b>	<b>48.0</b>	<b>48.6</b>
Revenue Expenditure	1,568,112	762,949	48.7	49.6
Capital Expenditure	226,780	99,104	43.7	42.3
<b>Revenue Deficit</b>	<b>378,349</b>	<b>345,053</b>	<b>91.2</b>	<b>84.8</b>
<b>Primary Deficit</b>	<b>104,166</b>	<b>253,156</b>	<b>243.0</b>	<b>146.7</b>
<b>Gross Fiscal Deficit</b>	<b>531,177</b>	<b>438,826</b>	<b>82.6</b>	<b>76.0</b>
<b>Financing</b>				
Market Loans*	495,758	315,214	63.6	63.2
External Assistance	5,734	3,136	54.7	7.8
Securities against Small Savings	8,229	-622	-7.6	-10.7
Others	21,457	121,098	564.4	420.0

\*:- Includes borrowings through treasury bills.

**Source:** Controller General of Accounts (CGA) website; cga.nic.in

## B. Issuance Details

2.3 This section discusses the issuance details of market loans during the second quarter (Q2) of FY15.

2.4 Gross and net market borrowing requirements of the Government for FY15 were budgeted at ₹6,00,000 crore and ₹4,61,205 crore, respectively, than ₹5,63,911 crore and ₹4,53,902 crore in the revised estimates for FY14. During Q2 of FY15, the Government issued dated securities worth ₹1,54,000 crore taking the gross borrowings for HY1 of FY15 to ₹3,52,000 crore (58.7 per cent of BE), as compared to ₹3,44,000 crore (59.4 per cent of BE) in H1 of FY 14 (Table 2). Net market borrowing (including repurchases) during the first half at ₹ 2,76,887 crore or 56.0 per cent of BE was higher than ₹2,69,265 or 55.6 per cent of BE in the previous year. The government repurchase securities worth ₹12,671.4 crore (notified aggregate amount of ₹20,000 crore) and ₹6,043.5 crore (notified aggregate amount of ₹8,000 crore) on September 16, 2014 and September 25, 2014 respectively to prematurely redeem the Government Stocks by utilizing surplus cash balances.

**Table 2: Issuance of Dated Securities**

Item	2014-15 BE	Q2 FY 15	HY1 FY 15	(Amount in ₹ Crore)	
				HY1 FY 15 % of BE	H1 FY 14 % of BE
Gross Amount	600,000	154,000	352,000	58.7	59.4
Repayments	138,795		75,113	54.1	78.7
Repurchases/Buyback	50,000	18,805	18,805	37.6	
Net Issuance	461,205	135,195	276,887	56.0	55.6

2.5 The auctions were reduced by ₹16,000 during August 14, 2014 to September 30, 2014, from the proposed auction calendar for H1 FY15 in March 2014, after review of Central Government's cash position. Auctions during Q2 of FY15 were thus held broadly in accordance with the pre-announced calendar (Table 3). During the quarter, emphasis on re-issues was continued with a view to build up adequate volumes under existing securities imparting greater liquidity in the secondary market. One new benchmark security of 10 year maturity (8.40 per cent GS 2024) was issued during the quarter on July 28, 2014. The amount issued under new securities constituted ₹32,000 or 20.8 per cent of total issuances during Q2 of FY 15, remaining being re-issues.

**Table 3 – Primary Issuance by Maturity Buckets, HY1 of 2014-15**

	(Amount in ₹ crore)				
	5-9 years	10-14 years	15-19 Years	20-30 Years	Total
2013-14	140000	235500	93000	95000	563500
% of Total	24.8	41.8	16.5	16.9	100.0
HY1 FY15 (Projected)	61000-85000	146000-175000	45000-69000	45000-69000	358000
% of Total	17.0-23.7	40.8-48.9	12.6-19.3	12.6-19.3	100.0
Q2 FY15 (Projected)	21000-33000	62000-71000	19000-31000	19000-31000	160,000
% of Total	13.1-20.6	38.8-44.4	11.9-19.4	11.9-19.4	100.0
Q2 FY15 (Actual)	25,000.0	78,000.0	24,000.0	27,000.0	154,000
% of Total	16.2	50.6	15.6	17.5	100.0
HY1 FY15 (Actual)	73,000	166,000	54,000	59,000	352,000
% of Total	20.7	47.2	15.3	16.8	100.0

2.6 The gross amount raised through treasury bills (91, 182 and 364 day treasury bills) during Q2 of FY15 amounted to ₹ 2,45,121 crore while total repayments amounted to ₹2,40,854 crore, resulting in net issuance of ₹4,267 crore compared with net issuance of ₹ 47,861 crore in previous quarter and ₹10,872 crore in Q2 of FY14 (Table 4). The lower net issuance of treasury bills during Q2 of FY15 was in line with scheduled calendar for issuance

of treasury bills in view of comfortable cash flow outlook during Q2 of FY15. The details of issuance of bills during H1 of FY15 are given in Statement 2.

**Table 4: Issuance of Treasury Bills\***

(Amount in ₹ crore)					
Item	2014-15 BE	Q2 FY 15	H1 FY 15	H1 FY 15 % of BE	H1 FY 14 % of BE
<b>364 DTB</b>					
Gross Amount	157,007	33023	72152	46.0	50.5
Repayment	136,907	30239	65943	48.2	50.1
Net Issuance	20,100	2,784	6,209	30.9	-
<b>182 DTB</b>					
Gross Amount	149,198	34271	70271	47.1	47.0
Repayment	149,198	40415	76417	51.2	49.4
Net Issuance	0.0	-6,144	-6,147	-	-
<b>91 DTB</b>					
Gross Amount	632,589	177827	348027	55.0	50.5
Repayment	618,135	170200	295961	47.9	43.3
Net Issuance	14,454	7,627	52,066	360.2	259.5
<b>All T-Bills</b>					
Gross Amount	938,793	245,121	490450	52.2	50.0
Repayment	904,239	240,854	438321	48.5	45.3
Net Issuance	34,554	4,267	52,128	150.9	246.7

\*:- Including amount through non-competitive route.

2.7 Taking cognisance of market demand and yield curve movements, the weighted average maturity of primary issuance was increased during the second quarter of FY15. The weighted average maturity (WAM) of dated securities issued during Q2 of FY15 at 14.70 years was higher than 14.13 years for dated securities issued in Q1 of FY15. The weighted average yield (cut-off) of issuance during Q2 of FY15 also declined to 8.67 per cent from 8.92 per cent in Q1 of FY15, reflecting a moderation in yields during the quarter. The weighted average maturity of outstanding government securities at end-September 2014 declined marginally to 10.18 years from 10.19 years at the end of previous quarter.

**Table 5: Maturity and Yield of Central Government's Market Loans**

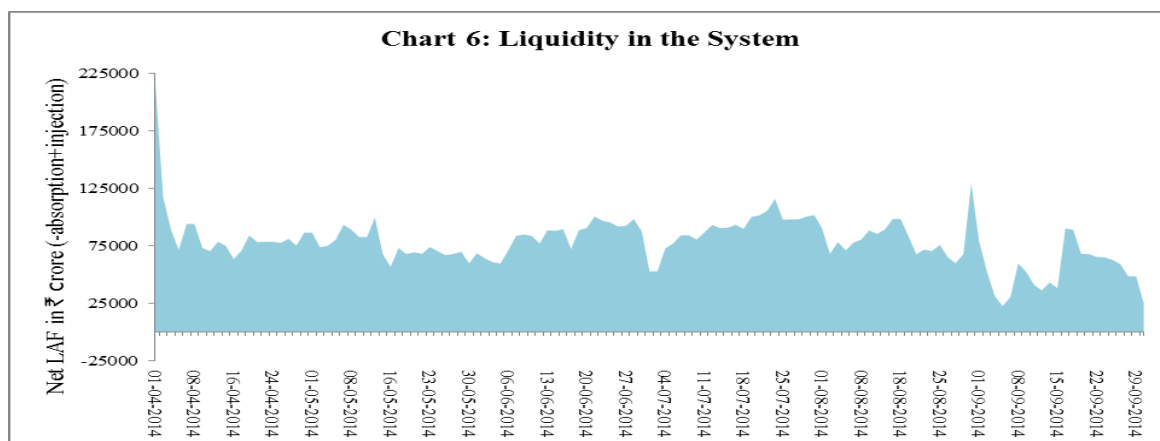
Year	Issues during the year		Outstanding Stock*	
	Weighted Average Yield (%)	Weighted Average Maturity (yrs)	Weighted Average Coupon (%)	Weighted Average Maturity (yrs)
1	2	3	4	5
2010-11	7.92	11.62	7.81	9.64
2011-12	8.52	12.66	7.88	9.60
2012-13	8.36	13.50	7.97	9.66
2013-14	8.48	14.28	7.98	10.00
2014-15 Q1	8.92	14.13	8.03	10.19
2014-15 Q2	8.67	14.70	8.06	10.18
2014-15 H1	8.81	14.38	8.06	10.18

\*As at end of period.

### **Section 3 – Cash Management**

3.1 Government's cash account is maintained with the Reserve Bank. The cash-flow mismatches of the Government are largely managed through issuance of Cash Management Bills, Treasury Bills and access to the Ways and Means Advances (WMA) facility from the Reserve Bank when in deficit and through buybacks or investment in Government securities held by the Reserve Bank when in surplus. The limits for Ways and Means Advances (WMA) for the first half of the financial year 2014-15 (April 2014-Sep 2014) had been fixed at ₹ 35,000 crore.

3.2 Liquidity conditions in the economy remained comfortable during the quarter, barring period of advance tax outflows, with the liquidity deficit, as reflected by net borrowings from RBI under Liquidity Adjustment Facility (LAF), remaining near the Reserve Bank's stated comfort zone of about one per cent of net demand and time liabilities (NDTL) of banking system. The net amount provided under LAF operations during the quarter moderated with average amount provided at ₹ 89,258 crore in July 2014, ₹ 80,749 crore in August 2014 and ₹ 53,339 crore in September 2014. The quarter began with LAF borrowings at ₹ 87,579 crore on July 01, 2014 which peaked to ₹ 1,15,688 crore on 24 July 2014. After easing liquidity conditions for most of the quarter, borrowings under LAF again peaked at ₹ 1,29,215 crore on 29 August 2014 (Chart 6). However, the average net borrowings under LAF during Q2 of FY 2014-15 at ₹ 74,503 crore was lower than ₹ 81,797 crore in the previous quarter (Q1 of FY 2014-15). On policy front, RBI in its third bi-monthly monetary policy review on August 5, 2014 reduced the statutory liquidity ratio (SLR) of scheduled commercial banks by 50 basis points from 22.5 percent to 22.0 percent of their NDTL with effect from the fortnight beginning August 09, 2014 while keeping policy rate under LAF unchanged at 8.0 percent. There was status quo on providing liquidity through overnight repos at 0.25 per cent of bank-wise NDTL, and providing liquidity under 7-day and 14-day term repos up to 0.75 per cent of NDTL of the banking system.



3.3 The cash position of the Government during Q2 of FY15 was comfortable barring a few occasions, when it took recourse to WMA. Net amount of Treasury Bills issued through competitive route decreased, leading to net repayment of ₹1,362 crore. A net amount of ₹ 13,041 crore was received through non-competitive route during the quarter. Overall, the net amount mobilised through treasury bills (under competitive and non-competitive routes) during Q2 of FY15 amounted to ₹4,267 crore. Details of treasury bills issued and matured in Q2 of FY15 are given in Table 6.

**Table 6: Repayments and Issuance of Treasury Bills in July-September 2014 (₹ crore)**

Date of Issue	Repayments			Issued Amount			Variation in Issued amount over Repayments
	91 DTB	182 DTB	364 DTB	91 DTB	182 DTB	364 DTB	
3-July-14	9000	3000		9000	6000		3000
10-July-14	9000		5000	9000		6000	1000
17-July-14	9000	3000		9000	2809		(-)191
24-July-14	9000		5000	9000		6000	1000
31-July-14	9000	3000		9000	6000		3000
7-Aug-14	9000		5000	9000		6000	1000
14-Aug-14	9000	6000		9000	3829		(-)2171
21-Aug-14	9000		5000	8000		5000	(-)1000
28-Aug-14	9000	6000		8000	5000		(-)2000
4-Sept-14	8000		5000	8000		5000	0
11-Sept-14	8000	6000		7000	5000		(-)2000
18-Sept-14	8000		5000	7000		5000	(-)1000
25-Sept-14	8000	6000		7000	5000		(-)2000
Total under Competitive Route							
<b>Q2</b>	113000	33000	30000	108000	33638	33000	(-)1362
Total under Non- Competitive Route							
<b>Q2</b>	57199.93	7414.78	238.88	69826.72	632.81	23.05	5628.77

3.4 Government of India in consultation with the Reserve Bank of India, after reviewing the cash position of the Government of India, has notified the amounts for the issuance of Treasury Bills for the quarter ending December 2014 as under in Table 7. It will continue to have the flexibility to modify the notified amount and timing for auction of Treasury Bills depending upon the requirements of the Government, evolving market conditions and other relevant factors.

**Table 7 : Calendar for Auction of Treasury Bills during Oct-December 2014**

(Amount in ` crore)				
Date of Auction	91 Days	182 Days	364 Days	Total
Oct 1, 2014	9,000		6,000	15,000
Oct 8, 2014	9,000	6,000		15,000
Oct 15, 2014	9,000		6,000	15,000
Oct 22, 2014	9,000	6,000		15,000
Oct 29, 2014	9,000		6,000	15,000
Nov 5, 2014	9,000	6,000		15,000
Nov 12, 2014	8,000		6,000	14,000
Nov 19, 2014	8,000	6,000		14,000
Nov 26, 2014	8,000		6,000	14,000
Dec 3, 2014	8,000	6,000		14,000
Dec 10, 2014	8,000		5,000	13,000
Dec 17, 2014	8,000	5,000		13,000
Dec 24, 2014	8,000		5,000	13,000
Dec 31, 2014	8,000	5,000		13,000
<b>Total</b>	<b>1,18,000</b>	<b>40,000</b>	<b>40,000</b>	<b>198,000</b>

## Section 4 – Trends in Outstanding Public Debt

4.1 The Public Debt of the Central Government (excluding liabilities under the 'Public Account') provisionally increased to ₹4,960,472.3 crore as at end-September 2014 from ₹4,827,485.6 crore at end-June 2014 (Table 8). This represented a quarter-on-quarter (QoQ) increase of 2.8 per cent compared with an increase of 3.7 per cent in the previous quarter (Q1 of FY15). Internal debt constituted 91.7 per cent of public debt, compared with 91.5 per cent at the end of the previous quarter. Marketable securities (consisting of Rupee denominated dated securities and treasury bills) accounted for 83.9 per cent of total public debt as compared with 83.5 per cent as at end-June 2014. The outstanding internal debt of the Government at ₹4,549,351.3 crore increased marginally to 40.1 per cent of GDP at end-September 2014 from 38.9 per cent as at end-June 2014.

**Table 8: Composition of Public Debt**

Item	At end-Sep 2014#	At end-June 2014	At end-Sep 2014#	At end-June 2014
	(₹ crore)		(% of Total)	
1	2	3	4	5
<b>Public Debt (1 + 2)</b>	<b>4,960,472.3</b>	<b>4,827,485.6</b>	<b>100.0</b>	<b>100.0</b>
<b>1. Internal Debt</b>	<b>4,549,351.3</b>	<b>4,414,971.8</b>	<b>91.7</b>	<b>91.5</b>
<b>Marketable</b>	<b>4,163,523.0</b>	<b>4,029,143.6</b>	<b>83.9</b>	<b>83.5</b>
(a) Treasury Bills	391,262.6	386,995.6	7.9	8.0
(i) Cash Management Bills	-	-	-	-
(ii) 91-days Treasury Bills	177,826.7	170,199.9	3.6	3.5
(iii) 182-days Treasury Bills	70,270.8	76,414.8	1.4	1.6
(iv) 364-days Treasury Bills	143,165.0	140,380.9	2.9	2.9
(b) Dated Securities	3,772,260.5	3,642,148.0	76.0	75.4
<b>Non-marketable</b>	<b>385,828.2*</b>	<b>385,828.2</b>	<b>7.8</b>	<b>8.0</b>
(i) 14-days Treasury Bills	85,121.3*	85,121.3	1.7	1.8
(ii) Securities Issued to NSSF	228,853.8*	228,853.8	4.6	4.7
(iii) Compensation and other bonds	36,062.4*	36,062.4	0.7	0.7
(iv) Securities issued to International Financial Institutions	35,790.8*	35,790.8	0.7	0.7
(v) Ways and Means Advances	-	-	-	-
<b>2. External Debt</b>	<b>411,121.1</b>	<b>412,513.8</b>	<b>8.3</b>	<b>8.5</b>
(i) Multilateral	272,736.8	270,115.5	5.5	5.6
(ii) Bilateral	100,807.8	104,820.0	2.3	2.2
(iii) IMF	36,957.2*	36,957.2	0.8	0.8
(iv) Rupee debt	619.3	621.0	0.0	0.0

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#: Data are provisional.

\*:-These data are not available for September 30, 2014. So they are carried over from previous quarter.

Note :- Foreign Institutional Investors (FII)'s investment in government securities and treasury bills (₹71,666.67 crore at end-June 2014) is included in the internal marketable debt.

#### **Maturity Pattern for Outstanding Government Debt Stock**

4.2 The weighted average maturity of outstanding stock of dated securities as at end-September 2014 decreased marginally to 10.18 years from 10.19 years at end-June 2014. Over the same period, the weighted average coupon of outstanding stock increased marginally to 8.06 per cent from 8.03 per cent (see Table 5).

4.3 The proportion of debt (dated securities) maturing in less than one year increased to 5.8 per cent at end-September 2014 from 4.4 per cent a quarter ago, and debt maturing within 1-5 years decreased to 22.6 per cent from 24.2 per cent at end-June 2014. Thus, the proportion of debt maturing in less than 5 years at end-June 2014 decreased marginally to 28.4 per cent of total debt from 28.6 per cent a quarter ago. The proportion of outstanding debt maturing in less than 10 years was also lower at 59.1 per cent than 60.1 per cent a quarter ago, while proportion of debt maturing in more than 10 years increased to 40.9 per cent at end-September 2014 from 39.9 per cent a quarter ago. The change in composition of debt in terms of various maturity buckets reflects the maturity structure of securities issued during Q2 of FY15 as well as the maturity dynamics of outstanding securities. Overall, 28.4 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 5.68 per cent of outstanding stock needs to be rolled over every year, which is lower than about 6 per cent level seen in the recent past (Table 9). Thus, the rollover risk in the debt portfolio continues to be low. With the implementation of budgeted buy back/ switches in coming quarters is expected to reduce roll over risk further.

**Table 9: Maturity Profile of GoI Outstanding Dated Securities**

(Amount in ₹ crore)

Maturity Buckets	End-Sep 2014	End-Jun 2014
Less than 1 Year	219,317.0 (5.8)	161,530.9 (4.4)
1-5 Years	853,819.1 (22.6)	879,410.2 (24.2)
5-10 Years	1,157,902.3 (30.7)	1,144,902.3 (31.5)
10-20 Years	1,073,399.7 (28.5)	950,399.7 (26.1)
20 Years and above	467,822.3 (12.4)	500,822.3 (13.8)
Total	3,772,260.5	3,637,065.4

Note: 1. Figures in parentheses represent per cent to total.

2. Totals differ from those given in Table 8 due to different accounting treatment of re capitalisation bonds.

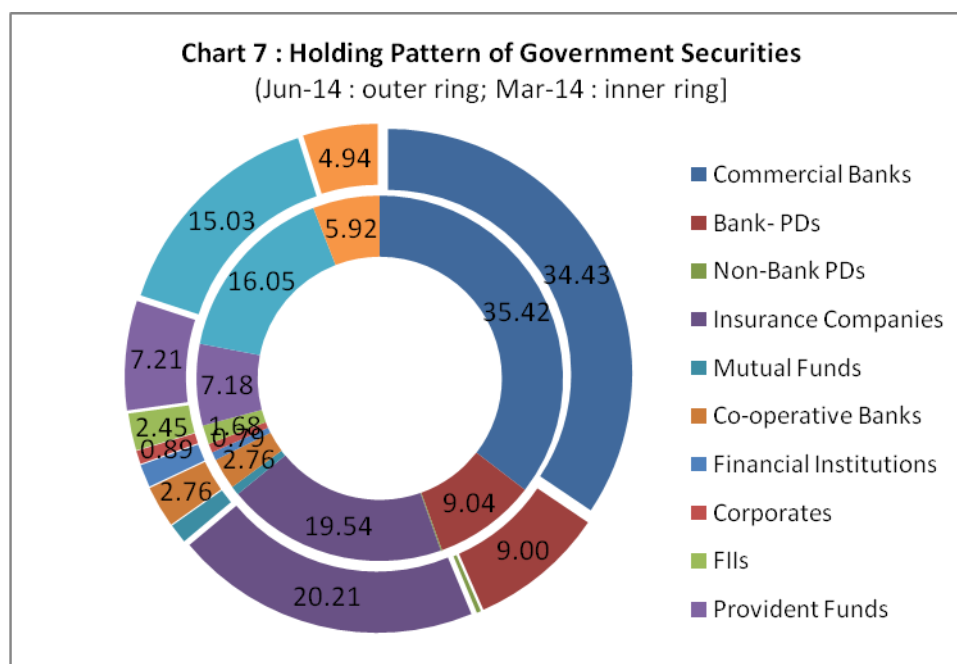
*Holding Pattern*

4.4 The holding pattern of Government securities is available with a lag of a quarter; the latest data are available for end-June 2014 (Table 10 and Chart 7). Banks (including banks that are primary dealers and co-operative banks) continue to dominate as the major investor category with a decline in their share in holding of Government securities to 46.2 per cent at end-June 2014 from 47.2 per cent as at end-March 2014. Among the long-term investors, the share of holding by insurance companies increased during the quarter to 20.2 per cent from 19.5 per cent at end-March 2014, while the share of provident funds increased marginally to 7.21 per cent from 7.18 per cent at end-March 2014. Proportion of securities held by the Reserve Bank at end-June 2014 decreased to 15.03 per cent from 16.05 per cent a quarter ago. While the holding of securities by FIIs, financial institutions, corporates and mutual funds were higher at end of Q1 of FY 15 as compared with their position a quarter ago, holdings by 'others category' showed a decline over the quarter.

**Table 10: Ownership Pattern of Government of India Dated Securities**  
(Per cent of Outstanding Securities)

Category	2013				2014	
	Mar	Jun	Sep	Dec	Mar	Jun
1. Commercial Banks	34.50	34.47	36.34	35.55	35.42	34.43
2. Bank- PDs	9.36	9.38	8.36	9.18	9.04	9.00
3. Non-Bank PDs	0.11	0.08	0.04	0.15	0.11	0.28
4. Insurance Companies	18.56	19.20	19.27	19.27	19.54	20.21
5. Mutual Funds	0.68	1.24	1.61	1.56	0.78	1.29
6. Co-operative Banks	2.81	2.78	2.73	2.69	2.76	2.76
7. Financial Institutions	0.75	0.63	0.71	0.67	0.72	1.51
8. Corporates	1.14	1.20	1.19	1.27	0.79	0.89
9. FIIs	1.61	1.59	1.40	1.38	1.68	2.45
10. Provident Funds	7.37	7.19	7.20	7.37	7.18	7.21
11. RBI	16.99	18.22	16.83	16.01	16.05	15.03
12. Others	6.12	4.02	4.32	4.89	5.92	4.94
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: RBI Bulletin, September 2014; Vol LXVIII No. 9

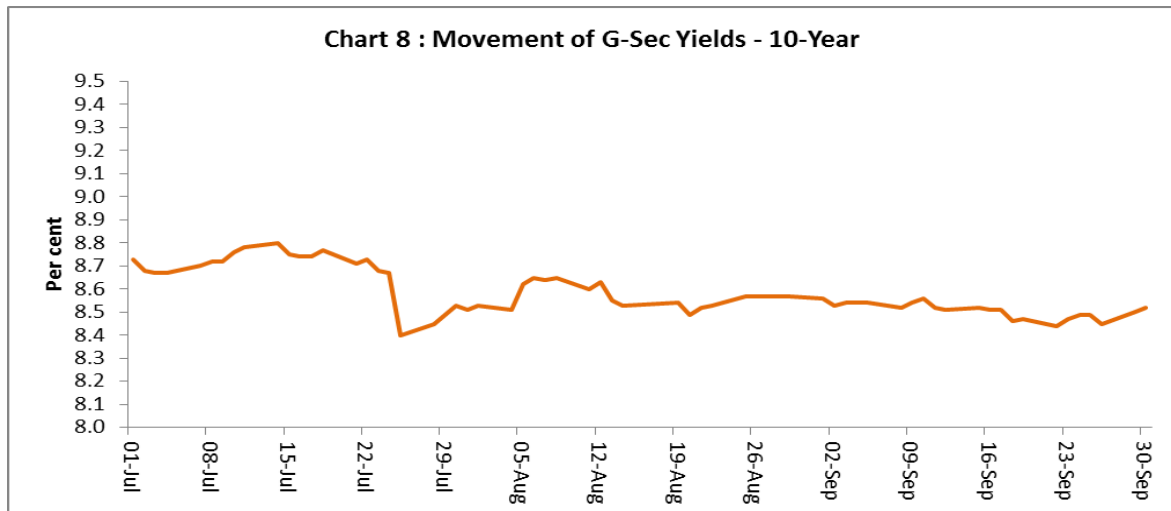


## Section 5 – Secondary Market

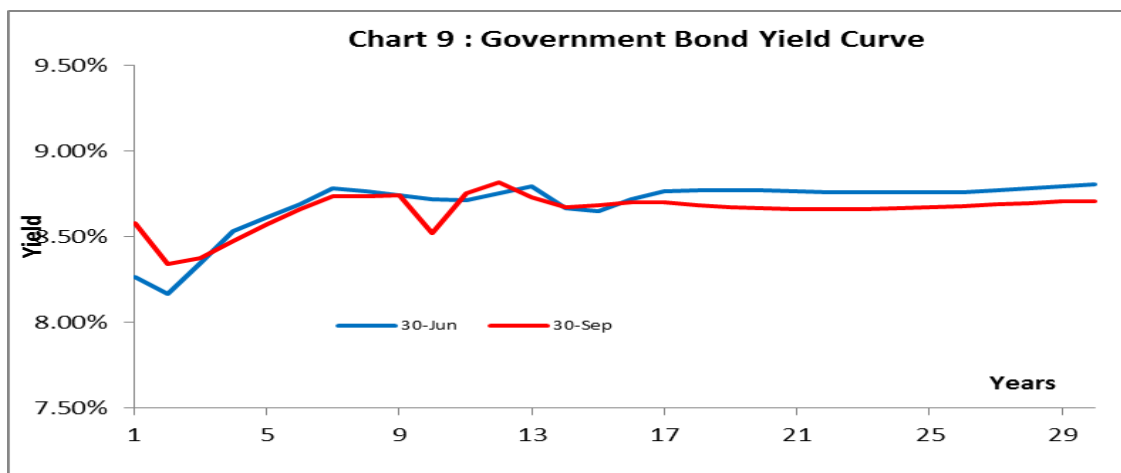
### A. Government security yields

5.1 Chart 8 depicts the movement in Government bond yields (10-year yield as benchmark) during the quarter. The 10-year bench mark yield traded in the range of 8.40% – 8.80% during Q2 of FY 15. It opened at 8.73% on July 1, 2014 and closed at 8.52% on September 30, 2014. The G-Sec market opened Q2 FY 15 steady but remained cautious ahead of Annual Budget 2014-15. Market worries relating to higher fiscal deficit in the first two months of the financial year drove the yields marginally higher to quarter high in mid-July 2014. Subsequently, the re-assurance by Finance Minister regarding fiscal prudence and RBI notification on July 23, 2014 enhancing the debt limit in G-sec available to FII/QFI/FPI by USD 5 billion with an equivalent reduction in the limit available for long term investor (from USD 10 billion to USD 5 billion) within the overall limit of USD 30 billion led to fall in yields. The sharp correction in the chart near July 2014 end is also on account of alignment of the curve to new benchmark paper. RBI in its third bi-monthly monetary policy review on August 5, 2014, while keeping policy rate under LAF unchanged at 8.0 percent, reduced the statutory liquidity ratio (SLR) of scheduled commercial banks by 50 basis points from 22.5 percent to 22.0 percent of their NDTL. However, policy said that the balance of risks around the medium-term inflation path, and especially the target of 6 per cent by January 2016, is still to the upside. Market, which was already having negative sentiments on account of some changes proposed by RBI for the auctions held on August 1, 2014 (which saw some devolvement), reacted negatively to these policy announcements. However, the notification by RBI reducing half yearly borrowing plan for G-Sec (HY1 2015) and Quarterly borrowing plan for T-bills (Q2 2015) on account of comfortable cash position of the Government reversed this sentiment in mid-August 2014, which was sustained till quarter end on account of positive news flow on different accounts. Positive Q1 FY 15 GDP numbers were released on August 29, 2014, weaker than expected US nonfarm payroll data were released and crude prices touched a 14 month low in first week of September 2014, moderation in CPI inflation and reining in of core CPI inflation reported in mid-September 2014, buyback worth ₹20,000 crore announced in third week of September 2014, crude

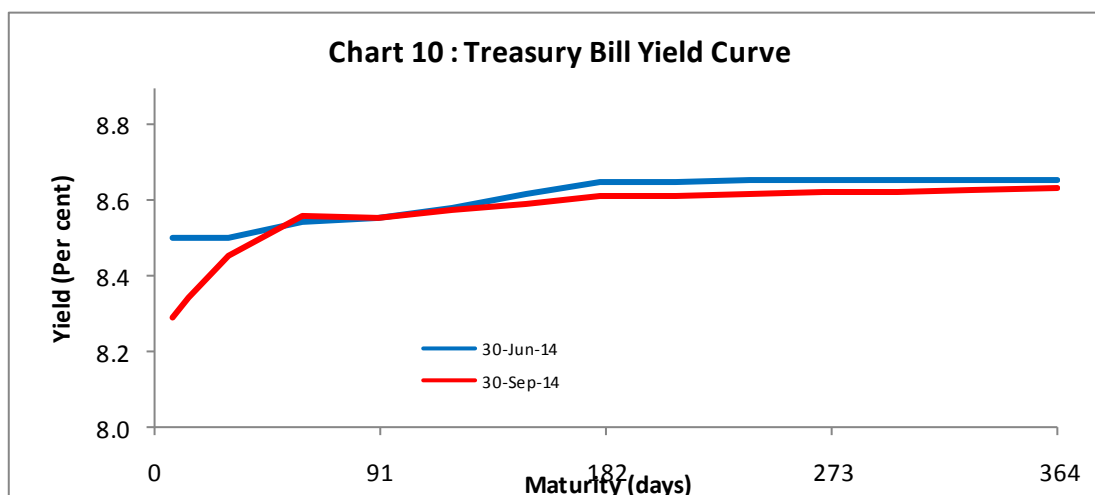
continuing to decline, etc. These developments led to softening of the yield and the 10 year benchmark yield closed at 8.51% as on September 30, 2014. This gradual decline in yield was halted occasionally on news flows, such as geopolitical news coming out of Iraq and Ukraine, a report by the Federal Reserve Bank of San Francisco which said that surveys suggested market participants seem to be expecting a more accommodative monetary policy than the members of US FOMC themselves, data and Fed announcements from US etc.



5.2 Compared to previous quarter, bonds yields moderated across the curve. Further the yield curve flattened at the longer end of the curve. The 1yr-10yr spread decreased to (-) 6 bps at end-September 2014 from 45 bps at end-June 2014, while 10yr-30yr spread increased to 19 bps from 9 bps over the same period. Overall, the 1yr-30yr spread at end of Q2 of FY15 decreased to 13 bps from 54 bps at the end of the previous quarter (Chart 9).



5.3 The soft inflation numbers as well as comfortable liquidity condition during month of September, 2014, resulted in softening of yield at the quarter end across the Treasury bill yield curve. Further, the Treasury bill yield curve saw marginal steepening during the quarter. The 1m-12m spread was up at 18 bps at end-September 2014 as compared with 16 bps at end-June 2014. The 1m-3m spread was up at 10 bps from 5 bps, while 3m-6m spread was down at 6 bps from 10 bps at end -June 2014 (Chart 10).



## B. Trading Pattern for domestic securities

5.4 The total volume of Government securities transacted on an outright basis during Q2 of FY14-15 stood at ₹ 20.33 lakh crores, a decrease of 23.17 per cent over volume of ₹ 26.46 lakh crores during the preceding quarter (Table 11). Central Government dated securities, showing a decrease of 24 per cent, contributed to most of the decrease in trading activity during the quarter. While the transactions volumes in treasury bills decreased by 12 per cent during the quarter, trading volumes in state government securities were lower by 50 per cent over the previous quarter. The annualised outright turnover ratio<sup>1</sup> for Central Government dated securities (G-Secs) for Q1 of FY14-15 decreased to 3.90 from 5.30 during the previous quarter. Including repo transactions, the annualised total turnover ratio<sup>2</sup> for Q2 of FY14-15 decreased to 8.27 from 9.55 during the previous quarter.

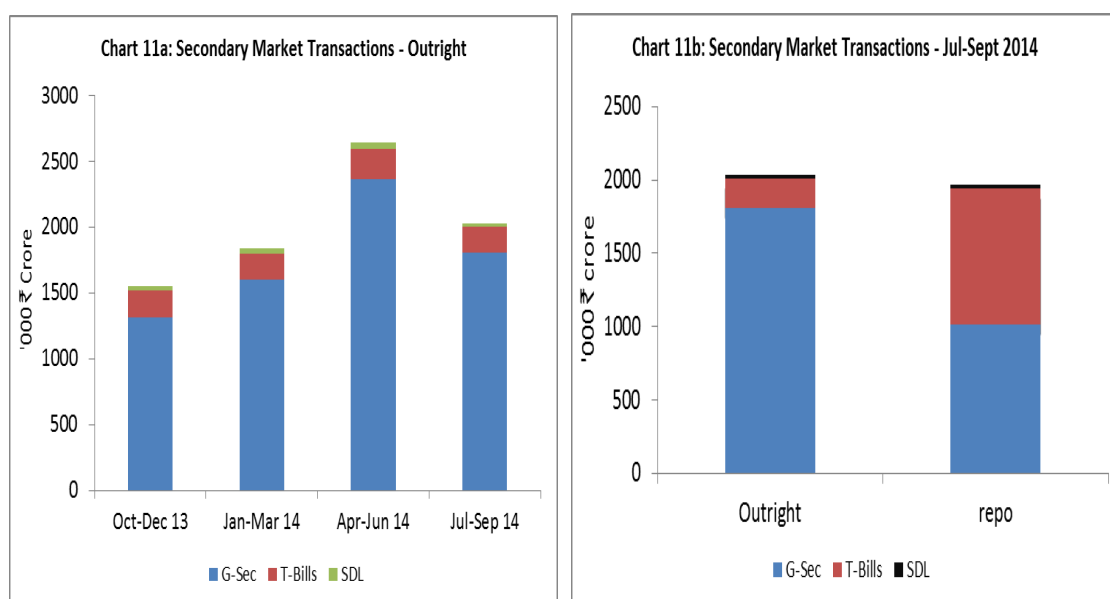
<sup>1</sup> Annualised Outright Turnover Ratio =  $4 \times [\text{Quarterly Outright Volume} \times 2 / (\text{Average of outstanding stock})]$

<sup>2</sup> Annualised Total Turnover Ratio =  $4 \times [(\text{Quarterly Outright Volume} \times 2 + \text{Quarterly Repo Volume} \times 4) / (\text{Average of outstanding stock})]$

**Table 11 : Transactions in Government Securities (volumes in ₹ crore)**

Period	Outright				Repo			
	G-Sec	T-Bills	SDL	Total	G-Sec	T-Bills	SDL	Total
<b>2010-11</b>	25,52,181	2,75,095	43,677	<b>28,70,952</b>	32,53,965	8,32,632	12,688	<b>40,99,284</b>
<b>2011-12</b>	30,99,107	3,45,237	43,859	<b>34,88,203</b>	21,86,877	15,54,121	22,878	<b>37,63,877</b>
<b>2012-13</b>	59,20,929	5,52,943	1,18,159	<b>65,92,032</b>	29,18,337	24,13,144	71,282	<b>54,02,764</b>
<b>Apr-Jun 13</b>	36,32,422	1,60,909	43,823	<b>38,37,154</b>	11,29,995	8,43,392	7,246	<b>19,80,633</b>
<b>July-Sept.13</b>	14,23,720	2,62,383	36,194	<b>17,22,297</b>	8,25,847	10,21,290	5,148	<b>18,52,285</b>
<b>Oct.-Dec.13</b>	13,12,755	2,10,203	33,062	<b>15,56,020</b>	7,23,963	9,78,151	5,018	<b>17,07,132</b>
<b>Jan.-Mar.14</b>	15,99,764	1,99,696	41,768	<b>18,41,228</b>	6,84,264	9,89,645	14,168	<b>16,88,077</b>
<b>Apr-Jun 14</b>	23,67,773	2,28,296	49,700	<b>26,45,769</b>	9,50,413	10,13,226	6,726	<b>19,70,365</b>
<b>July-Sept 14</b>	18,06,274	2,01,536	24,824	<b>20,32,634</b>	10,12,130	9,24,362	26,401	<b>19,62,893</b>

5.5 Central Government dated securities continued to account for a dominant portion of total trading volumes (Chart 11a and 11b). During Q2 of FY14-15, their share, however, decreased marginally to 88.9 per cent of total outright volumes from 89.5 per cent in the previous quarter. Central government securities accounted for 51.6 per cent of the total repo volumes during Q2 of FY14-15 as compared to 48.2 per cent in the previous quarter.



5.6 The top 10 traded securities accounted for 85.03 per cent of the total outright transaction volume during the quarter as compared with 86.4 per cent during Q1 of FY14-15. The share of top three traded securities marginally increased to 68.32

per cent from 68.2 per cent during Q1 of FY14-15. List of top 10 traded securities for the current quarter and the previous quarter are given in Table 12.

**Table 12 - Top 10 Traded Securities (in ₹ Crore)**

Security	Apr-Jun 14	Security	July-Sept 14
8.83% G.S. 2023	14,07,404	8.83% G.S. 2023	6,35,286
8.28% G.S. 2027	2,15,418	8.60% G.S. 2028	4,26,024
8.12% G.S. 2020	1,80,896	8.40% G.S. 2024	3,27,346
8.24% G.S. 2027	1,32,328	8.12% G.S. 2020	79,503
8.35% G.S. 2022	1,15,252	8.27% G.S. 2020	78,123
7.28% G.S. 2019	93,100	8.35% G.S. 2022	48,996
7.80% G.S. 2020	46,896	7.28% G.S. 2019	43,836
7.16% G.S. 2023	44,543	8.28% G.S. 2027	41,747
8.60% G.S. 2028	33,423	7.80% G.S. 2020	29,550
9.20% G.S. 2030	15,384	9.20% G.S. 2030	17,958

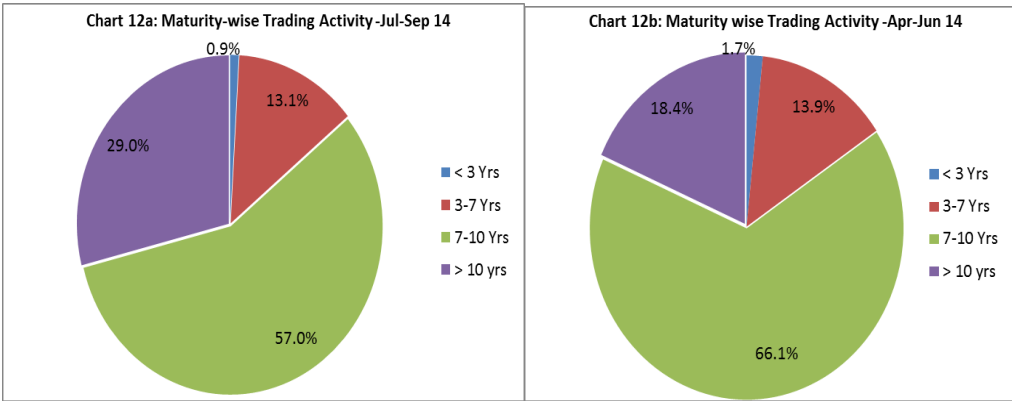
5.7 The trend in outright trading volumes in Government securities under different maturity buckets is given in Table 13.

**Table 13 : Maturity Pattern of Outright Transactions**  
(in ₹ Crore)

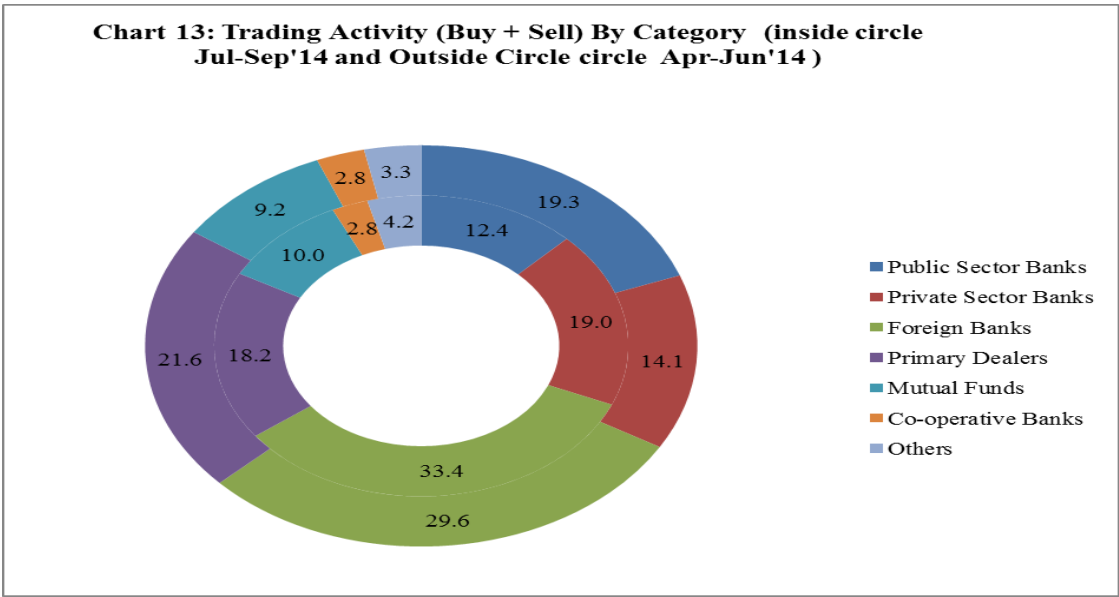
Maturity/Quarter	Jul-Sep 14	Apr-Jun 14	Jan-Mar 14	2013-14	2012- 13	2011-12
Less than 3 Years	16,595	39,256	20,061	95,703	11,865	35,545
3-7 Years	2,36,507	3,28,483	3,28,765	13,16,068	5,00,159	2,34,437
7-10 Years	10,29,945	15,64,103	8,89,057	32,07,229	23,31,557	17,43,886
above 10 years	5,23,227	4,35,931	3,61,881	33,49,661	30,77,349	10,85,239
<b>Total</b>	<b>18,06,274</b>	<b>23,67,773</b>	<b>15,99,764</b>	<b>79,68,661</b>	<b>59,20,929</b>	<b>30,99,107</b>

5.8 The maturity distribution of Government securities transactions in the secondary market is represented in Chart 12a and 12b. Reflecting the increased trading activity in 10-year benchmark securities, '7-10 years' maturity range accounted for the highest share of trading volumes during Q2 of FY14-15 (57.0 per cent, lower than 66.1 per cent in Q1 of FY14-15) followed by '10 years and above' maturity range (29 per cent, higher than 18.4 per cent in Q1 of FY14-15). The transaction volume of securities in the maturity range of 3-7 years during the quarter was lower at 13.1 per cent compared

with 13.9 per cent in Q1 of FY 14-15. The share of trading volume in the below 3 years maturity bracket decreased to 0.9 per cent from 1.7 per cent a quarter ago.



5.9 Foreign banks continued to be the dominant trading category with their share in total outright trading activity increasing to 33.4 per cent (of total trading volumes) during Q2 of FY14-15 from 29.6 per cent during Q1 of FY14-15 (Chart 13). The share of public and private sector banks decreased/increased to 12.4 per cent and 19.0 per cent, respectively, from 19.3 per cent and 14.1 per cent during the previous quarter. The share of primary dealers decreased to 18.2 per cent from 21.6 per cent in Q1 of FY14-15. The primary dealers were the only net sellers category of government securities (₹83,825 crore) during the quarter. Public sector Banks were the largest net buyer (₹33,431 crore) in the secondary market followed by Foreign Banks (₹ 14,184 crore).



6.0 Quarterly share of various categories/participants in the secondary market trading activity (buy + sell) for government securities is shown in Table 14.

**Table 14: Category wise - Buying and Selling (% of total)**

Category	Jul-Sep		Apr-Jun 2014		Jan-Mar 2014		Oct-Dec 2013		Jul-Sep 2013	
	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell
Co-operative Banks	2.9	2.7	3.0	2.7	2.8	2.5	2.5	2.1	3.0	2.7
FIs	0.2	0.1	0.4	0	0.2	0.1	0.5	0.1	0.5	0.1
Foreign Banks	33.7	33.0	29.2	30.0	38.2	37.2	31.4	32.3	29.4	32.4
Ins. Cos	1.3	1.3	1.4	1.1	1.5	1.6	1.9	1.5	2.5	2.2
Mutual Funds	10.3	9.8	9.8	8.6	8.1	9.9	14.2	13.6	15.4	12.9
Primary Dealers	16.1	20.2	20.1	23.0	16.4	19.3	17.0	22.7	16.0	21.6
Private Sector	12.6	12.2	14.3	13.9	13.7	13.6	12.5	12.2	13.2	13.0
Public Sector	19.8	18.1	19.6	19.0	16.8	14.8	17.4	14.0	17.8	14.2
Others	3.0	2.5	2.2	1.5	2.4	1.0	2.6	1.4	2.3	1.1
Total	100.0	100.0	100.	100.0	100.0	100.0	100.0	100.0	100.0	100.0

**Statement 1: Issuance of Dated securities During H1 FY15-contd.**

(Amount in ₹Crore)							
Name of Stock	Date of Auction	Notified amount	Devolv ement on PDs	Cut off price	Cut off yield (%)	Date of Maturity	Residual Maturity (Years)
8.35% GS 2022 \$ U	4-Apr-14	4000	0	94.78	9.28	14-May-22	8.1
8.28% GS 2027 \$ U	4-Apr-14	7000	0	91.50	9.41	21-Sep-27	13.5
9.20% GS 2030 \$ U	4-Apr-14	2000	0	98.92	9.33	30-Sep-30	16.5
9.23% GS 2043 \$ U	4-Apr-14	3000	864.16	98.09	9.42	23-Dec-43	29.7
7.80% GS 2020 # U	11-Apr-14	3000	0	93.67	9.19	3-May-20	6.1
8.83% GS 2023 \$ U	11-Apr-14	8000	0	98.76	9.02	25-Nov-23	9.6
8.32% GS 2032 \$ U	11-Apr-14	3000	0	91.20	9.33	2-Aug-32	18.3
8.30% GS 2042 \$ U	11-Apr-14	2000	0	89.85	9.32	31-Dec-42	28.7
8.35% GS 2022 \$ U	17-Apr-14	5000	0	95.45	9.16	14-May-22	8.1
8.24% GS 2027 \$ U	17-Apr-14	9000	0	92.05	9.31	15-Feb-27	12.8
9.20% GS 2030 \$ U	17-Apr-14	3000	0	99.50	9.26	30-Sep-30	16.4
9.23% GS 2043 \$ U	17-Apr-14	3000	0	99.27	9.30	23-Dec-43	29.7
7.80% GS 2020 # U	25-Apr-14	4000	0	94.80	8.94	3-May-20	6.0
8.83% GS 2023 \$ U	25-Apr-14	7000	0	99.92	8.84	25-Nov-23	9.6
8.32% GS 2032 \$ U	25-Apr-14	2000	0	93.19	9.09	2-Aug-32	18.3
8.30% GS 2042 \$ U	25-Apr-14	3000	0	91.69	9.12	31-Dec-42	28.7
8.35% GS 2022 \$ U	2-May-14	4000	0	96.80	8.92	14-May-22	8.0
8.28% GS 2027 \$ U	2-May-14	7000	0	93.71	9.10	21-Sep-27	13.4
9.20% GS 2030 \$ U	2-May-14	3000	0	101.34	9.04	30-Sep-30	16.4
9.23% GS 2043 \$ U	2-May-14	2000	0	101.53	9.08	23-Dec-43	29.6
7.80% GS 2020 # U	9-May-14	4000	0	94.93	8.91	3-May-20	6.0
8.83% GS 2023 \$ U	9-May-14	7000	0	100.51	8.75	25-Nov-23	9.5
8.32% GS 2032 \$ U	9-May-14	2000	0	93.90	9.00	2-Aug-32	18.2
8.30% GS 2042 \$ U	9-May-14	3000	0	92.64	9.02	31-Dec-42	28.6
8.35% GS 2022 \$ U	16-May-14	6000	0	97.25	8.84	14-May-22	8.0
8.24% GS 2027 \$ U	16-May-14	8000	0	94.28	9.00	15-Feb-27	12.7
9.20% GS 2030 \$ U	16-May-14	3000	0	102.12	8.95	30-Sep-30	16.4
9.23% GS 2043 \$ U	16-May-14	3000	0	102.47	8.99	23-Dec-43	29.6
7.80% GS 2020 # U	23-May-14	4000	0	95.68	8.75	3-May-20	5.9
8.83% GS 2023 \$ U	23-May-14	7000	0	101.01	8.67	25-Nov-23	9.5
8.32% GS 2032 \$ U	23-May-14	3000	0	94.68	8.91	2-Aug-32	18.2
8.30% GS 2042 \$ U	23-May-14	2000	0	93.87	8.89	31-Dec-42	28.6
8.35% GS 2022 \$ U	30-May-14	4000	0	98.31	8.65	14-May-22	8.0
8.60% GS 2028 # U	30-May-14	7000	0	100.00	8.60	2-Jun-28	14.0
9.20% GS 2030 \$ U	30-May-14	2000	0	104.09	8.72	30-Sep-30	16.3
9.23% GS 2043 \$ U	30-May-14	3000	0	104.50	8.80	23-Dec-43	29.6
8.27% GS 2020 # U	6-Jun-14	4000	0	100.00	8.27	9-Jun-20	6.0
8.83% GS 2023 \$ U	6-Jun-14	7000	0	101.77	8.55	25-Nov-23	9.5
8.32% GS 2032 \$ U	6-Jun-14	2000	0	97.89	8.55	2-Aug-32	18.1
8.30% GS 2042 \$ U	6-Jun-14	3000	0	97.02	8.58	31-Dec-42	28.6

**Statement 1: Issuance of Dated securities During H1 FY15-contd**

**(Amount in ₹Crore)**

Name of Stock	Date of Auction	Notified amount	Devolv ement on PDs	Cut off price	Cut off yield (%)	Date of Maturity	Residual Maturity (Years)
8.35% GS 2022 \$ U	20-Jun-14	3000	0	97.83	8.73	14-May-22	7.9
8.60% GS 2028 \$ U	20-Jun-14	7000	0	99.80	8.62	2-Jun-28	13.9
9.20% GS 2030 \$ U	20-Jun-14	3000	0	103.94	8.74	30-Sep-30	16.3
9.23% GS 2043 \$ U	20-Jun-14	2000	0	105.06	8.75	23-Dec-43	29.5
8.27% GS 2020 \$ U	27-Jun-14	3000	961.5	98.70	8.55	9-Jun-20	5.9
8.83% GS 2023 \$ U	27-Jun-14	7000	0	100.62	8.73	25-Nov-23	9.4
8.32% GS 2032 \$ U	27-Jun-14	2000	0	96.13	8.75	2-Aug-32	18.1
8.30% GS 2042 \$ U	27-Jun-14	3000	0	95.12	8.77	31-Dec-42	28.5
8.35% GS 2022 \$ U	4-Jul-14	3000	0	98.02	8.70	14-May-22	7.9
8.60% GS 2028 \$ U	4-Jul-14	7000	0	100.20	8.57	2-Jun-28	13.9
9.20% GS 2030 \$ U	4-Jul-14	3000	0	104.36	8.69	30-Sep-30	16.2
9.23% GS 2043 \$ U	4-Jul-14	2000	0	105.82	8.68	23-Dec-43	29.5
8.27% GS 2020 \$ U	11-Jul-14	3000	0	97.83	8.75	9-Jun-20	5.9
8.83% GS 2023 \$ U	11-Jul-14	7000	0	100.10	8.81	25-Nov-23	9.4
8.32% GS 2032 \$ U	11-Jul-14	2000	0	95.53	8.82	2-Aug-32	18.1
8.30% GS 2042 \$ U	11-Jul-14	3000	0	94.42	8.84	31-Dec-42	28.5
8.35% GS 2022 \$ U	18-Jul-14	2000	0	97.63	8.77	14-May-22	7.8
8.60% GS 2028 \$ U	18-Jul-14	7000	0	99.83	8.62	2-Jun-28	13.9
9.20% GS 2030 \$ U	18-Jul-14	3000	0	103.86	8.75	30-Sep-30	16.2
9.23% GS 2043 \$ U	18-Jul-14	2000	0	104.87	8.76	23-Dec-43	29.4
8.27% GS 2020 \$ U	25-Jul-14	2000	0	99.46	8.38	9-Jun-20	5.9
8.40% GS 2024 # U	25-Jul-14	7000	0	100.00	8.40	28-Jul-24	10.0
8.32% GS 2032 \$ U	25-Jul-14	2000	0	96.55	8.70	2-Aug-32	18.0
8.30% GS 2042 \$ U	25-Jul-14	3000	0	96.03	8.68	31-Dec-42	28.4
8.27% GS 2020 \$ M	1-Aug-14	3000	482	98.72	8.55	9-Jun-20	5.8
8.40% GS 2024 \$ M	1-Aug-14	9000	2963.5	99.17	8.52	28-Jul-24	10.0
9.23% GS 2043 \$ M	1-Aug-14	2000	0	104.89	8.76	23-Dec-43	29.4
8.35% GS 2022 \$ M	8-Aug-14	2000	0	96.65	8.95	14-May-22	7.8
8.60% GS 2028 \$ M	8-Aug-14	7000	0	98.07	8.84	2-Jun-28	13.8
9.20% GS 2030 \$ M	8-Aug-14	2000	0	102.31	8.92	30-Sep-30	16.1
8.30% GS 2042 \$ M	8-Aug-14	3000	0	93.59	8.92	31-Dec-42	28.4
8.40% GS 2024 \$ M	14-Aug-14	4000	0	98.89	8.57	28-Jul-24	9.9
8.32% GS 2032 \$ M	14-Aug-14	2000	0	95.15	8.86	2-Aug-32	18.0
9.23% GS 2043 \$ M	14-Aug-14	2000	0	104.25	8.82	23-Dec-43	29.3
8.27% GS 2020 \$ M	22-Aug-14	2000	0	98.54	8.59	9-Jun-20	5.8
8.60% GS 2028 \$ M	22-Aug-14	6000	0	99.36	8.68	2-Jun-28	13.8
9.20% GS 2030 \$ M	22-Aug-14	2000	0	103.93	8.74	30-Sep-30	16.1
8.30% GS 2042 \$ M	22-Aug-14	2000	0	95.44	8.74	31-Dec-42	28.3
8.27% GS 2020 \$ M	28-Aug-14	2000	0	98.25	8.66	9-Jun-20	5.8

**Statement 1: Issuance of Dated securities During H1 FY15-concl'd****(Amount in ₹Crore)**

Name of Stock	Date of Auction	Notified amount	Devolvement on PDs	Cut off price	Cut off yield (%)	Date of Maturity	Residual Maturity (Years)
8.40% GS 2024 \$ M	28-Aug-14	6000	0	98.76	8.59	28-Jul-24	9.9
8.32% GS 2032 \$ M	28-Aug-14	2000	0	95.89	8.78	2-Aug-32	17.9
9.23% GS 2043 \$ M	28-Aug-14	2000	0	104.53	8.79	23-Dec-43	29.3
8.27% GS 2020 \$ M	5-Sep-14	2000	0	98.42	8.62	9-Jun-20	5.8
8.60% GS 2028 \$ M	5-Sep-14	6000	0	99.17	8.70	2-Jun-28	13.7
9.20% GS 2030 \$ M	5-Sep-14	2000	0	103.79	8.75	30-Sep-30	16.1
8.30% GS 2042 \$ M	5-Sep-14	2000	0	95.21	8.76	31-Dec-42	28.3
8.27% GS 2020 \$ M	19-Sep-14	2000	0	98.85	8.52	9-Jun-20	5.7
8.40% GS 2024 \$ M	19-Sep-14	6000	0	99.57	8.46	28-Jul-24	9.9
8.32% GS 2032 \$ M	19-Sep-14	2000	0	96.93	8.66	2-Aug-32	17.9
9.23% GS 2043 \$ M	19-Sep-14	2000	0	105.81	8.68	23-Dec-43	29.3
8.27% GS 2020 \$ M	26-Sep-14	2000	0	98.57	8.59	9-Jun-20	5.7
8.60% GS 2028 \$ M	26-Sep-14	6000	0	99.77	8.63	2-Jun-28	13.7
9.20% GS 2030 \$ M	26-Sep-14	2000	0	104.29	8.70	30-Sep-30	16.0
8.30% GS 2042 \$ M	26-Sep-14	2000	0	95.96	8.68	31-Dec-42	28.3
Gross Nominal Amount Raised		352000					
Weighted Average Yield		8.81					
Weighted Average Maturity		14.38					

**Statement 2:Treasury Bills Issued During H1 FY15-contd**

**(Amount in ₹ crore)**

Name of Security	Date of Issue	Competitive amount raised	Gross Nominal amount raised	Cut off Yield (%)
364 DTB	3-Apr-14	6000	6049	9.02
364 DTB	17-Apr-14	6000	6002	8.96
364 DTB	2-May-14	6000	6000	8.92
364 DTB	15-May-14	6000	6000	8.89
364 DTB	29-May-14	6000	6000	8.70
364 DTB	12-Jun-14	6000	6000	8.60
364 DTB	26-Jun-14	1874.6	3079	8.70
364 DTB	10-Jul-14	6000	6000	8.67
364 DTB	24-Jul-14	6000	6004	8.70
364 DTB	7-Aug-14	6000	6003	8.74
364 DTB	21-Aug-14	5000	5002	8.68
364 DTB	4-Sep-14	5000	5008	8.66
364 DTB	18-Sep-14	5000	5007	8.66
182 DTB	10-Apr-14	6000	6000	8.97
182 DTB	25-Apr-14	6000	6000	8.90
182 DTB	8-May-14	6000	6000	8.88
182 DTB	22-May-14	6000	6000	8.70
182 DTB	5-Jun-14	6000	6000	8.60
182 DTB	19-Jun-14	6000	6000	8.66
182 DTB	3-Jul-14	6000	6000	8.64
182 DTB	17-Jul-14	2809	2809	8.64
182 DTB	31-Jul-14	6000	6000	8.70
182 DTB	14-Aug-14	3829	3830	8.70
182 DTB	28-Aug-14	5000	5000	8.68
182 DTB	11-Sep-14	5000	5000	8.70
182 DTB	25-Sep-14	5000	5632	8.66
91 DTB	3-Apr-14	9000	12839	8.94
91 DTB	10-Apr-14	9000	14100	8.90
91 DTB	17-Apr-14	9000	9000	8.86
91 DTB	25-Apr-14	9000	20650	8.86
91 DTB	2-May-14	9000	12805	8.86
91 DTB	8-May-14	9000	14500	8.81
91 DTB	15-May-14	9000	9400	8.86
91 DTB	22-May-14	9000	10401	8.65
91 DTB	29-May-14	9000	10400	8.65
91 DTB	5-Jun-14	8000	19000	8.52
91 DTB	12-Jun-14	8000	12300	8.56
91 DTB	19-Jun-14	8000	8700	8.56
91 DTB	26-Jun-14	8000	16105	8.56

**Statement 2: Treasury Bills Issued During H1 FY15-concl'd.****(Amount in ₹ crore)**

Name of Security	Date of Issue	Competitive amount raised	Gross Nominal amount raised	Cut off Yield (%)
91 DTB	3-Jul-14	9000	13353	8.52
91 DTB	10-Jul-14	9000	15820	8.56
91 DTB	17-Jul-14	9000	12520	8.60
91 DTB	24-Jul-14	9000	13915	8.60
91 DTB	31-Jul-14	9000	19550	8.65
91 DTB	7-Aug-14	9000	16655	8.65
91 DTB	14-Aug-14	9000	12317	8.65
91 DTB	21-Aug-14	8000	9000	8.65
91 DTB	28-Aug-14	8000	10500	8.60
91 DTB	4-Sep-14	8000	13003	8.60
91 DTB	11-Sep-14	7000	11201	8.60
91 DTB	18-Sep-14	7000	12893	8.60
91 DTB	25-Sep-14	7000	17100	8.52
Total		361513	490450	

### Statement 3: List of Dated Securities Outstanding at end-Sep 2014-contd

Nomenclature	Date of maturity	Outstanding Stock (₹ Crore)	of which: MSS
7.32% GS 2014	20-Oct-14	8326.6	-
10.50% 2014	29-Oct-14	1025.4	-
7.56% 2014	3-Nov-14	32996.4	-
11.83 % GS 2014	12-Nov-14	5042.5	-
10.47% GS 2015	12-Feb-15	3769.4	-
10.79% GS 2015	19-May-15	999.4	-
11.50% GS 2015	21-May-15	1899.2	-
6.49% GS 2015	8-Jun-15	36105.1	-
7.17% GS 2015	14-Jun-15	53573.3	-
FRB, 2015	2-Jul-15	6000.0	-
11.43% GS 2015	7-Aug-15	7204.3	-
FRB, 2015(II)	10-Aug-15	6000.0	-
7.38% GS 2015 (conv)	3-Sep-15	56375.6	-
9.85% GS 2015	16-Oct-15	7437.8	-
7.59% GS 2016	12-Apr-16	68000.0	-
10.71% GS 2016	19-Apr-16	9000.0	-
FRB, 2016	7-May-16	6000.0	-
5.59% GS 2016	4-Jun-16	6000.0	-
12.30% GS 2016	2-Jul-16	13129.9	-
7.02% GS 2016	17-Aug-16	60000.0	-
8.07% 2017	15-Jan-17	69000.0	-
7.49% 2017 (con)	16-Apr-17	58000.0	-
FRB-2017	2-Jul-17	3000.0	-
8.07% GS 2017 JUL	3-Jul-17	50000.0	-
7.99% 2017	9-Jul-17	71000.0	-
7.46% 2017	28-Aug-17	57886.8	-
6.25% 2018 (conv)	2-Jan-18	16886.8	-
7.83% GS 2018	11-Apr-18	73000.0	-
8.24% GS 2018	22-Apr-18	75000.0	-
10.45% GS 2018	30-Apr-18	3716.0	-
5.69 % GS 2018(Conv)]	25-Sep-18	16130.0	-
12.60% GS 2018	23-Nov-18	12631.9	-
5.64% GS 2019	2-Jan-19	10000.0	-
6.05% GS 2019	2-Feb-19	53000.0	-
7.28% GS 2019	3-Jun-19	53000.0	-
6.05% GS 2019 (con)	12-Jun-19	11000.0	-
6.90% GS 2019	13-Jul-19	45000.0	-
10.03% GS 2019	9-Aug-19	6000.0	-
6.35% GS 2020 (con)	2-Jan-20	61000.0	-
8.19% GS 2020	16-Jan-20	74000.0	-
10.70% GS 2020	22-Apr-20	6000.0	-

### Statement 3: List of Dated Securities Outstanding at end-Sep 2014-contd

Nomenclature	Date of maturity	Outstanding Stock (₹ Crore)	of which: MSS
7.80% GS 2020	3-May-20	75000.0	-
8.27% GS 2020	9-Jun-20	25000.0	-
8.12% GS 2020	10-Dec-20	76000.0	-
FRB - 2020	21-Dec-20	13000.0	-
11.60% GS 2020	27-Dec-20	5000.0	-
7.80% GS 2021	11-Apr-21	68000.0	-
7.94% GS 2021	24-May-21	49000.0	-
10.25% GS 2021	30-May-21	26213.3	-
8.79% GS 2021	8-Nov-21	83000.0	-
8.20% GS 2022	15-Feb-22	57632.3	-
8.35% GS 2022	14-May-22	77000.0	-
8.15% GS 2022	11-Jun-22	83000.0	-
8.08% GS 2022	2-Aug-22	61969.4	-
5.87% GS 2022 (conv)	28-Aug-22	11000.0	-
8.13% GS 2022	21-Sep-22	70495.3	-
6.30% GS 2023	9-Apr-23	13000.0	-
7.16% GS 2023	20-May-23	77000.0	-
1.44% II GS 2023	5-Jun-23	6500.0	-
6.17% GS 2023 (conv)	12-Jun-23	14000.0	-
8.83% GS 2023	25-Nov-23	83000.0	-
IINSS -Cumulative 1.5% GS 2023	25-Dec-23	92.0	-
7.35% GS 2024	22-Jun-24	10000.0	-
8.40% GS 2024	28-Jul-24	32000.0	-
9.15% GS 2024	14-Nov-24	92000.0	-
8.20% GS 2025	24-Sep-25	90000.0	-
5.97 % GS 2025 (Conv)	25-Sep-25	16687.9	-
8.33% GS 2026	9-Jul-26	90000.0	-
10.18% GS 2026	11-Sep-26	15000.0	-
8.24% GS 2027	15-Feb-27	93388.6	-
8.26% GS 2027	2-Aug-27	73427.3	-
8.28% GS 2027	21-Sep-27	89252.2	-
6.01% GS GS 2028 (C Align)	25-Mar-28	15000.0	-
6.13% GS 2028	4-Jun-28	11000.0	-
8.60% GS 2028	2-Jun-28	53000.0	-
9.20% GS 2030	30-Sep-30	47000.0	-
8.97% GS 2030	5-Dec-30	90000.0	-
8.28% GS 2032	15-Feb-32	90687.1	-
8.32% GS 2032	2-Aug-32	86434.1	-
7.95% GS 2032	28-Aug-32	59000.0	-
8.33% GS 2032	21-Sep-32	1522.5	-

**Statement 3: List of Dated Securities Outstanding at end-Sep 2014-concl'd.**

Nomenclature	Date of maturity	Outstanding Stock (₹ Crore)	of which: MSS
7.50% GS 2034	10-Aug-34	60000.0	-
FRB, 2035	25-Jan-35	350.0	-
7.40% GS 2035	9-Sep-35	52000.0	-
8.33% GS 2036	7-Jun-36	86000.0	-
6.83% GS 2039	19-Jan-39	13000.0	-
8.30% GS 2040	2-Jul-40	72000.0	-
8.83% GS 2041	12-Dec-41	90000.0	-
8.30% GS 2042	31-Dec-42	87000.0	-
9.23% GS 2043	23-Dec-43	67472.3	-
<b>Total</b>		<b>3772260.5</b>	

**Statement 4: Maturity Profile of Government Securities as on End-September 2014**

Year of maturity	Outstanding Stock (₹ Crore)
2014-15	51160
2015-16	175595
2016-17	231130
2017-18	256774
2018-19	243478
2019-20	250000
2020-21	200000
2021-22	283846
2022-23	303465
2023-24	193592
2024-25	134000
2025-26	106688
2026-27	198389
2027-28	177680
2028-29	64000
2029-30	-
2030-31	137000
2031-32	90687
2032-33	146957
2033-34	-
2034-35	60350
2035-36	52000
2036-37	86000
2037-38	-
2038-39	13000
2039-40	-
2040-41	72000
2041-42	90000
2042-43	87000
2043-44	67472
<b>Total</b>	<b>3,772,260</b>