

Govt to borrow ₹6.61 trn in H2FY25

Amount, which is 47% of gross borrowing target, will be realised via 21 weekly auctions

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The government on Thursday announced its plans to borrow ₹6.61 trillion from the market through 21 weekly auctions in the second half of this financial year.

The borrowing is around 47 per cent of the gross market borrowing target of ₹14.01 trillion and is in line with market expectations.

This includes issuing ₹20,000 crore of sovereign green bonds.

The finance ministry, while releasing the calendar for issuing bonds, said borrowing would be over three-, five-, seven-, 10-, 15-, 30-, 40- and 50-year securities.

The share of borrowing under different maturities will be: Three-year (5.3 per cent), five-year (10.6 per cent), seven-year (7.6 per cent), 10-year (24.8 per cent), 15-year (13.2 per cent), 30-year (12.1 per cent), 40-year (15.9 per cent) and 50-year (10.6 per cent).

The finance ministry said the government would carry out switching or buying securities to smoothen the redemption profile.

“Aided by the favourable outlook for revenues and a possible under-shooting of the ambitious capex tar-



PLAN OF ACTION

- Borrowing includes issuance of ₹20,000 crore of sovereign green bonds
- Govt to carry out bond switching or securities buyback to smoothen redemption profile

Borrowing plan

5.3% for 3 years	13.2% for 15 years
10.6% for 5 years	12.1% for 30 years
7.6% for 7 year	15.9% for 40 years
24.8% for 10 year	10.6% for 50 years

get, ICRA expects the government’s fiscal deficit to print in line with or mildly trail the FY2025 revised estimate of ₹16.1 trillion or 4.9 per cent of GDP, at the current juncture,” said Aditi Nayar, chief economist, ICRA Ltd.

Nayar said borrowing appeared unlikely to exceed the level announced for the second half.

The government had announced its plans to borrow ₹7.50 trillion from the market in April-September. It will borrow ₹2.47 trillion through treasury bills, which have a maximum tenure of 364 days.

Weekly borrowing through treas-

ury bills in the third quarter of 2024-25 is expected to be ₹19,000 crore for 13 weeks. There will be ₹7,000 crore under 91-day treasury bills, ₹6,000 crore under 182-day treasury bills, and ₹6,000 crore under 364-day treasury bills.

To take care of temporary mismatches in government accounts, the Reserve Bank of India has fixed the ways and means advances (WMA) limit for the second half at ₹50,000 crore.

“As hitherto, all the auctions covered by the calendar will have the facility of non-competitive bidding under which five per cent of the

notified amount will be reserved for the specified retail investors,” the finance ministry said.

In the Interim Budget, Union Finance Minister Nirmala Sitharaman had announced a gross borrowing target of ₹14.13 trillion. This was, however, reduced by ₹12,000 crore in the Budget in July on account of robust revenue collection.

Gross borrowing this financial year is lower than the estimate of ₹15.43 trillion last financial year.

The government has set a fiscal deficit target of 4.9 per cent of GDP this financial year.