

TOTAL GOVERNMENT LIABILITIES RISE TO RS 82 LAKH CRORE

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Taxation & Black Money

Total liabilities of the government increased to Rs 82 lakh crore at end-September from Rs 79.8 lakh crore at end-June this year, latest data on [public debt](#) showed on Monday.

Public debt accounted for 89.3 per cent of total outstanding liabilities at end-September 2018 with the share of internal debt being 82.9 per cent.

Nearly 26.6 per cent of the outstanding dated securities had a residual maturity of less than five years, said the Quarterly Report on [Public Debt Management](#), released by the Finance Ministry.

The holding pattern indicates a share of 41.4 per cent for commercial banks and 24.6 per cent for insurance companies by end-September 2018.

G-Sec yields have shown a hardening trend in second quarter of the fiscal with the increase in weighted average yield of primary issuances to 8.01 per cent from 7.76 per cent since the last quarter, reflecting the impact of several developments, it said.

These development are "an increase in crude oil prices, depreciation in the value of rupee against the US dollar and rate hikes by US Fed and the Reserve Bank".

"Central government dated securities continued to account for a major share of total trading volumes in the secondary market, with a share of 85 per cent in total outright trading volumes in value terms during Q2 of FY19," the report said.

During July-September quarter of the fiscal, the Central government issued dated securities worth Rs 1.44 lakh crore as against Rs 1.89 lakh crore in the year-ago quarter.

The [temporary cash flow](#) mismatches were bridged through issuance of [Cash Management Bills](#) amounting to Rs 20,000 crore during the quarter, it added.

Total liabilities of the government increased to Rs 82 lakh crore at end-September from Rs 79.8 lakh crore at end-June this year, latest data on [public debt](#) showed on Monday.

Public debt accounted for 89.3 per cent of total outstanding liabilities at end-September 2018 with the share of internal debt being 82.9 per cent.

Nearly 26.6 per cent of the outstanding dated securities had a residual maturity of less than five years, said the Quarterly Report on [Public Debt Management](#), released by the Finance Ministry.

The holding pattern indicates a share of 41.4 per cent for commercial banks and 24.6 per cent for insurance companies by end-September 2018.

G-Sec yields have shown a hardening trend in second quarter of the fiscal with the increase in weighted average yield of primary issuances to 8.01 per cent from 7.76 per cent since the last quarter, reflecting the impact of several developments, it said.

These development are "an increase in crude oil prices, depreciation in the value of rupee against the US dollar and rate hikes by US Fed and the Reserve Bank".

"Central government dated securities continued to account for a major share of total trading volumes in the secondary market, with a share of 85 per cent in total outright trading volumes in value terms during Q2 of FY19," the report said.

During July-September quarter of the fiscal, the Central government issued dated securities worth Rs 1.44 lakh crore as against Rs 1.89 lakh crore in the year-ago quarter.

The [temporary cash flow](#) mismatches were bridged through issuance of [Cash Management Bills](#) amounting to Rs 20,000 crore during the quarter, it added.

END

Downloaded from [crackIAS.com](#)

© **Zuccess App** by crackIAS.com

CrackIAS.com