

Table 11.4: A Profile of Central Government's Market Loans

Year	YTM's at Primary Issues (per cent)			Weighted Average Yield	Maturity of New Loans	Weighted Average Maturity	Weighted Average Maturity of outstanding stock	Weighted Average Yield of outstanding stock
	Under 5 years	5-10 years	Over 10 years					
	1	2	3					
1997-98	10.85-12.14	11.15-13.05	-	12.01	3-10	6.6	6.5	n.a.
1998-99	11.40-11.68	11.10-12.25	12.25-12.60	11.85	2-20	7.7	6.3	n.a.
1999-00	-	10.75-11.99	10.77-12.45	11.77	5-19	12.6	7.1	n.a.
2000-01	9.47-10.95	9.88-11.89	10.47-11.70	10.95	2-20	10.6	7.5	n.a.
2001-02	-	8.98-9.51	7.18-11.00	9.44	5-25	14.3	8.2	10.84
2002-03	-	8.85-8.14	6.84-8.62	7.34	7-30	13.8	8.9	10.44
2003-04	4.89	4.62-5.73	5.18-8.35	5.71	4-30	14.94	9.78	9.30
2004-05 (up to August 16, 2004)	-	-	4.49-7.50	5.52	11-30	15.68	9.84	8.95

n. a.: Not available. - : No issues. YTM : Yield to Maturity.

11.12 The response at primary auctions was generally favourable with the average bid-cover ratio working out to 1.7 in 2003-04 as against 2.1 in 2002-03. For the first time, there was no devolvement on the Reserve Bank or on primary dealers in any auction during the year.

11.13 The policy of elongation of maturity of dated securities continued during the year with the multiple objectives of developing a yield curve for the long end of the maturity spectrum, managing rollover risk and locking in borrowings at low costs. The weighted average maturity of the securities issued during the year and outstanding dated securities increased to 14.94 years and 9.76 years, respectively (Table 11.4).

11.14 The weighted average yield of the dated securities issued during 2004-05 (up to August 16, 2004) worked out to 5.52 per cent as against 5.89 per cent during the corresponding period of the previous year. The weighted average maturity of the dated securities issued during 2004-05 (up to August

16, 2004) was 15.68 years as compared with 15.84 years during the corresponding period of 2003-04.

11.15 Securities over 10-year maturity constituted the largest share in the outstanding stock of securities as well as in new issuances (Table 11.5).

11.16 The Central Government converted the balance stock of 4.6 per cent Government of India Treasury Bills (Conversion) Special Securities held by the Reserve Bank into marketable lots on a private placement basis. This considerably enhanced the stock of marketable securities in the portfolio of the Reserve Bank, strengthening the conduct of sterilisation operations (Table 11.5).

Table 11.6: Reserve Bank's Stock of Central Government Securities^②

Year (end-March)	Outstanding			Total Out- standing*
	Dated Securities*	Special Securities Issued to RBI in Conversion of Ad-hoc Treasury Bills		
1	2	3	4	
1995-97	6,898	1,21,515	1,28,414	
1997-98	31,977	1,01,515	1,33,495	
1998-99	42,212	1,01,515	1,44,030	
1999-00	35,190	1,01,515	1,37,008	
2000-01	41,732	1,01,515	1,43,560	
2001-02	40,927	1,01,515	1,42,745	
2002-03	55,438	61,515	1,17,258	
2003-04	77,397	0	77,397	
2004-05 (As on August 9, 2004)	1,02,402	0	1,02,402	

② : Does not include other special securities.
* : Inclusive of securities sold under the LAF.

Table 11.5: Maturity Profile of Central Government Securities

Year	Outstanding Stock						Issued During the Year			(Per cent)
	Under 5 Years			5-10 Years			Over 10 Years			
	1	2	3	4	5	6	7	8	9	
1997-98	41	41	18	18	82	-	-	-	-	-
1998-99	42	42	16	18	88	14	-	-	-	-
1999-00	37	39	24	-	35	65	-	-	-	-
2000-01	27	47	26	6	41	53	-	-	-	-
2001-02	31	36	33	2	24	74	-	-	-	-
2002-03	28	35	39	-	38	64	-	-	-	-
2003-04	24	32	44	5	15	80	-	-	-	-