

## Sebi to auction Rs 42,022 crore worth government bonds for FIIs

Market regulator Sebi will conduct tomorrow an auction for grant of investment limits to foreign investors in government debt securities worth over Rs. 42,000 crore -- the biggest sale of G-Secs so far this year.

It would be first auction for debt securities since a hike in the investment limits for FIIs in government debt to USD 30 billion, from USD 25 billion previously, earlier this month.

Besides, an expert committee recently recommended to Sebi that the regulator should further ease the regulations governing registration for FIIs and make it easier for them to invest in India. The proposals are likely to be discussed by Sebi's board next week.

The planned auction follows a robust interest shown by the Foreign Institutional Investors (FIIs) for sale of government debt bond investment limits to the tune of Rs 5,533 crore last month, which had attracted bids worth more than Rs 10,000 crore.

A total of 68 FIIs had participated in last month's auction, while 26 bids were declared successful.

However, the FIIs have been mostly selling their investments in Indian debt securities in the past few weeks.

So far in June, FIIs had made a net outflow of over Rs 20,000 crore from the debt securities, after a net inflow of close to Rs 25,000 crore in the first five months of 2013.

Indian debt markets had witnessed robust interest from FIIs last year as well, when their net investments stood at close to Rs 35,000 crore.

Tomorrow's bidding would be held on a designated electronic exchange platform of BSE between 3.30 pm and 5.30 pm, the bourse said in a circular.

The FIIs need to bid for investment limits in an auction conducted periodically by Sebi as per the available limits, pursuant to which they can invest in the bond market.

Sebi auctions debt limits for FIIs is conducted on the 20th of every month. The government recently relaxed ownership limits in Indian debt for FIIs.

*(Economic Times)*