

**Headline:** NSE to auction investment limits for Rs. 556-crore government bonds

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## NSE to auction investment limits for Rs. 556-crore government bonds

**L**eading bourse National Stock Exchange (NSE) will Monday auction investment limits for foreign investors to buy government debt securities worth Rs. 556 crore.

The auction will be conducted on NSE's e-bid platform from 1530 hours to 1730 hours after close of normal market hours on August 10, the exchange said in a circular.

The debt auction quota gives overseas investors the right to invest in the debt up to the limit purchased.

Depository data showed that total investments, including limits acquired by foreign investors through the auction route, stood at Rs. 1,23,876 crore till August 6, which is 99.5 per cent of the total permitted investment limit of Rs. 1,24,432 crore in government debt securities.

Consequently, exchange has

decided to "conduct an auction for the allocation of unutilised debt limits on August 10, 2015," NSE said.

During earlier auctions, government bonds have always been subscribed multiple times, given the huge interest among foreign investors, while the demand for corporate bonds remains less.

Last month, BSE (formerly known as Bombay Stock Exchange) had conducted an auction for government bonds worth Rs. 403 crore, which attracted bids worth Rs. 751 crore.

Foreign investors are allowed to invest up to USD 25 billion (Rs. 1,24,432 crore) in government debt securities through auction while an investment of up to USD 5 billion (Rs. 29,137 crore) is permitted 'on tap'.

Further, the Reserve Bank of India (RBI) is in talks with the government to reset FII limit in government bonds in rupee terms.