

# Quick Glance - Funds Performance

(Funds with AUM of more than ₹125 crores as on 31<sup>st</sup> March 2015)

IN THIS POLICY, THE INVESTMENT RISK IN INVESTMENT PORTFOLIO IS BORNE BY THE POLICYHOLDER.

## Investment Report

The month of March 2015 saw the benchmark index BSE Sensex and CNX Nifty shed 4.78% and 4.62% respectively. The Mid-cap index, CNX Mid-cap shed a modest 0.89% during the same period.

## Equity Funds

### Equity Fund (ULIF 001 04/02/04 TEL 110)

Fund Details		Fund Performance					Asset Allocation	
<b>Investment Objective</b>	: The primary investment objective of the Fund is to generate long term capital appreciation from a portfolio that is invested predominantly in equity and equity linked securities.	<b>PERIOD</b>	<b>DATE</b>	<b>NAV</b>	<b>S&amp;P BSE Sensex</b>	<b>NAV Change</b>	<b>INDEX Change</b>	
<b>NAV as on 31 Mar, 15</b>	: ₹49.9858	Last 3 Months	31-Dec-14	48.3973	27499.42	3.28%	1.67%	
<b>Benchmark</b>	: S&P BSE Sensex - 100%	Last 6 Months	30-Sep-14	46.6801	26630.51	7.08%	4.98%	
<b>Corpus as on 31 Mar, 15</b>	: ₹1,853.32 Crs.	Last 1 Year	31-Mar-14	39.1216	22386.27	27.77%	24.89%	
		Last 2 Years	31-Mar-13	32.7921	18835.77	23.46%	21.83%	
		Last 3 Years	31-Mar-12	30.3049	17404.20	18.15%	17.12%	
		Last 4 Years	31-Mar-11	33.8848	19445.22	10.21%	9.50%	
		Last 5 Years	31-Mar-10	30.5465	17527.77	10.35%	9.79%	
		Since Inception	02-Mar-04	10.0000	5823.17	15.62%	15.20%	
		<b>Note</b> : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.						

### Whole Life Mid-Cap Equity Fund (ULIF 009 04/01/07 WLE 110)

Fund Details		Fund Performance					Asset Allocation	
<b>Investment Objective</b>	: The primary investment objective of the Fund is to generate long term capital appreciation from a portfolio that is invested predominantly in Mid Cap Equity and Mid Cap Equity linked securities.	<b>PERIOD</b>	<b>DATE</b>	<b>NAV</b>	<b>NSE CNX MIDCAP</b>	<b>NAV Change</b>	<b>INDEX Change</b>	
<b>NAV as on 31 Mar, 15</b>	: ₹32.0154	Last 3 Months	31-Dec-14	29.3318	12583.85	9.15%	3.32%	
<b>Benchmark</b>	: NSE CNX MIDCAP-100%	Last 6 Months	30-Sep-14	25.3843	11418.30	26.12%	13.86%	
<b>Corpus as on 31 Mar, 15</b>	: ₹2,158.02 Crs.	Last 1 Year	31-Mar-14	18.2416	8612.45	75.51%	50.96%	
		Last 2 Years	31-Mar-13	14.6988	7401.60	47.58%	32.53%	
		Last 3 Years	31-Mar-12	13.5457	7711.40	33.20%	19.02%	
		Last 4 Years	31-Mar-11	13.6258	8040.15	23.81%	12.77%	
		Last 5 Years	31-Mar-10	12.7603	7704.90	20.20%	11.03%	
		Since Inception	08-Jan-07	10.0000	5156.45	15.19%	11.89%	
		<b>Note</b> : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.						

### Large Cap Equity Fund (ULIF 017 07/01/08 TLC 110)

Fund Details		Fund Performance					Asset Allocation	
<b>Investment Objective</b>	: The primary investment objective of the Fund is to generate long term capital appreciation from a portfolio that is invested predominantly in equity and equity linked securities.	<b>PERIOD</b>	<b>DATE</b>	<b>NAV</b>	<b>CNX Nifty</b>	<b>NAV Change</b>	<b>INDEX Change</b>	
<b>NAV as on 31 Mar, 15</b>	: ₹18.5280	Last 3 Months	31-Dec-14	17.7225	8282.70	4.55%	2.51%	
<b>Benchmark</b>	: CNX Nifty-100%	Last 6 Months	30-Sep-14	16.8473	7964.80	9.98%	6.61%	
<b>Corpus as on 31 Mar, 15</b>	: ₹963.59 Crs.	Last 1 Year	31-Mar-14	13.9347	6704.20	32.96%	26.65%	
		Last 2 Years	31-Mar-13	11.5466	5682.55	26.67%	22.24%	
		Last 3 Years	31-Mar-12	10.5029	5295.55	20.83%	17.04%	
		Last 4 Years	31-Mar-11	11.4116	5833.75	12.88%	9.84%	
		Last 5 Years	31-Mar-10	10.0892	5249.10	12.93%	10.10%	
		Since Inception	07-Jan-08	10.0000	6279.10	8.90%	4.26%	
		<b>Note</b> : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.						

### Future Equity Pension Fund (ULIF 020 04/02/08 FEP 110)

Fund Details		Fund Performance					Asset Allocation	
<b>Investment Objective</b>	: The primary investment objective of the Fund is to generate long term capital appreciation from a portfolio that is invested predominantly in equity and equity linked securities.	<b>PERIOD</b>	<b>DATE</b>	<b>NAV</b>	<b>CNX Nifty</b>	<b>NAV Change</b>	<b>INDEX Change</b>	
<b>NAV as on 31 Mar, 15</b>	: ₹20.5783	Last 3 Months	31-Dec-14	19.5735	8282.70	5.13%	2.51%	
<b>Benchmark</b>	: CNX Nifty-100%	Last 6 Months	30-Sep-14	18.4137	7964.80	11.76%	6.61%	
<b>Corpus as on 31 Mar, 15</b>	: ₹189.63 Crs.	Last 1 Year	31-Mar-14	15.1197	6704.20	36.10%	26.65%	
		Last 2 Years	31-Mar-13	12.6758	5682.55	27.41%	22.24%	
		Last 3 Years	31-Mar-12	11.8938	5295.55	20.05%	17.04%	
		Last 4 Years	31-Mar-11	13.0319	5833.75	12.10%	9.84%	
		Last 5 Years	31-Mar-10	11.5129	5249.10	12.32%	10.10%	
		Since Inception	04-Feb-08	10.0000	5463.50	10.61%	6.36%	
		<b>Note</b> : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.						

# Quick Glance - Funds Performance

(Funds with AUM of more than ₹125 crores as on 31<sup>st</sup> March 2015)

## Select Equity Fund (ULIF 024 06/10/08 TSE 110)

### Fund Details

**Investment Objective** : The primary investment objective of the fund is to provide income distribution over a period of medium to long term while at all times emphasizing the importance of capital appreciation. The fund will invest significant amount in equity and equity linked instruments specifically excluding companies predominantly dealing in Gambling, Lotteries/Contests, Animal Produce, Liquor, Tobacco, Entertainment (Films, TV etc) Hotels, Banks and Financial Institutions.

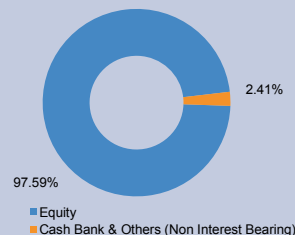
**NAV as on 31 Mar, 15** : ₹33.6608  
**Benchmark** : CNX India 500 Shariah Index - 100%  
**Corpus as on 31 Mar, 15** : ₹197.60 Crs.

### Fund Performance

PERIOD	DATE	NAV	CNX India 500 Shariah Index	NAV Change	INDEX Change
Last 3 Months	31-Dec-14	31.3318	2051.86	7.43%	4.60%
Last 6 Months	30-Sep-14	29.6627	2021.14	13.48%	6.19%
Last 1 Year	31-Mar-14	22.7545	1623.70	47.93%	32.19%
Last 2 Years	31-Mar-13	18.5467	1322.85	34.72%	27.38%
Last 3 Years	31-Mar-12	17.1778	1252.73	25.14%	19.66%
Last 4 Years	31-Mar-11	17.9614	1340.15	17.00%	12.50%
Last 5 Years	31-Mar-10	16.2079	1274.90	15.74%	10.98%
Since Inception	06-Oct-08	10.0000	844.46	20.58%	15.47%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

### Asset Allocation



## Super Select Equity Fund (ULIF 035 16/10/09 TSS 110)

### Fund Details

**Investment Objective** : The primary investment objective of the fund is to provide income distribution over a period of medium to long term while at all times emphasizing the importance of capital appreciation.

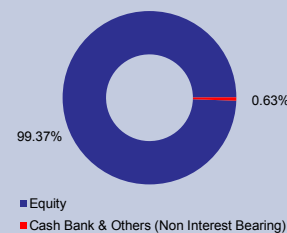
**NAV as on 31 Mar, 15** : ₹22.3586  
**Benchmark** : CNX India 500 Shariah Index - 100%  
**Corpus as on 31 Mar, 15** : ₹912.23 Crs.

### Fund Performance

PERIOD	DATE	NAV	CNX India 500 Shariah Index	NAV Change	INDEX Change
Last 3 Months	31-Dec-14	20.7724	2051.86	7.64%	4.60%
Last 6 Months	30-Sep-14	19.5212	2021.14	14.53%	6.19%
Last 1 Year	31-Mar-14	14.9103	1623.70	49.95%	32.19%
Last 2 Years	31-Mar-13	12.0459	1322.85	36.24%	27.38%
Last 3 Years	31-Mar-12	11.2889	1252.73	25.58%	19.66%
Last 4 Years	31-Mar-11	11.7349	1340.15	17.49%	12.50%
Last 5 Years	31-Mar-10	10.4760	1274.90	16.37%	10.98%
Since Inception	16-Oct-09	10.0000	1217.76	15.89%	10.94%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

### Asset Allocation



## Top 200 Fund (ULIF 027 12/01/09 ITT 110)

### Fund Details

**Investment Objective** : The Top 200 fund will invest primarily in select stocks and equity linked instruments which are a part of BSE 200 Index with a focus on generating long term capital appreciation. The fund will not replicate the index but aim to attain performance better than the performance of the Index. As a defensive strategy arising out of market conditions, the scheme may also invest in debt and money market instruments.

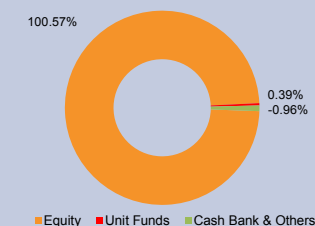
**NAV as on 31 Mar, 15** : ₹33.3447  
**Benchmark** : S&P BSE 200 - 100%  
**Corpus as on 31 Mar, 15** : ₹195.43 Crs.

### Fund Performance

PERIOD	DATE	NAV	S&P BSE 200	NAV Change	INDEX Change
Last 3 Months	31-Dec-14	31.1804	3428.09	6.94%	3.19%
Last 6 Months	30-Sep-14	29.0545	3251.84	14.77%	8.79%
Last 1 Year	31-Mar-14	22.9709	2681.35	45.16%	31.93%
Last 2 Years	31-Mar-13	19.0692	2287.96	32.24%	24.34%
Last 3 Years	31-Mar-12	18.0142	2157.89	22.78%	17.91%
Last 4 Years	31-Mar-11	19.3704	2378.69	14.54%	10.43%
Last 5 Years	31-Mar-10	17.4689	2199.50	13.80%	9.97%
Since Inception	12-Jan-09	10.0000	1091.37	21.38%	20.83%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

### Asset Allocation



## Balanced Funds

## Aggressive Growth Fund (ULIF 006 01/07/06 TAL 110)

### Fund Details

**Investment Objective** : The primary investment objective of the fund is to maximize the returns with medium to high risk.

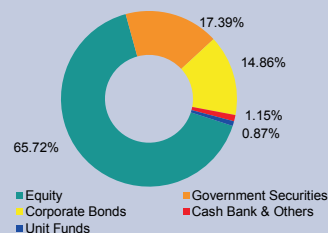
**NAV as on 31 Mar, 15** : ₹24.2072  
**Benchmark** : S&P BSE Sensex - 65%, CRISIL Composite Bond Index - 35%  
**Corpus as on 31 Mar, 15** : ₹199.58 Crs.

### Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 3 Months	31-Dec-14	23.5969	2.59%	2.08%
Last 6 Months	30-Sep-14	22.2829	8.64%	6.00%
Last 1 Year	31-Mar-14	18.7635	29.01%	21.28%
Last 2 Years	31-Mar-13	16.5899	20.80%	17.46%
Last 3 Years	31-Mar-12	15.5098	16.00%	14.39%
Last 4 Years	31-Mar-11	16.2165	10.53%	9.30%
Last 5 Years	31-Mar-10	15.0072	10.03%	9.21%
Since Inception	01-Jul-06	10.0000	10.63%	10.18%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

### Asset Allocation



## Whole Life Aggressive Growth Fund (ULIF 010 04/01/07 WLA 110)

### Fund Details

**Investment Objective** : The primary investment objective of the fund is to maximize the returns with medium to high risk.

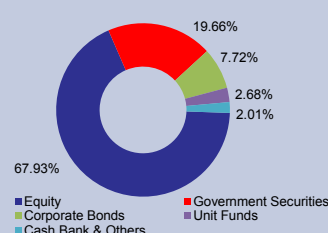
**NAV as on 31 Mar, 15** : ₹24.1368  
**Benchmark** : Nifty - 65%, CRISIL Composite Bond Index - 35%  
**Corpus as on 31 Mar, 15** : ₹405.09 Crs.

### Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 3 Months	31-Dec-14	23.2030	4.02%	2.63%
Last 6 Months	30-Sep-14	21.7766	10.84%	7.05%
Last 1 Year	31-Mar-14	18.2256	32.43%	22.43%
Last 2 Years	31-Mar-13	15.9299	23.09%	17.73%
Last 3 Years	31-Mar-12	14.6248	18.18%	14.34%
Last 4 Years	31-Mar-11	15.0577	12.52%	9.51%
Last 5 Years	31-Mar-10	13.6178	12.13%	9.41%
Since Inception	08-Jan-07	10.0000	11.30%	8.98%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

### Asset Allocation



# Quick Glance - Funds Performance

(Funds with AUM of more than ₹125 crores as on 31<sup>st</sup> March 2015)

## Growth Fund (ULIF 004 04/02/04 TGL 110)

### Fund Details

**Investment Objective** : The primary investment objective of the fund is to maximize the returns with medium to high risk.

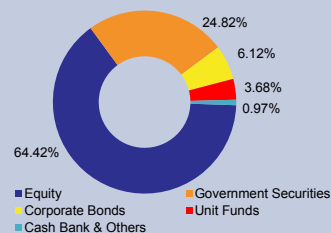
**NAV as on 31 Mar, 15** : ₹38.1632  
**Benchmark** : S&P BSE Sensex - 65%, CRISIL Composite Bond Index - 35%  
**Corpus as on 31 Mar, 15** : ₹140.88 Crs.

### Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 3 Months	31-Dec-14	37.0423	3.03%	2.08%
Last 6 Months	30-Sep-14	34.8403	9.54%	6.00%
Last 1 Year	31-Mar-14	29.6997	28.50%	21.28%
Last 2 Years	31-Mar-13	26.1770	20.74%	17.46%
Last 3 Years	31-Mar-12	24.2027	16.39%	14.39%
Last 4 Years	31-Mar-11	25.6897	10.40%	9.30%
Last 5 Years	31-Mar-10	23.9025	9.81%	9.21%
Since Inception	02-Mar-04	10.0000	12.84%	12.08%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

### Asset Allocation



## Fixed Income Funds

### Whole Life Income Fund (ULIF 012 04/01/07 WLI 110)

#### Fund Details

**Investment Objective** : The primary investment objective of the Fund is to generate income through investing in a range of debt and money market instruments of various maturities with a view to maximizing the optimal balance between yield, safety and liquidity. The Fund will have no investments in equity or equity linked instruments at any point in time.

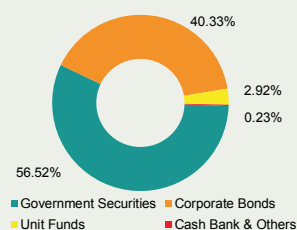
**NAV as on 31 Mar, 15** : ₹18.8427  
**Benchmark** : CRISIL Composite Bond Index -100%  
**Corpus as on 31 Mar, 15** : ₹247.29 Crs.

#### Fund Performance

PERIOD	DATE	NAV	Crisil Composite Bond Fund Index	NAV Change	INDEX Change
Last 3 Months	31-Dec-14	18.2539	2280.87	3.23%	2.84%
Last 6 Months	30-Sep-14	17.2240	2174.26	9.40%	7.89%
Last 1 Year	31-Mar-14	16.2544	2047.13	15.92%	14.59%
Last 2 Years	31-Mar-13	15.5121	1961.97	10.21%	9.34%
Last 3 Years	31-Mar-12	13.9560	1795.50	10.53%	9.32%
Last 4 Years	31-Mar-11	12.8288	1667.12	10.09%	8.91%
Last 5 Years	31-Mar-10	12.1467	1586.80	9.18%	8.13%
Since Inception	08-Jan-07	10.0000	1298.79	8.00%	7.45%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

#### Asset Allocation



### Whole Life Short Term Fixed Income Fund (ULIF 013 04/01/07 WLF 110)

#### Fund Details

**Investment Objective** : The primary investment objective of the Fund is to generate stable returns by investing in fixed income securities having shorter maturity periods. Under normal circumstances, the average maturity of the Fund may be in the range of 1-3 years.

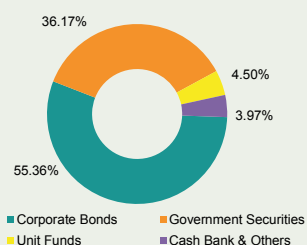
**NAV as on 31 Mar, 15** : ₹18.1952  
**Benchmark** : CRISIL Short Term Bond Index -100%  
**Corpus as on 31 Mar, 15** : ₹131.37 Crs.

#### Fund Performance

PERIOD	DATE	NAV	Crisil Short Term Bond Index	NAV Change	INDEX Change
Last 3 Months	31-Dec-14	17.8053	2376.94	2.19%	2.38%
Last 6 Months	30-Sep-14	17.3520	2311.69	4.86%	5.27%
Last 1 Year	31-Mar-14	16.6109	2205.82	9.54%	10.33%
Last 2 Years	31-Mar-13	15.3186	2027.60	8.99%	9.55%
Last 3 Years	31-Mar-12	13.9537	1858.56	9.25%	9.40%
Last 4 Years	31-Mar-11	12.8276	1716.04	9.13%	9.13%
Last 5 Years	31-Mar-10	12.2455	1632.46	8.24%	8.31%
Since Inception	08-Jan-07	10.0000	1281.09	7.54%	8.11%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

#### Asset Allocation



## Guaranteed NAV Funds

The fund would be predominantly invested in equity at inception, wherein the dynamic asset allocation mechanism allocates the portfolio between equity and debt. This dynamic asset allocation is based on the performance of equity markets and movements in interest rates. The equity allocation may be reallocated to debt if the equity markets or interest rates fall, to safeguard the guarantee.

Over time, the asset mix will predominantly shift to debt to protect the guarantee. This dynamic asset allocation process will drive the returns generated by the Apex Return Lock-in Fund. The dynamic asset allocation shifts the allocation of the fund from an equity bias to a debt bias, over time. This would mean that the Guaranteed NAV would not mimic the highest level of the equity market, over the period the guarantee is applicable. Any unexpected and sharp falls in equity market and/or interest rates, during the period the guarantee is applicable, may trigger the allocation to completely move towards debt, to protect the highest NAV achieved prior to the fall. Overall, it is an ideal fund for an investor who wants to take advantage of high returns in a positive market scenario while safe-guarding the investment during any downturn.

### APEX Return Lock-In Fund (ULIF 032 18/02/09 ARL 110)

#### Fund Details

**Investment Objective** : The investment objective for Apex Return Lock-in Fund is to use the participation in an actively managed well diversified equity portfolio of large cap companies to generate capital appreciation and use high credit quality debt instruments to lock-in that capital appreciation. The initial asset allocation in equities is targeted at 80% to 100%.

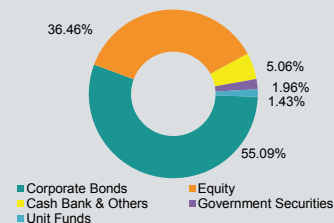
**The highest NAV recorded on reset date** : ₹17.1087  
**Corpus as on 31 Mar, 15** : ₹281.56 Crs.

#### Fund Performance

PERIOD	DATE	NAV	NAV Change
Last 3 Months	31-Dec-14	16.5501	2.96%
Last 6 Months	30-Sep-14	15.9265	6.99%
Last 1 Year	31-Mar-14	14.1980	20.01%
Last 2 Years	31-Mar-13	12.6197	16.20%
Last 3 Years	31-Mar-12	11.5165	13.95%
Last 4 Years	31-Mar-11	12.0459	9.06%
Last 5 Years	31-Mar-10	11.1051	8.94%
Since Inception	10-Jun-09	10.0000	9.61%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

#### Asset Allocation



# Quick Glance - Funds Performance

(Funds with AUM of more than ₹125 crores as on 31<sup>st</sup> March 2015)

## APEX Return Lock-In Fund II (ULIF 033 03/08/09 AR2 110)

### Fund Details

**Investment Objective** : The investment objective for Apex Return Lock-in Fund II is to use the participation in an actively managed well diversified equity portfolio of large cap companies to generate capital appreciation and use high credit quality debt instruments to lock-in that capital appreciation. The initial asset allocation in equities is targeted at 80% to 100%.

**The highest NAV recorded on reset date** : ₹16.0926

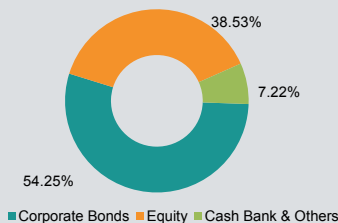
**Corpus as on 31 Mar, 15** : ₹203.64 Crs.

### Fund Performance

PERIOD	DATE	NAV	NAV Change
Last 3 Months	31-Dec-14	15.5480	3.14%
Last 6 Months	30-Sep-14	15.0332	6.67%
Last 1 Year	31-Mar-14	13.3612	20.02%
Last 2 Years	31-Mar-13	11.8352	16.40%
Last 3 Years	31-Mar-12	10.7598	14.23%
Last 4 Years	31-Mar-11	11.2464	9.28%
Last 5 Years	31-Mar-10	10.3286	9.20%
Since Inception	10-Nov-09	10.0000	9.16%

Note: The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

### Asset Allocation



## Apex Plus Return Lock-in-Fund (ULIF 047 01/02/10 RA1 110)

### Fund Details

**Investment Objective** : The investment objective for Apex Plus Return Lock-in Fund is to use the participation in an actively managed well diversified equity portfolio of large cap companies to generate capital appreciation and use high credit quality debt instruments to lock-in that capital appreciation. The initial asset allocation in equities is targeted at 80% to 100%.

**The highest NAV recorded on reset date** : ₹15.9257

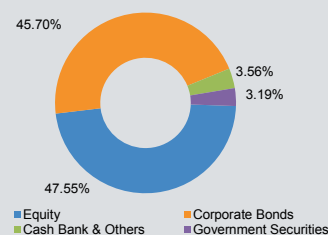
**Corpus as on 31 Mar, 15** : ₹146.00 Crs.

### Fund Performance

PERIOD	DATE	NAV	NAV Change
Last 3 Months	31-Dec-14	15.2655	3.69%
Last 6 Months	30-Sep-14	14.6934	7.73%
Last 1 Year	31-Mar-14	12.9076	22.63%
Last 2 Years	31-Mar-13	11.3945	17.86%
Last 3 Years	31-Mar-12	10.4472	14.85%
Last 4 Years	31-Mar-11	11.0380	9.43%
Since Inception	10-May-10	10.0000	9.84%

Note: The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

### Asset Allocation



## Apex Pension 10 Return Lock-in Fund (ULIF 043 20/01/10 PR2 110)

### Fund Details

**Investment Objective** : The investment objective for Apex Pension 10 Return Lock-in Fund is to use the participation in an actively managed well diversified equity portfolio of large cap companies to generate capital appreciation and use high credit quality debt instruments to lock-in that capital appreciation. The initial asset allocation in equities is targeted at 80% to 100%.

**The highest NAV recorded on reset date** : ₹15.9773

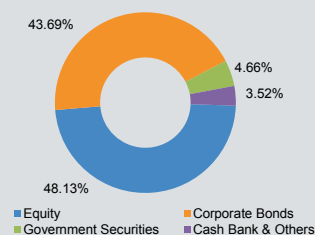
**Corpus as on 31 Mar, 15** : ₹127.78 Crs.

### Fund Performance

PERIOD	DATE	NAV	NAV Change
Last 3 Months	31-Dec-14	15.3305	3.69%
Last 6 Months	30-Sep-14	14.7466	7.80%
Last 1 Year	31-Mar-14	12.8755	23.46%
Last 2 Years	31-Mar-13	11.3361	18.42%
Last 3 Years	31-Mar-12	10.3892	15.23%
Last 4 Years	31-Mar-11	11.0251	9.58%
Since Inception	10-May-10	10.0000	9.94%

Note: The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

### Asset Allocation



## Equity Outlook

The month of March 2015 saw the benchmark index BSE Sensex and CNX Nifty shed 4.78% and 4.62% respectively. The Mid-cap index, CNX Mid-cap shed a modest 0.89% during the same period.

FII's were net buyers with inflows of around USD 1.6 bn in the month of March 2015 and the DIIs were net sellers to the tune of USD 14 mn with insurance companies net sellers to the tune of USD 0.54 bn and domestic mutual funds, net buyers to the tune of USD 0.53 bn. FIIs have bought Indian equities to the tune of USD 5.9 bn in the first three months of the calendar year even as the DIIs have been net sellers of around USD 0.9 bn in the same period, with insurance companies selling around USD 2.2 bn even as domestic mutual funds bought around USD 1.3 bn.

Indian parliament approved the long-pending legislation on insurance that facilitated an increase in the foreign ownership in the sector, to 49% from the 26% permitted earlier. The new law will allow foreign joint venture partners to increase their stakes, helping insurance companies monetize their stake or access growth capital.

The Coal Mines Special Provision Bill 2015, which was passed by the Parliament, provided the legal framework for auctioning of all coal blocks. Moreover, it enabled private participation in coal auctions for commercial mining.

The Mines & Minerals Development and Regulation Amendment Bill 2015 (MMDRA) passed by the Parliament mandated all mining leases to be granted only via competitive bidding or e-auctions, thereby creating a level playing field and increasing transparency besides providing an opportunity for companies to secure long term supply of key raw materials like iron ore and bauxite.

The government's assured revenue from telecom spectrum auction was pegged at ₹1.09 tn with many telecom operators bidding aggressively to regain their existing spectrum holding as 29 licenses of different operators were up for renewal in FY2016.

The Union cabinet has cleared a proposal to revive the gas-based power plants stranded due to lack of gas. The mechanism envisaged importing Regasified Liquefied Natural Gas (RLNG) for supply to these plants to improve the operational performance of these projects so that they can generate power at 30% of their capacity. The government has proposed to conduct a 'reverse auction' to source capacity eligible for this scheme with the government providing subsidy beyond ₹5.5/KWh, which would be the cap in tariff for the power produced.

The Cabinet Committee on Economic Affairs (CCEA) has approved a proposal to pool prices of domestic natural gas and imported LNG used by fertilizer plants to make the cost of fuel uniform and affordable. This will lead to supply of gas to all urea plants at uniform prices and result in savings in the urea subsidy.

The market experts would be keenly watching the executive actions from the government such as finalizing the subsidy sharing formula with respect to state owned oil and gas companies and the government's plans to infuse capital in the PSU Banks.

The Indian markets have been buoyant in the last twelve months aided by positive sentiments due to a reform oriented government as well as a significant improvement in the macro situation due to low global oil prices, a stable currency and a sharp decline in inflation. However, these tailwinds are yet to translate in a broad based earnings recovery for corporate India.

Some market experts opine that there could be some downward pressure on the FY2016 earnings estimates for companies making up the BSE Sensex due to weak domestic demand conditions, tepid performance of upstream energy sector on account of a steep fall in oil prices as well as adverse impact on earnings of



# Quick Glance - Funds Performance

(Funds with AUM of more than ₹125 crores as on 31<sup>st</sup> March 2015)

metals and mining companies due to higher royalty pay out. However, these headwinds would be offset to an extent by the expectations of robust government spending in infrastructure as well as an uptick in retail loan growth aided by lower interest rates.

Continued reform agenda of the government as well as the fourth quarter earnings season will offer cues for shaping the near term trajectory of the equity market. We believe that the equity markets continue to offer comfort of reasonable valuations for a long-term investor with a 3-5 year view.

## Debt Outlook

Debt market in the month of March 2015 saw the 10 year Government security (G-sec) close the month at 7.74% levels, hardening by 2 bps from February levels. The yields hardened across the yield curve reflecting subdued sentiment in the G-sec market in the month of March. On the corporate bond side, the 10 year AAA corporate bonds closed the month at around 8.28% levels, hardening by just 1 bp over the month. The foreign portfolio investors (FPIs) have bought Indian debt to the tune of USD 0.9 bn in the month of March 2015 taking the cumulative purchase to around USD 6.8 bn in the first three months of the calendar year 2015.

The central government's borrowing calendar for fiscal FY 2016 indicated that it will borrow ₹3.6 tn in the first half of the fiscal FY 2016 compared to ₹3.68 tn in the first half prior fiscal. The borrowing calendar has been front-loaded as usual with the government targeting to complete 60% of its gross borrowing program for FY 2016 in the first half itself. While the quantum of gross borrowing in the first half is similar to last year, the net borrowing is pegged at ₹2.25 tn, 23% lower than the same period last year on account of higher redemption. The central government plans to auction securities with a 40-year maturity for the first time in an effort to attract long term funds from insurance companies, pension funds and provident fund players.

In its first Bi-monthly policy for FY 2016, the RBI kept the policy repo rate unchanged at 7.5 %. The RBI expected the CPI inflation to remain at its current levels in the first quarter of FY 2016, moderating thereafter to around 4 % by August before firming up to reach 5.8 % by March 2016 . The RBI noted the upside risks to the projected path of inflation from the possibility of less than normal monsoon; surge in vegetable and fruit prices given unseasonal rains and geo-political developments leading to hardening of global commodity prices, among other factors. However, the RBI opined that these upside risks might be offset by downside originating from global disinflationary tendencies as well as the slack in the domestic economy.

The RBI noted with concern that the transmission of policy rates to lending rates had not taken place thus far, despite weak credit off take and the front loading of two rate cuts. The RBI stated that with little monetary transmission, and the possibility that the incoming data would provide more clarity on the balance of risks to inflation, it decided to maintain status quo in its monetary policy stance in this review.

The RBI reiterated that the Monetary policy framework agreement signed by the Government of India and the RBI in February 2015 would shape the stance of its monetary policy in FY 2016 and succeeding years. The RBI expects to stay focused on ensuring that the economy disinflates gradually and durably, with CPI inflation targeted at 6% by January 2016 and at 4% by the end of FY 2018.

RBI noted the gradual improvement in growth and opined that comfortable liquidity conditions should enable banks to transmit the recent reductions in the policy rate into their lending rates, thereby improving financing conditions for the productive sectors of the economy. The RBI projected the growth for FY2016 at 7.8% assuming normal monsoon, higher by 30 bps from 7.5% in the prior fiscal, albeit with a downward bias to reflect the still subdued indicators of economic activity.

Going forward, the RBI guided that the accommodative stance of monetary policy would be maintained but monetary policy actions would be conditioned by incoming data. The RBI will await the transmission by banks of its front-loaded rate reductions into their lending rates as well as monitor developments in sectoral prices, especially those of food due to the effects of recent weather disturbances and the likely strength of the monsoon even as it will look through seasonal as well as base effects. The RBI believed that government's policy efforts to unclog the supply response to make available key inputs such as power and land, progress on repurposing of public spending from poorly targeted subsidies towards public investment and reducing the pipeline of stalled investment will help in addressing supply constraints and create room for monetary accommodation. Finally, the RBI would watch for signs of normalization of the US monetary policy, though it anticipates India to be better buffered against likely volatility than in the past. Based on this guidance from the RBI, some market watchers expect limited room for more repo rate cuts from the RBI in the near term if the inflation tracks the RBI's projected path of 5.8% in March 2016.

The borrowing calendar and the RBI policy have been broadly in line with market expectations. The bond markets will react to domestic inflationary dynamics as these would shape RBI's monetary policy. Additionally, the government policies to contain food inflation and ease supply concerns of key inputs as well as commentary on interest rate action from the US Federal Reserve would be other factors which would determine the trajectory of yields in the Indian fixed income market in the near term.

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