Quick Glance - Funds Performance

(Funds with AUM of more than ₹125 crores as on 31st January 2013)

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

Saravana Kumar
Chief Investment Officer

Message from CIO's Desk

The month of January 2013 saw the benchmark indices; BSE Sensex and CNX Nifty gain around 2.41% and 2.20% respectively, even as the Mid-cap index, CNX Mid-cap shed 1.66% during the same period.

Equity Funds

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

Fund Details

Investment Objective : 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.

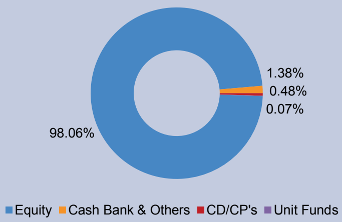
Fund Manager	:	Mr. Saravana Kumar
NAV as on 31 Jan, 13	:	₹34.4596
Benchmark	:	BSE Sensex - 100%
Corpus as on 31 Jan,13	:	₹2,607.46 Crs.

Fund Performance

PERIOD	DATE	NAV	BSE Sensex	NAV Change	INDEX Change
Last 6 Months	31-Jul-12	30.0129	17236.18	14.82%	15.43%
Last 1 Year	31-Jan-12	29.6195	17193.55	16.34%	15.71%
Last 2 Years	31-Jan-11	32.6614	18327.76	2.72%	4.19%
Last 3 Years	29-Jan-10	28.6610	16357.96	6.33%	6.74%
Last 4 Years	30-Jan-09	16.7370	9424.24	19.79%	20.54%
Last 5 Years	31-Jan-08	36.0370	17648.71	-0.89%	2.43%
Since Inception	02-Mar-04	10.0000	5823.17	14.87%	14.76%

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

Fund Details

Investment Objective : 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.

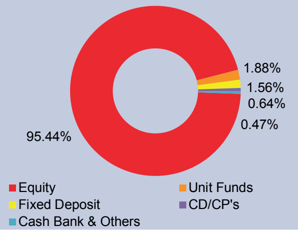
Fund Manager	:	Mr. Saravana Kumar
NAV as on 31 Jan, 13	:	₹15.5173
Benchmark	:	NSE CNX MIDCAP-100%
Corpus as on 31 Jan,13	:	₹1,920.51 Crs.

Fund Performance

PERIOD	DATE	NAV	NSE CNX MIDCAP	NAV Change	INDEX Change
Last 6 Months	31-Jul-12	13.4248	7168.50	15.59%	16.67%
Last 1 Year	31-Jan-12	12.5780	7100.55	23.37%	17.79%
Last 2 Years	31-Jan-11	13.4128	7922.50	7.56%	2.75%
Last 3 Years	29-Jan-10	11.8340	7201.85	9.45%	5.11%
Last 4 Years	30-Jan-09	6.2010	3357.35	25.77%	25.63%
Last 5 Years	31-Jan-08	13.4340	7308.05	2.93%	2.74%
Since Inception	08-Jan-07	10.0000	5156.45	7.51%	8.30%

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



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

Fund Details

Investment Objective : 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.

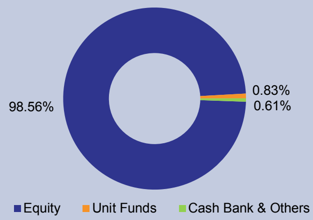
Fund Manager	:	Mr. Saravana Kumar
NAV as on 31 Jan, 13	:	₹12.0870
Benchmark	:	S&P CNX Nifty-100%
Corpus as on 31 Jan,13	:	₹972.39 Crs.

Fund Performance

PERIOD	DATE	NAV	S&P CNX Nifty	NAV Change	INDEX Change
Last 6 Months	31-Jul-12	10.5408	5229.00	14.67%	15.41%
Last 1 Year	31-Jan-12	10.2167	5199.25	18.31%	16.07%
Last 2 Years	31-Jan-11	10.9437	5505.90	5.09%	4.69%
Last 3 Years	29-Jan-10	9.5290	4882.05	8.25%	7.32%
Last 4 Years	30-Jan-09	5.6740	2874.80	20.81%	20.37%
Last 5 Years	31-Jan-08	10.0870	5137.45	3.68%	3.27%
Since Inception	07-Jan-08	10.0000	6279.10	3.81%	-0.78%

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



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

Fund Details

Investment Objective : 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.

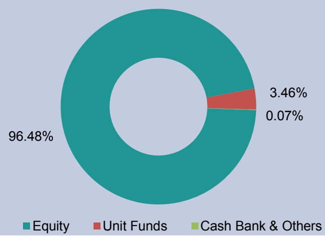
Fund Manager	:	Mr. Saravana Kumar
NAV as on 31 Jan, 13	:	₹13.5072
Benchmark	:	S&P CNX Nifty-100%
Corpus as on 31 Jan,13	:	₹238.84 Crs.

Fund Performance

PERIOD	DATE	NAV	S&P CNX Nifty	NAV Change	INDEX Change
Last 6 Months	31-Jul-12	11.7278	5229.00	15.17%	15.41%
Last 1 Year	31-Jan-12	11.6384	5199.25	16.06%	16.07%
Last 2 Years	31-Jan-11	12.5848	5505.90	3.60%	4.69%
Last 3 Years	29-Jan-10	10.7750	4882.05	7.82%	7.32%
Last 4 Years	30-Jan-09	6.2980	2874.80	21.02%	20.37%
Since Inception	04-Feb-08	10.0000	5463.50	6.20%	2.01%

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



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.

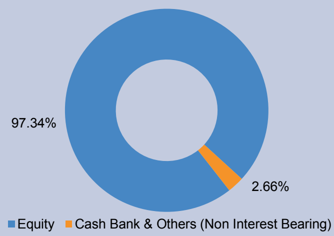
Fund Manager	:	Mr. Saravana Kumar
NAV as on 31 Jan, 13	:	₹19.2028
Benchmark	:	S & P India 500 Shariah Index - 100%
Corpus as on 31 Jan,13	:	₹218.64 Crs.

Fund Performance

PERIOD	DATE	NAV	S & P India 500 Shariah Index	NAV Change	INDEX Change
Last 6 Months	31-Jul-12	17.0807	1215.84	12.42%	13.02%
Last 1 Year	31-Jan-12	16.5919	1214.33	15.74%	13.16%
Last 2 Years	31-Jan-11	17.5919	1294.22	4.48%	3.04%
Last 3 Years	29-Jan-10	15.1660	1198.63	8.18%	4.66%
Last 4 Years	30-Jan-09	10.0560	648.91	17.55%	20.63%
Since Inception	06-Oct-08	10.0000	844.46	16.29%	11.92%

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



TATA AIA LIFE

Quick Glance - Funds Performance
(Funds with AUM of more than ₹125 crores as on 31st January 2013)

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

Fund Manager : Mr. Saravana Kumar

NAV as on 31 Jan, 13 : ₹12.4733

Benchmark : S & P India 500 Shariah Index - 100%

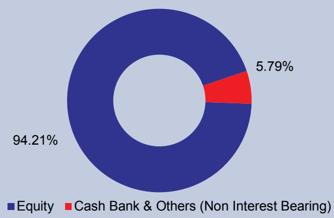
Corpus as on 31 Jan,13 : ₹515.40 Crs.

Fund Performance

PERIOD	DATE	NAV	S & P India 500 Shariah Index	NAV Change	INDEX Change
Last 6 Months	31-Jul-12	11.1458	1215.84	11.91%	13.02%
Last 1 Year	31-Jan-12	10.9215	1214.33	14.21%	13.16%
Last 2 Years	31-Jan-11	11.5054	1294.22	4.12%	3.04%
Last 3 Years	29-Jan-10	9.9780	1198.63	7.72%	4.66%
Since Inception	16-Oct-09	10.0000	1217.76	6.94%	3.73%

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.

Fund Manager : Mr. Saravana Kumar

NAV as on 31 Jan, 13 : ₹20.4291

Benchmark : BSE 200 - 100%

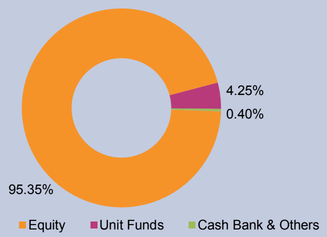
Corpus as on 31 Jan,13 : ₹158.41 Crs.

Fund Performance

PERIOD	DATE	NAV	BSE 200	NAV Change	INDEX Change
Last 6 Months	31-Jul-12	17.7540	2114.47	15.07%	16.39%
Last 1 Year	31-Jan-12	17.4574	2097.94	17.02%	17.31%
Last 2 Years	31-Jan-11	18.7022	2270.22	4.51%	4.12%
Last 3 Years	29-Jan-10	16.4470	2065.21	7.49%	6.02%
Last 4 Years	30-Jan-09	10.0180	1107.06	19.50%	22.11%
Since Inception	12-Jan-09	10.0000	1091.37	19.27%	22.21%

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.

Fund Manager : Mr. Saravana Kumar

NAV as on 31 Jan, 13 : ₹17.2941

Benchmark : BSE Sensex - 65%, CRISIL Composite Bond Index - 35%

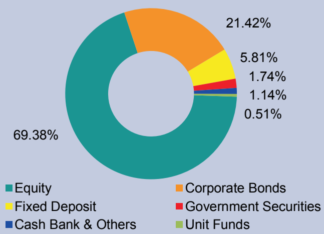
Corpus as on 31 Jan,13 : ₹301.18 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	31-Jul-12	15.5146	11.47%	11.79%
Last 1 Year	31-Jan-12	15.1793	13.93%	13.50%
Last 2 Years	31-Jan-11	15.8018	4.62%	5.78%
Last 3 Years	29-Jan-10	14.3130	6.51%	6.92%
Last 4 Years	30-Jan-09	9.7710	15.34%	15.66%
Last 5 Years	31-Jan-08	14.5890	3.46%	3.94%
Since Inception	01-Jul-06	10.0000	8.67%	8.87%

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.

Fund Manager : Mr. Saravana Kumar

NAV as on 31 Jan, 13 : ₹16.5505

Benchmark : Nifty - 65% CRISIL Composite Bond Index -35%

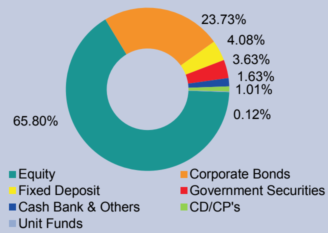
Corpus as on 31 Jan,13 : ₹392.87 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	31-Jul-12	14.6897	12.67%	11.78%
Last 1 Year	31-Jan-12	14.3389	15.42%	13.73%
Last 2 Years	31-Jan-11	14.5535	6.64%	6.11%
Last 3 Years	29-Jan-10	12.9730	8.46%	7.29%
Last 4 Years	30-Jan-09	8.9920	16.48%	15.55%
Last 5 Years	31-Jan-08	12.5520	5.69%	4.49%
Since Inception	08-Jan-07	10.0000	8.66%	7.15%

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



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

Fund Manager : Mr. Saravana Kumar

NAV as on 31 Jan, 13 : ₹27.2829

Benchmark : BSE Sensex - 65%, CRISIL Composite Bond Index - 35%

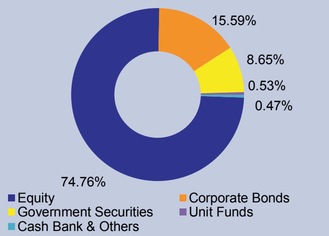
Corpus as on 31 Jan,13 : ₹142.48 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	31-Jul-12	24.2869	12.34%	11.79%
Last 1 Year	31-Jan-12	23.7754	14.75%	13.50%
Last 2 Years	31-Jan-11	24.9940	4.48%	5.78%
Last 3 Years	29-Jan-10	22.8950	6.02%	6.92%
Last 4 Years	30-Jan-09	15.9890	14.29%	15.66%
Last 5 Years	31-Jan-08	25.7470	1.17%	3.94%
Since Inception	02-Mar-04	10.0000	11.90%	11.56%

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



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Quick Glance - Funds Performance
(Funds with AUM of more than ₹125 crores as on 31st January 2013)

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.

Fund Manager : Mr. Saravana Kumar

NAV as on 31 Jan, 13 : ₹15.3585

Benchmark : CRISIL Composite Bond Index -100%

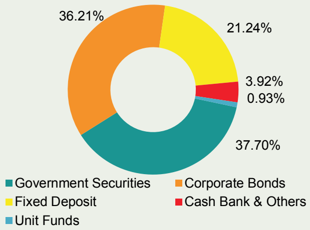
Corpus as on 31 Dec, 12 : ₹210.83 Crs.

Fund Performance

PERIOD	DATE	NAV	Crisil Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	31-Jul-12	14.4753	1849.96	6.10%	5.03%
Last 1 Year	31-Jan-12	13.8558	1776.42	10.85%	9.38%
Last 2 Years	31-Jan-11	12.6452	1643.29	10.21%	8.74%
Last 3 Years	29-Jan-10	12.0230	1575.32	8.50%	7.24%
Last 4 Years	30-Jan-09	11.0800	1504.76	8.51%	6.60%
Last 5 Years	31-Jan-08	10.1950	1402.36	8.54%	6.74%
Since Inception	08-Jan-07	10.0000	1298.79	7.33%	6.86%

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, overtime. 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%.

Fund Manager : Mr. Saravana Kumar

The highest NAV recorded on reset date : ₹12.9498

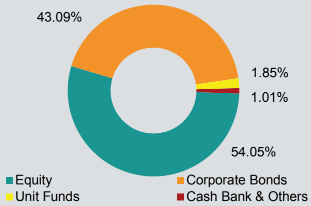
Corpus as on 31 Dec, 12 : ₹354.32 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change
Last 6 Months	31-Jul-12	11.6905	10.77%
Last 1 Year	31-Jan-12	11.3753	13.84%
Last 2 Years	31-Jan-11	11.6297	5.52%
Last 3 Years	29-Jan-10	10.5700	7.00%
Since Inception	10-Jun-09	10.0000	7.35%

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 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%.

Fund Manager : Mr. Saravana Kumar

The highest NAV recorded on reset date : ₹12.1450

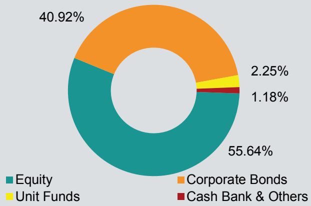
Corpus as on 31 Dec, 12 : ₹245.33 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change
Last 6 Months	31-Jul-12	10.9051	11.37%
Last 1 Year	31-Jan-12	10.5940	14.64%
Last 2 Years	31-Jan-11	10.8639	5.73%
Last 3 Years	29-Jan-10	9.8290	7.31%
Since Inception	10-Nov-09	10.0000	6.21%

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 January 2013 saw the benchmark indices; BSE Sensex and CNX Nifty gain 2.41% and 2.20% respectively, even as the Mid-cap index, CNX Mid-cap shed 1.66% during the same period.

FIIs were net buyers with net inflow of around USD 4 billion in January 2013 even as the DIIs were net sellers to the tune of around USD 3.2 billion, with domestic mutual funds net sellers of USD 0.8 billion and Insurance companies net sellers of around USD 2.4 billion over the month.

The Indian macro fundamentals remain muted as India's exports fell by 1.9%, to USD 24.9 billion in December 2012, while imports rose by 6.3% to USD 42.5 billion, leaving a trade deficit of USD 17.6 billion. In recent months, the sharp moderation in exports due to the weak global macro environment has brought the current account deficit concerns in focus and prevented a sharp appreciation of the INR despite robust FII inflows. The weak industrial production is led by a contraction in the output of key sectors such as natural gas, coal and fertilizer , which in turn have resulted in the muted core sector growth in December 2012 of 2.7%.

Standard & Poors (S&P) acknowledged the government's initiatives in recent months to pursue the reforms agenda by stating that the credit rating downgrade risk has receded for India, though there still exists a 1/3rd chance of a rating downgrade. It is believed by market watchers that the likelihood of a rating downgrade has diminished compared to April 2012. The rating agencies would like to see the reforms agenda carried forward into the next fiscal through a fiscally prudent Union budget for FY2014 and may revisit their stance post the upcoming Budget. A credible fiscal consolidation effort through reining in subsidies could nudge rating agencies to consider the possibility of even an upgrade, post the Union budget.

In terms of valuations based on one year forward earnings, the Indian equity markets are trading marginally higher than the long term average. The consensus earnings growth estimates for MSCI India index are at 10% and 16% year on year for FY13E and FY14 E respectively.

The Indian equity market has seen downward earnings revisions since 2011 but this trend seems to be reversing, albeit slowly, in recent months. The profit margins of corporate India seems to have stabilized to an extent, despite a slowdown in revenues, thereby indicating a shift in corporate focus from growth to profitability. The profit margins are expected to trend up in the coming months as the economic recovery gets underway, aided by improved business confidence and lower interest rates.

TATA AIA LIFE

Quick Glance - Funds Performance
(Funds with AUM of more than ₹125 crores as on 31st January 2013)

A slew of reforms since September 2012 such as liberalization of FDI in retail, aviation and broadcasting, deferment of general anti-avoidance rules (GAAR), setting up of the Cabinet Committee on Investment as well as some credible measures for fiscal consolidation have led to a positive market sentiment which, in due course, should spur investment. Further reforms such as hike in FDI in insurance sector, augmenting energy availability through coal linkages and fast tracking key infra projects stuck in inter-ministerial disputes are critical for raising the potential growth path to 8% by FY2015.

In the interim, however, the market experts estimate the GDP growth to recover to 6.5% levels in FY 2014, driven by an enabling policy environment, continued government effort to kick start the investment cycle and a favourable base effect in agriculture growth. A sustained investment cycle requires the recovery in capex cycle, which could be led by the cash-rich public sector undertakings.

The market offers the comfort of reasonable valuations at around 15 times one year forward price earnings. We believe that the Indian equities offer an attractive entry point for a long term investor with a 3-5 year view.

Debt Outlook

January 2013 saw the benchmark 10 year Government security (G-sec) rally by 14 bps over the month, extending the 12 bps rally seen in the previous month, to close the month of January at 7.91% levels.

January 2013 saw the G-sec market rallying due to a better than expected December WPI inflation print and muted fresh issuances in the G-secs, though it hardened towards the end of the month, post the RBI policy. The yields of the 30 year G-sec over the 10 year G-sec contracted to around 20 bps in January 2013 as against the 25 bps, seen in the prior month.

The Finance Minister's expectations of meeting the revised fiscal deficit target of 5.3% of GDP for FY 2013 as well as an assurance of a fiscally tight Union budget for FY 2014 were seen as positive for the bond market sentiments.

The corporate bond market remained steady during the month on the back of muted supply, to close the month of January 2013 at around the 8.75% levels in the 5-10 year bonds, lower than December levels of 8.90%. As a consequence, the corporate bond spread over the benchmark 10 year G-sec stood at around 70 Bps in January 2013.

On the liquidity front, the Liquidity Adjustment Facility -LAF continued to be the primary mode of liquidity injection, maintaining a shortfall of around Rs.0.9 trillion levels for most of the month, largely due to the increase in government balances due to reduced government spending, festival season cash demand as well as muted deposit growth in the banking system, thereby necessitating the RBI to shore up the systemic liquidity through the reduction in the cash reserve ratio (CRR).

In its third quarter review of the Monetary Policy, the RBI cut the repo rate by 25 bps to 7.75%, largely along expected lines as well as the CRR by 25 bps from 4.25% to 4%. This reduction in the CRR would inject primary liquidity of around Rs.180 billion into the banking system.

The RBI stated that both WPI inflation and its core component, nonfood manufactured products inflation, had softened through the third quarter. Moreover, several indicators such as the weaker pricing power of corporate India, excess capacity in some sectors, the possibility of international commodity prices stabilizing as well as inflation momentum measures suggested that inflationary pressures had peaked.

The RBI believed that growth had decelerated significantly below trend and overall economic activity remained tepid due to subdued investment activity, lower external demand due to subpar global growth and decelerating consumption demand. However, the RBI conceded that the series of policy measures announced by the Government had boosted market sentiment though the investment outlook remained muted, especially in terms of demand for new projects.

The RBI also stated that the three broad contours of their monetary policy stance were to provide an appropriate interest rate environment to support growth as inflation risks moderate; contain inflation and anchor inflation expectations as well as to continue to manage liquidity to ensure adequate flow of credit to the productive sectors of the economy.

The RBI was concerned about the widening of the Current Account Deficit (CAD) to historically high levels, especially in the context of a large fiscal deficit and slowing growth. The RBI opined that financing the CAD with increasingly risky and volatile flows increased the economy's vulnerability to sudden shifts in risk appetite and liquidity preference, potentially threatening macroeconomic and exchange rate stability. Moreover, large fiscal deficits accentuate the CAD risk, further crowding out private investment and stunting growth impulses.

The Government, in a bid to reduce the CAD and lower external vulnerability, increased the import duty on gold to 6% from 4%, proposed the linking of Gold exchange traded fund with the Gold Deposit Scheme (GDS) and reducing the minimum threshold of gold quantum and tenure to avail of GDS for retail investors.

The RBI notified the FII limit increases for Rupee-denominated Government and corporate bonds by USD 5 billion each. The three-year residual maturity restrictions in G-secs have been removed for the new USD 5 billion, though the limits are not extended to short-term papers like Treasury bills.

The rally in G-secs could sustain if the RBI continues to favour the OMO route to offset liquidity pressures, broadly seen prevailing in the system till March 2013. The RBIs policy response in the Mid quarter monetary policy review on March 19 2013 and their view on the Government's fiscal consolidation initiatives in the Union budget for FY2014 would provide cues for the G-sec market in the medium term.

In the near term, the increased G-sec supply through four weekly auctions in February 2013 would keep the G-secs under pressure and the benchmark 10-year G-sec may trade in the range of 7.75-7.95%.

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