

# SCHEME INFORMATION DOCUMENT

## Franklin India Banking & PSU Debt Fund

An Open – End Income Fund



FRANKLIN TEMPLETON  
INVESTMENTS

Fund Name	Product Labeling This product is suitable for investors who are seeking*		
	Nature of scheme & indicative time horizon	Brief about the investment objective & kind of product	Level of risk
Franklin India Banking & PSU Debt Fund	Regular Income for medium term	An income fund that invests predominantly in debt and money market instruments issued by Banks and Public Sector Undertakings.	<p><b>Riskometer</b></p> <p>LOW HIGH</p> <p>Investors understand that their principal will be at Moderate risk</p>

\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

### CONTINUOUS OFFER

Offer for units on an ongoing basis at NAV based prices

Mutual Fund	:	Franklin Templeton Mutual Fund
Asset Management Company	:	Franklin Templeton Asset Management (India) Pvt. Ltd.
CIN	:	U67190MH1995PTC093356
Trustee Company	:	Franklin Templeton Trustee Services Pvt. Ltd.
CIN	:	U65991MH1995PTC095500
Sponsor	:	Templeton International, Inc. (USA)
Address	:	Indiabulls Finance Centre, Tower 2, 12th and 13th Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400013
Website	:	www.franklintempletonindia.com

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, as amended till date, and filed with the Securities and Exchange Board of India (SEBI), along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.

The Scheme Information Document (SID) sets forth concisely the information about the scheme that a prospective investor ought to know before investing. Please retain this SID for future reference. Before investing, investors should also ascertain about any further changes to this SID after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

This SID shall remain effective until a 'material change' (other than a change in fundamental attributes and within the purview of the SID) occurs and thereafter changes shall be filed with SEBI and communicated to the investors or publicly notified by advertisements in the newspapers, subject to the applicable Regulations.

The investors are advised to refer to the Statement of Additional Information (SAI) for details of Franklin Templeton Mutual Fund, Tax and Legal issues and general information available on our website [www.franklintempletonindia.com](http://www.franklintempletonindia.com).

The SAI is incorporated by reference (is legally a part of the Scheme Information Document). For a free copy of the current SAI, please contact your nearest Franklin Templeton Investor Service Centre or log on to our website.

The Scheme Information Document should be read in conjunction with the SAI and not in isolation.

This Scheme Information Document is dated June 27, 2017.

## CONTENTS

<b>Sl. No.</b>	<b>CHAPTER</b>	
01.	HIGHLIGHTS/ SUMMARY OF THE SCHEME	03
02.	INTRODUCTION	04
03.	INFORMATION ABOUT THE SCHEME	10
04.	UNITS & OFFER	25
05.	FEES AND EXPENSES OF THE SCHEME	53
06.	RIGHTS OF THE UNITHOLDERS	57
07.	GENERAL UNITHOLDER INFORMATION	57
08.	PENALTIES AND PENDING LITIGATION	59

## 01. HIGHLIGHTS / SUMMARY OF THE SCHEME

<b>Name of the Scheme</b>	<b>Franklin India Banking &amp; PSU Debt Fund (FIBPDF)</b>
<b>Nature of the Scheme</b>	An Open-end Income Fund
<b>Investment Objective</b>	The fund seeks to provide regular income through a portfolio of debt and money market instruments consisting predominantly of securities issued by entities such as Banks and Public Sector Undertakings (PSUs). However, there is no assurance or guarantee that the objective of the scheme will be achieved.
<b>Plans &amp; Options</b>	<p><b>Growth Plan</b>  <b>Dividend Plan</b> (with Reinvestment and Payout Facility)  <b>Growth Plan - Direct</b>  <b>Dividend Plan – Direct</b> (with Reinvestment and Payout Facility).</p> <p>All the Plans will have a common portfolio. The face value of the Units is Rs.10 per unit.</p> <p>Please note that where the Unitholder has opted for Dividend Payout option and in case the amount of dividend payable to the Unitholder is Rs.20/- or less, the same will be <b>compulsorily reinvested in the Scheme</b>.</p> <p>The investors must clearly indicate the Plan (Growth or Dividend / Reinvestment or Payout) in the relevant space provided for in the Application Form. In the absence of such instruction, it will be assumed that the investor has opted for the <b>Default Plan / Option</b>, which is <b>Dividend Reinvestment</b>.</p> <p>Please refer to page 25 for details on Default Plan/Option</p> <p>The Trustee / AMC reserve the right to alter / vary the default plan / option, after giving notice.</p>
<b>Minimum Amount</b>	<p><b>Subscription: Fresh Purchase</b> - Rs.5,000/-. <b>Additional Purchase</b> - Rs.1,000/-.</p> <p><b>Systematic Investment Plan (SIP)</b> – Rs. 500</p> <p><b>Redemption:</b> Rs.1,000/- or 'All Units' if the account balance is less than Rs.1,000/-.</p> <p>The amount for subscription, SIP and redemption in excess of the minimum amount specified above is any amount in multiple of Re. 1/-.</p>
<b>Pricing for on going subscription</b>	Ongoing subscriptions / purchases will be at Applicable NAV.
<b>Redemption Price</b>	Redemptions / repurchases will be done at the Applicable NAV, subject to applicable load
<b>Load Structure*</b>	<p>Entry Load – In accordance with the SEBI guidelines, no entry load will be charged by the Mutual Fund.</p> <p>Exit Load – Nil</p>
<b>Liquidity</b>	The Scheme is open for repurchase/redemption on all Business Days. The redemption proceeds will be despatched to the unitholders within the regulatory time limit of 10 business days of the receipt of the valid redemption request at the Official Points of Acceptance of Transactions (OPAT) of the Mutual Fund.
<b>Benchmark</b>	CRISIL Composite Bond Fund Index
<b>Transparency / Disclosure</b>	<ul style="list-style-type: none"> <li>• The NAV will be calculated for every Business Day and published in at least 2 newspapers having circulation all over India.</li> <li>• NAV will be calculated up to four decimal places using standard rounding criteria.</li> <li>• The Fund would publish the half-yearly and annual results as per the SEBI Regulations.</li> <li>• Full Portfolio disclosure every half-year as per the SEBI Regulations.</li> <li>• The Mutual Fund shall disclose the scheme portfolios as on the last day of the month on its website on or before the tenth day of the succeeding month.</li> </ul>

\*Subject to the Regulations, the Trustee / AMC reserve the right to modify / change the load structure on a prospective basis.

## 02. INTRODUCTION

### A. RISK FACTORS

#### STANDARD RISK FACTORS

- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rates of the securities in which the scheme invests fluctuates, the value of your investment in the scheme may go up or down.
- Past performance of the sponsors / the asset management company / mutual fund does not indicate or guarantee the future performance of the scheme of the mutual fund.
- There is no assurance or guarantee that the objective of the mutual fund will be achieved.
- Franklin India Banking & PSU Debt Fund is only the name of the scheme and does not in any manner indicate either the quality of the scheme or its future prospects and returns.
- The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of Rs.1 lakh made by it towards setting up the Fund.
- Investors in the Scheme are not being offered any guaranteed / assured returns.
- There is no guarantee or assurance on the frequency or quantum of dividends (which shall be at the discretion of the AMC/Trustee and also depend on the availability of adequate distributable surplus) although there is every intention to declare dividends in Dividend Plan.

#### SCHEME SPECIFIC RISK FACTORS

1. The performance of the scheme may be affected by the corporate performance, macro-economic factors, changes in Government policies, general levels of interest rates and risk associated with trading volumes, liquidity and settlement systems in the securities markets.
2. Low trading volumes, settlement periods and transfer procedures may restrict the liquidity of the scheme's investments. Transacting may become difficult due to extreme volatility in the market resulting in constriction in volumes. Additionally, changes in the SEBI/ RBI regulations/Guidelines may have an adverse impact on the liquidity of the scheme. Different segments of the Indian financial markets have different settlement periods, and such period may be extended significantly by unforeseen circumstances. The length of time for settlement may affect the Scheme in the event the Scheme has to meet an inordinately large number of redemption requests. In addition, the Trustee at its sole discretion reserves the right to limit or withdraw sale and/or repurchase/redemption and/or switching of the units in the scheme (including any one of the Plans of the scheme) temporarily or indefinitely under certain circumstances. For details refer the Section **'Suspension of sale of units'** and **'Suspension of redemption of units'**. The scheme will retain certain investments in cash or cash equivalent for the day to day liquidity requirements.
3. **Interest rate risk:** This risk results from changes in demand and supply for money and other macroeconomic factors and creates price changes in the value of debt instruments. Consequently, the Net Asset Value of the scheme may be subject to fluctuation. Changes in the interest rates may affect the Scheme's Net Asset Value as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of long term securities generally fluctuate more in response to interest rate changes than do short-term securities. Indian debt markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby possible movements in the NAV. This may expose the schemes to possible capital erosion.
4. **Credit risk or default risk:** This refers to the risk that an issuer of a fixed income security may default (i.e. will be unable to make timely principal and interest payments on the security). Default risk / credit risk arises due to an issuer's inability to meet obligations on the principal repayment and interest payments. Because of this risk corporate debentures are sold at a yield above those offered on Government Securities, which are sovereign obligations and free of credit risk. Normally the value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk.
5. **Market risk:** This risk arises due to price volatility due to such factors as interest sensitivity, market perception or the credit worthiness of the issuer and general market liquidity, change in interest rate expectations and liquidity flows. Market risk is a risk which is inherent to investments in securities. This may expose the schemes to possible capital erosion.
6. **Reinvestment risk:** This risk refers to the interest rate levels at which cash flows received for the securities in the Scheme are reinvested. Investments in debt instruments are subject to reinvestment risks as interest rates prevailing on interest or maturity due dates may differ from the original coupon of the bond, which might result in the proceeds being invested at a lower rate. The additional risk from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.

7. **Liquidity or Marketability Risk:** This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk today, is a characteristic of the Indian fixed income market. This could lead to higher costs for secondary market trading, if the fund witnesses volatile flows.
8. Risks of investing in floating rate debt instruments or fixed rate debt instruments swapped for floating rate return:
  - a. **Interest rate movement (Basis Risk):** As the fund will invest in floating rate instruments, these instruments' coupon will be reset periodically in line with the benchmark index movement. Normally, the interest rate risk of a floating rate instrument compared to a fixed rate instrument is limited. The changes in the prevailing rates of interest will likely affect the value of the Scheme's holdings until the next reset date and thus the value of the Schemes' Units. Increased rates of interest, which frequently accompany inflation and / or a growing economy, are likely to have a negative effect on the value of the Units. The value of securities held by the Scheme generally will vary inversely with changes in prevailing interest rates. The fund could be exposed to the interest rate risk (i) to the extent of time gap in resetting of the benchmark rates, and (ii) to the extent the benchmark index fails to capture the interest rate movement.
  - b. **Spread Movement (Spread Risk):** Though the basis (i.e. benchmark) gets readjusted on a regular basis, the spread (i.e. markup) over benchmark remains constant. This can result in some volatility to the holding period return of floating rate instruments.
  - c. **Settlement Risk (Counterparty Risk):** The floating rate assets may also be created by swapping a fixed return to a floating rate return. In such a swap, there may be an additional risk of counterparty who will pay floating rate return and receive fixed rate return.
9. Certain fixed income securities give an issuer the right to call its securities, before their maturity date, in periods of declining interest rates. The possibility of such pre-payment risk may force the fund to re-invest the proceeds of such investments in securities offering lower yields, thereby reducing the fund's interest income.
10. The scheme may invest in non-publicly offered debt securities. This may expose the scheme to liquidity risks.
11. Different types of securities in which the scheme would invest as given in the Scheme Information Document carry different levels and types of risks. Accordingly the scheme's risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher amount of risk than Government securities. Further even among corporate bonds, bonds which are AAA rated are comparatively less risky than bonds which are AA rated. Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the scheme.
12. Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the scheme.
13. **Risks associated with securities issued by Banks and PSUs:** The risks associated with debt and money market securities issued by banks and PSUs are perceived to be lower compared to other fixed income instruments. However, these entities are unique in terms of being heavily regulated and affected by government policies, which could impact the credit profile of these issuers.

#### **Risks associated with derivatives**

14. Derivatives are high risk, high return instruments as they may be highly leveraged. A small price movement in the underlying security could have a large impact on their value and may also result in a loss. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.
15. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.
16. Interest rate swaps and Forward Rate Agreements require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that the derivative adds to the portfolio and the ability to forecast failure of another party (usually referred to as the "counter-party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mis-pricing or improper valuation of derivatives, the credit risk where the danger is that of a counter-party failing to honor its commitment, liquidity risk where the danger is that the derivative cannot be sold at prices that reflect the underlying assets, rates and indices, and price risk where the market price may move in adverse fashion.
17. The Scheme may find it difficult or impossible to execute derivative transactions in certain circumstances. For example, when there are insufficient bids or suspension of trading due to price

limit or circuit breakers, the Scheme may face a liquidity issue.

18. The Stock Exchange may impose restrictions on exercise of options and may also restrict the exercise of options at certain times in specified circumstances and this could impact the value of the portfolio

#### **Risks associated with Securities Lending**

19. Engaging in securities lending is subject to risks related to fluctuations in collateral value and settlement/liquidity and counter party risks. The risks in lending portfolio securities, as with other extensions of credit, consist of the failure of another party, in this case the approved intermediary, to comply with the terms of agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure to comply can result in the possible loss of rights in the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary. The Mutual Fund may not be able to sell such lent securities and this can lead to temporary illiquidity.

#### **Risks associated with Short-selling of Securities**

20. Purchasing a security entails the risk of the security price going down. Short selling of securities (i.e. sale of securities without owning them) entails the risk of the security price going up there by decreasing the profitability of the short position. Short selling is subject to risks related to fluctuations in market price, and settlement/liquidity risks. If required by the Regulations, short selling may entail margin money to be deposited with the clearing house and daily mark to market of the prices and margins. This may impact fund pricing and may induce liquidity risks if the fund is not able to provide adequate margins to the clearing house. Failure to meet margin requirements may result in penalties being imposed by the exchanges and clearing house.

#### **Risks associated with Securitised Debts**

21. Different types of Securitised Debts in which the scheme would invest carry different levels and types of risks. Accordingly the scheme's risk may increase or decrease depending upon its investments in Securitised Debts. e.g. AAA securitised bonds will have low Credit Risk than a AA securitised bond. Credit Risk on Securitised Bonds may also depend upon the Originator, if the Bonds are issued with Recourse to Originator. A Bond with Recourse will have a lower Credit Risk than a Bond without Recourse. Underlying Assets in Securitised Debt may be the Receivables from Auto Finance, Credit Cards, Home Loans or any such receipts. Credit risk relating to these types of receivables depends upon various factors including macro-economic factors of these industries and economies. To be more specific, factors like nature and adequacy of property mortgaged against these borrowings, loan agreement, mortgage deed in case of Home Loan, adequacy of documentation in case of Auto Finance and Home Loan, capacity of borrower to meet its obligation on borrowings in case of Credit Cards and intentions of the borrower influence the risks relating to the assets (borrowings) underlying the Securitised Debts. Holders of Securitised Assets may have Low Credit Risk with Diversified Retail Base on Underlying Assets, especially when Securitised Assets are created by High Credit Rated Tranches. Risk profiles of Planned Amortisation Class Tranches (*PAC*), Principal Only Class Tranches (*PO*) and Interest Only Class Tranches (*IO*) will also differ, depending upon the interest rate movement and Speed of Pre-payments. A change in market interest rates/prepayments may not change the absolute amount of receivables for the investors, but affects the reinvestment of the periodic cash flows that the investor receives in the securitised paper.
22. Presently, secondary market for securitised papers is not very liquid. There is no assurance that a deep secondary market will develop for such securities. This could limit the ability of the investor to resell them. Even if a secondary market develops and sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure
23. Securitised transactions are normally backed by pool of receivables and credit enhancement as stipulated by the rating agency, which differ from issue to issue. The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables and there is no obligation of either the Issuer or the Seller or the originator, or the parent or any affiliate of the Seller, Issuer and Originator. No financial recourse is available to the Certificate Holders against the Investors' Representative. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall. On persistent default of an Obligor to repay his obligation, the Seller may repossess and sell the underlying Asset. However many factors may affect, delay or prevent the repossession of such Asset or the length of time required to realize the sale proceeds on such sales. In addition, the price at which such Asset may be sold may be lower than the amount due from that Obligor.

**Risk Mitigation Factors:**

- **Interest Rate Risk:** The Fund seeks to mitigate this risk by keeping the maturity of the scheme in line with interest rate expectation.
- **Credit risk or default risk:** The Fund will endeavour to minimise Credit/Default risk by primarily investing in medium-high investment grade fixed income securities rated by SEBI registered credit rating agencies. These securities carry relatively lower possibility of a default. Historical default rates for investment grade securities (BBB and above) have been low.
- **Reinvestment Risk:** Reinvestment risks will be limited to the extent of coupons received on debt instruments, which will be a very small portion of the portfolio value.
- The scheme may take positions in interest rate derivatives to hedge market/interest rate risks.
- **Liquidity or Marketability Risk:** The fund will endeavour to minimise liquidity risk by investing in securities having a liquid market.

**B. REQUIREMENT OF MINIMUM NUMBER OF INVESTORS**

The Scheme/Plan shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme/Plan(s). In case the Scheme / Plan(s) does not have a minimum of 20 investors in the stipulated period, the provisions of Regulation 39(2)(c) of the SEBI (MF) Regulations would become applicable automatically without any reference from SEBI and accordingly the Scheme / Plan(s) shall be wound up and the units would be redeemed at applicable NAV. The two conditions mentioned above shall be complied within each subsequent calendar quarter, on an average basis, as specified by SEBI. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days notice to redeem his exposure over the 25% limit. Failure on the part of the said investor to redeem his exposure over the 25% limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

**C. SPECIAL CONSIDERATIONS**

- Investment decisions made by the Investment Manager will not always be profitable or prove to be correct. Accordingly, the scheme is not intended as a complete investment program.
- A Unitholder may invest in the scheme and acquire a substantial portion of the scheme units. The repurchase of units by the Unitholder may have an adverse impact on the units of the schemes, because the timing of such repurchase may impact the ability of other Unit holders to repurchase their units.
- Prospective investors should review / study this Scheme Information Document carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial/ investment matters and are advised to consult their own professional advisor(s) as to the legal or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (sale, transfer, switch or redemption or conversion into money) of Units and to the treatment of income (if any), capitalization, capital gains, any distribution, and other tax consequences relevant to their subscription, acquisition, holding, capitalization, disposal (sale, transfer, switch or redemption or conversion into money) of Units within their jurisdiction / of nationality, residence, domicile etc. or under the laws of any jurisdiction to which they or any managed Funds to be used to purchase/gift Units are subject, and (also) to determine possible legal, tax, financial or other consequences of subscribing / gifting to, purchasing or holding Units before making an application for Units.
- Neither this Scheme Information Document nor the units have been registered in any jurisdiction. The distribution of this Scheme Information Document in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of this Scheme Information Document in certain jurisdictions are required to inform themselves about, and to observe, any such restrictions. No person receiving a copy of this Scheme Information Document or any accompanying application form in such jurisdiction may treat this Scheme Information Document or such application form as constituting an invitation to them to subscribe for Units, nor should they in any event use any such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements.
- No person has been authorised to give any information or to make any representations not confirmed in this Scheme Information Document in connection with this Offer or the issue of Units, and any information or representations not contained herein must not be relied upon as having been authorized by the Mutual Fund, the Investment Manager. Neither the delivery of this Scheme Information Document nor any sale made hereunder shall, under any circumstances, create any

implication that the information contained herein is correct as of the date of receipt of this document. The Investor is requested to check the credentials of the individual/firm he/she is entrusting his/her application form and payment to, for any transaction with the Fund. The Fund/Trustee or the AMC shall not be responsible for any acts done by the intermediaries representing or purportedly representing such investor.

- The AMC has obtained a certificate from SEBI to act as a Portfolio Manager under Securities and Exchange Board of India (Portfolio Managers) Rules and Regulations, 1993, vide registration No.INP000000464 and commenced the activity. The AMC has also obtained a No-Objection letter from SEBI under Regulation 24(2) of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 for commencing the Portfolio Managers activity. The AMC has obtained a certificate from SEBI to act as Registrar and Transfer Agent to the schemes of Franklin Templeton Mutual Fund under Securities and Exchange Board of India (Registrar to an issue and Share Transfer Agents) Regulations, 1993, vide registration No.INR000004165. SEBI has accorded its no objection for providing non-binding investment advisory services to the group/ subsidiaries of the sponsor company for Franklin Templeton group, which are established outside India and invest in securities as FIs or sub-accounts. The AMC has policies and systems in place to ensure that there is no conflict of interest between the aforesaid activities and to handle if any unavoidable conflict of interest, as envisaged in Regulation 24 of the SEBI (MF) Regulations, arises.

#### D. DEFINITIONS

For the purpose of this Scheme Information Document, unless the context otherwise requires, the following terms shall have the following meanings:

<b>Applicable NAV</b>	“Applicable NAV” is the Net Asset Value per unit applicable for the transaction (subscription / redemption / switch) based on the day and time on which the application is accepted at any ISC / Collection Centre, as evidenced by the electronic date / time stamp affixed at the ISC or Collection Centre.
<b>Business Day</b>	A day other than: (i) Saturday and Sunday; (ii) a day on which the banks in Mumbai and/or RBI are closed for business / clearing; (iii) a day on which normal business could not be transacted due to storms, floods, bandhs, strikes or such other events as the AMC may specify from time to time; (iv) a day on which sale and repurchase of units is suspended by the AMC; (v) A day on which register of unitholders is closed; (vi) a day which is a holiday/non-working day at an ISC or a Collection Centre. However, it will be non business day for that location only.  The AMC reserves the right to declare any day as a Business Day or otherwise at any or all ISCs or Collection Centres.
<b>Bank</b>	Bank means a banking company which transacts the business of banking in India
<b>Entry / Sales Load</b>	Load on subscriptions / purchases
<b>Exit / Redemption Load</b>	Load on redemption / repurchase
<b>ISC</b>	Investor Service Centre of the Asset Management Company
<b>Collection Centres</b>	The location (other than ISC) that is declared as an official point of acceptance for all transactions but where no Investor or Distributor services are offered. These locations would only accept and acknowledge transactions as per SEBI guidelines.
<b>Gilt / Government Securities</b>	Government Securities as defined in the Government Securities Act, 2006, as amended or re-enacted from time to time.
<b>Money Market Instruments</b>	Commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, usance bills, (repos / reverse repos), CBLO and any other like instruments as specified by the Reserve Bank of India from time to time including mibor linked securities, call products having unexpired maturity up to one year
<b>Public Financial Institutions (PFI)</b>	Public Financial Institutions (PFI) as defined in the Companies Act, 2013, as amended or re-enacted from time to time.
<b>Public Sector</b>	Company in which the Central Government or one or more state



<b>Undertaking (PSU)</b>	government(s) or Central Government along with one or more state government(s) exercise management control or power to appoint majority of directors.
<b>NAV</b>	Net Asset Value of the Units of Franklin India Banking & PSU Debt Fund
<b>SAI</b>	Statement of Additional Information of Franklin Templeton Mutual Fund
<b>Scheme Information Document</b>	The document issued by Franklin Templeton Mutual Fund offering Units of Franklin India Banking & PSU Debt Fund
<b>Repo / Reverse Repo</b>	Sale/Purchase of Government Securities as may be allowed by RBI from time to time with simultaneous agreement to repurchase/resell them at a later date.
<b>Scheme</b>	Franklin India Banking & PSU Debt Fund ("FIBPDF")
<b>Unit</b>	The interest of an investor, which consists of, one undivided shares in the Net Assets of Franklin India Banking & PSU Debt Fund
<b>Unitholder</b>	A person holding Units in Franklin India Banking & PSU Debt Fund

Words and expression used but not defined in this Scheme Information Document shall have the same meaning respectively assigned to them under the Statement of Additional Information.

In this SID, all references to "U.S.\$" or "\$" are to United States of America Dollars and "Rs." are to Indian Rupees.

#### **E. DUE DILIGENCE CERTIFICATE**

It is confirmed that:

- i. the Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
- ii. all legal requirements connected with the launching of the scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- iii. the disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the scheme.
- iv. the intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

Sd/-  
Saurabh Gangrade  
Compliance Officer

Date: June 27, 2017  
Place: Mumbai

### 03. INFORMATION ABOUT THE SCHEMES

#### A. NAME & TYPE OF THE SCHEME

**Franklin India Banking & PSU Debt Fund**, an open-end income fund.

#### B. INVESTMENT OBJECTIVES

The fund seeks to provide regular income through a portfolio of debt and money market instruments consisting predominantly of securities issued by entities such as Banks and Public Sector Undertakings (PSUs). However, there is no assurance or guarantee that the objective of the scheme will be achieved.

#### C. ASSET ALLOCATION PATTERN

Under normal market circumstances, the investment range would be as follows:

Instruments	As % of Net Assets (Min. – Max.)	Risk Profile
Debt and Money Market Instruments issued by Banks, Public Sector Undertakings (PSUs), Public Financial Institutions (PFIs)	80% - 100%	Low to Medium
Debt* and Money Market Instruments issued by other entities; Gilt Securities and State Development Loans (SDLs)	0% - 20%	Low to Medium

\* Including securitised Debt (ABS, MBS, single loan) up to 20%

- The Scheme may invest in derivatives of fixed income instruments up to a maximum of 50% of its net assets. The cumulative gross exposure through debt and derivative positions should not exceed 100% of the net assets of the Scheme.
- The scheme shall not invest in foreign securities.
- The scheme shall not participate in repo in corporate debt securities.
- The Scheme may engage in securities lending in accordance with the guidelines issued by SEBI.
- If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI.

The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.

It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unit holders. The asset allocation pattern described above may alter from time to time on a short-term basis, on defensive considerations, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors (i.e., for reasons other than downgrade in rating) and would, in such cases, shall be rebalanced within 30 days from date of deviation. However, if the asset allocation pattern is to be altered for other reasons, as this is a fundamental attribute, the procedure outlined in the paragraph on fundamental attributes below, shall be followed.

#### D. WHERE WILL THE SCHEME INVEST

Subject to the SEBI Regulations, the Scheme may invest in various types of instruments including, but not limited to, any of the following:

- (a) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills)
- (b) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI / RBI from time to time
- (c) Domestic securitised debt, pass through obligations, various types of securitisation issuances including but not limited to Asset Backed Securitisation, Mortgage Backed Securitisation, single loan

securitisation and other domestic securitisation instruments, as may be permitted by SEBI / RBI from time to time.

- (d) Sovereign securities issued by the central Government and / or a state government and / or any security unconditionally guaranteed by the central Government and / or State government for repayment of Principal and Interest (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) including State Development Loans (SDLs)
- (e) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, Treasury Bills, CBLO, Repo / Reverse Repo, and other Money Market Instruments as may be permitted by SEBI / RBI from time to time.
- (f) Domestic derivatives
- (g) Deposits with banks and other bodies corporate as may be permitted by SEBI from time to time
- (h) Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time.

The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, auctions, open market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities (except repo in corporate debt securities) held by it as per the guidelines and regulations applicable to such transactions.

## OVERVIEW OF DEBT MARKET

The Indian debt markets are one of the largest markets in Asia. Government and Public Sector enterprises are predominant borrowers in the market. While interest rates were regulated till a few years back, there has been a rapid deregulation and currently both the lending and deposit rates are market determined.

The bond markets are developing fast with the rapid introduction of new instruments including derivatives. Foreign Institutional Investors are also allowed to invest in Indian debt markets now. The average trading volume in the market ranges between Rs.50,000 crores to Rs.70,000 crores, of which about 90% comprises of the government securities.

The various debt instruments currently available for investments are:

Instruments	Current Yields*	Liquidity
Central/State Government securities	6.20% to 7.50%	Very high
PSU Bonds/Corporate debentures	6.60% to 11.50%	Medium – High
Commercial Papers/Certificate of deposits	6.25% to 9.50%	High
Call/Notice Money	6.00% to 6.50%	Very high
Repo / CBLO	5.50% to 6.50%	Very high

\*Yields as of June 2017

**The actual yields will, however, vary in line with general levels of interest rates and debt/money market conditions prevailing from time to time.**

## INVESTMENT IN SECURITISED DEBT

### 1. How the risk profile of securitized debt fits into the risk appetite of the scheme

Securitization is the fact or process of securitizing assets i.e. the conversion of loans into securities, usually in order to sell them on to other investors. This is done by assigning the loans to a special purpose vehicle (a trust), which in turn issues Pass-Through-Certificates (PTCs). These PTCs are transferable securities with fixed income characteristics. The risk of investing in securitized debt is similar to investing in debt securities. However it differs mainly in two respects. One, the liquidity of securitized debt is less than similar debt securities. Two, for certain types of securitized debt (backed by mortgages, personal loans, credit card debt, etc.), there is an additional pre-payment risk. Pre-payment risk refers to the possibility that loans are repaid before they are due, which may reduce returns if the re-investment rates are lower than initially envisaged.

Because of these additional risks, securitized debt typically offers higher yields than debt securities of similar credit rating and maturity. After considering these additional risks, the investment is no different from investment in a normal debt security. Considering the investment objective of the scheme, these instruments with medium risk profile can be considered in the investment universe. Thus if the Fund Manager judges that the additional risks are suitably compensated by the higher returns, he may invest in securitized debt up to the limits specified in the asset allocation table.

## **2. Policy relating to originators based on nature of originator, track record, NPAs, losses in earlier securitized debt, etc.**

Investments in securitized debt will be done based on the assessment of the originator and the securitized debt which is carried out by the Fixed Income team based on the in-house research capabilities as well as the inputs from the independent credit rating agencies and by following Franklin Templeton's internal credit process.

Specifically, in order to mitigate the risk at the issuer/originator level the Fixed Income team will consider various factors which will include -

- Track record of the originator in the specific business to which the underlying loans correspond to;
- size and reach of the issuer/originator;
- Collection infrastructure & collection policies;
- Post default recovery mechanism & infrastructure;
- Underwriting standards & policies followed by originator;
- Management information systems;
- Financials of the originators including an analysis of leverage, NPAs, earnings, etc.;
- Future strategy of the company for the specific business to which the underlying loans correspond to;
- Performance track record of Originator's portfolio & securitized pools, if any;
- Utilization of credit enhancement in the prior securitized pools;
- The quality of information disseminated by the issuer/ originator; and
- The credit enhancement for different types of issuer/originator.

Also, assessment of business risk would be carried out which includes -

- Outlook for the economy (both domestic and global); and
- Outlook for the industry

In addition, the fund analyses the specific pool and the broad evaluation parameters are as follows:

- Average seasoning of the loans in the pool
- Average Loan to value ratio of the loans in the pool
- Average ticket size of the loans
- Borrower profile (salaried / self employed, etc.)
- Geographical profile of the pool
- Tenure profile of the pool
- Obligor concentration
- Credit enhancement cover available over and above the historic losses on Originator's portfolio
- Expected Prepayment rate in the specific asset class experienced by the originator in the past as well as the industry
- Limited Liquidity and Price Risk.

The scheme will invest in securitized debt which are of investment grade and above by a credit rating agency recognized by SEBI. The investment team analyses the Rating Rationale in detail before investing in any PTCs, and also discusses with the concerned rating agency on a need basis. The rating agency would normally take in to consideration the following factors while rating a securitized debt:

- Credit risk at the asset/originator/portfolio/pool level
  - The quality of the pool is a crucial element in assessing credit risk. In the Indian context, generally, pools are 'cherry-picked' using positive selection criteria. To protect the investor from adverse selection of pool contracts, the rating agencies normally take into consideration pool characteristics such as pool seasoning (seasoning represents the number of instalments paid by borrower till date: higher seasoning represents better quality), over dues at the time of selection and Loan to Value (LTV). To assess its risk profile vis-à-vis the overall portfolio, the pool is analyzed with regard to geographical location, borrower profile, LTV, and tenure.
- Counterparty risk
  - This includes Servicer Risk, co-mingling risk etc. The rating agencies generally mitigate such risks though the usage of stringent counterparty selection and replacement criteria to reduce the risk of failure.
- 
- Bankruptcy risk
  - Of the Originator –

- Normally, specific care is taken in structuring the securitization transaction so as to minimize the risk of the sale to the trust not being construed as a 'true sale'. It is also in the Interest of the originator to demonstrate the transaction as a true sell to get the necessary revenue recognition and tax benefits.
- Of the Investors' agent
  - All possible care is normally taken in structuring the transaction and drafting the underlying documents so as to provide that the assets/receivables if and when held by Investor's Agent is held as agent and in Trust for the Investors and shall not form part of the personal assets of Investor's Agent.
- Legal risks
  - The rating agency normally conducts a detailed study of the legal documents to ensure that the investors' interest is not compromised and relevant protection and safeguards are built into the transaction.
  - Various market risks like interest rate risk, macro economic risks
  - Assessment of risks related to business for example outlook for the economy, outlook for the industry and factors specific to the issuer/originator.

### **3. Risk mitigation strategies for investments with each kind of originator**

The examples of securitized assets which may be considered for investment by the Scheme and the various risk mitigation parameters (please read in continuation with point 2 above) which will be considered include;

#### **A) Asset backed securities issued by banks or non-banking finance companies.**

Underlying assets may include receivables from loans against cars, commercial vehicles, construction equipment or unsecured loans such as personal loans, consumer durable loans. The various factors which will be usually considered while making investments in such type of securities include profile of the issuer, analysis of underlying loan portfolio – nature of asset class, seasoning of loans, geographical distribution of loans and coverage provided by credit-cum-liquidity enhancements.

#### **B) Mortgage backed securities issued by banks or housing finance companies, where underlying assets are comprised of mortgages/home loan.**

The various factors which will be usually considered while making investments in such type of securities include issuer profile of the issuer, quality of underlying portfolio, seasoning of loans, coverage provided by credit-cum-liquidity enhancements and prepayment risks.

#### **C) Single loan securitization, where the underlying asset comprises of loans issued by a bank/non-banking finance company.**

The factors which will be usually considered while making investments in such type of securities include assessment of credit risk associated with the underlying borrower as well as the originator. The Fixed Income team will adhere to the Franklin Templeton's internal credit process and perform a detailed review of the underlying borrower prior to making investments. This analysis is no different from the analysis undertaken by Fund when it invests in Debentures or Commercial papers issued by the same borrower.

### **Critical Evaluation Criteria**

Typically the Fund would avoid investing in securitization transaction (without specific risk mitigation strategies / additional cash/security collaterals/ guarantees) if there are concerns on the following issues regarding the originator / underlying issuer:

1. High default track record/ frequent alteration of redemption conditions/covenants
2. High leverage ratios – both on a standalone basis as well on a consolidated level/ group level
3. Higher proportion of re-schedulement of underlying assets of the pool or loan, as the case may be
4. Higher proportion of overdue assets of the pool or the underlying loan, as the case may be
5. Poor reputation in market
6. Insufficient track record of servicing of the pool or the loan, as the case may be.

Further, investments in securitized debt will be done in accordance with the investment restrictions specified under the SEBI Regulations/ this Scheme Information Document which would help in mitigating certain risks. Currently, as per the Regulations, the Scheme cannot invest more than 15% of its net assets in debt instruments (irrespective of residual maturity) issued by a single issuer which are rated not below

investment grade by a credit rating agency authorized to carry out such activity under the Act. Such investment limit may be extended to 20% of the net assets of the Scheme with the prior approval of the Board of Trustees and the Board of the AMC.

#### 4. The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments

The framework which will generally be applied by the Fund Manager while evaluating the investment decision with respect to securitized debt will be as follows:

Characteristics/ Type of Pool	Mortgage Loan	Commercial Vehicle and Construction Equipment	CAR	2 wheelers	Micro Finance Pools	Personal Loans	Single Sell down \$	Others
Approximate Average maturity (in Months)	Upto 10 years	Upto 5 years	Upto 5 years	Upto 48 months	Upto 80 weeks	Upto 3 years	Case by case basis	As and when new asset classes of securitized debt are introduced, the investments in such instruments will be evaluated on a case by case basis
Collateral margin (including cash, guarantees, excess interest spread, subordinate tranche)	In excess of 3%	In excess of 4%	In excess of 4%	In excess of 4%	In excess of 5%	In excess of 5%	Case by case basis	
Average Loan to Value Ratio	95% or lower	100% or lower **	95% or lower	95% or lower	Unsecured	Unsecured	Case by case basis	
Average seasoning of the Pool	Minimum 2 months	Minimum 2 months	Minimum 2 months	Minimum 2 months	Minimum 2 weeks	Minimum 2 months	Case by case basis	
Maximum single exposure range *	< 5%	< 5%	NA (retail pool)	NA (retail pool)	NA (Very Small retail pool)	NA (retail pool)	Not applicable	
Average single exposure range % *	< 5%	< 5%	< 2%	< 1%	< 1%	< 1%	Not applicable	

\* denotes % of a single ticket/loan size to the overall assets in the securitized pool.

\*\* LTV Based on chassis value

\$ Broad evaluation criteria as per point 3 above

Notes:

1. Retail pools are the loan pools relating to Car, 2 wheeler, micro finance and personal loans, wherein the average loan size is relatively small and spread over large number of borrowers.
2. The information illustrated in the table above is based on current scenario relating to securitized debt market and is subject to change depending upon the change in the related factors.

In addition to the framework stated in the table above, in order to mitigate the risks associated with the underlying assets where the diversification is less, at the time of investment the Fixed Income team could consider various factors including but not limited to -

- Size of the loan - the size of each loan is generally analysed on a sample basis and an analysis of the static pool of the originator is undertaken to ensure that the same matches with the static pool characteristics. It also indicates whether there is high reliance on very small ticket size borrower which could result in delayed and expensive recoveries.
- Average original maturity of the pool of underlying assets
- The analysis of average maturity of the pool is undertaken to evaluate whether the tenor of the loans are generally in line with the average loans in the respective industry and repayment capacity of the borrower.

- Loan to value ratio, average seasoning of the pool of underlying assets - these parameters would be evaluated based on the asset class as mentioned in the table above.
- Default rate distribution - the Fixed Income team generally ensures that all the contracts in the pool are current to ensure zero default rate distribution.
- Geographical distribution - the analysis of geographical distribution of the pool is undertaken to ensure prevention of concentration risk.
- Credit enhancement facility - credit enhancement facilities in the form of cash collateral, such as fixed deposits, bank guarantee etc could be obtained as a risk mitigation measure.
- Liquidity facility - these parameters will be evaluated based on the asset class as mentioned in the table above.
- Structure of the pool of underlying assets - The structure of the pool of underlying assets would be either single asset class or combination of various asset classes as mentioned in the table above. We could add new asset class depending upon the securitization structure and changes in market acceptability of asset classes.

#### **5. Minimum retention period of the debt by originator prior to securitization**

The minimum retention period of the debt by the originator prior to securitization and the minimum retention percentage by originator of debts will be as per the guidelines/regulations issued by the RBI/other regulatory agencies from time to time. Also, please refer the table in point 4. The Fund will adopt that policy, whichever is stricter.

#### **6. Minimum retention percentage by originator of debts to be securitized**

Same as point 5 above.

#### **7. The mechanism to tackle conflict of interest when the mutual fund invests in securitized debt of an originator and the originator in turn makes investments in that particular scheme of the fund**

An investment by the scheme in any security is done after detailed analysis by the Fixed Income team and in accordance with the investment objectives and the asset allocation pattern of a scheme. All investments are made on an arm's length basis without consideration of any investments (existing/potential) in the schemes made by any party related/involved in the transaction. The robust credit process ensures that there is no conflict of interests when a scheme invests in securitized debt of an originator and the originator in turn makes investments in that particular scheme.

#### **8. The resources and mechanism of individual risk assessment with the AMC for monitoring investment in securitized debt**

The resources for and mechanisms of individual risk assessment with the AMC for monitoring investment in securitized debt are as follows:

- Fixed Income Team – Currently, the AMC has 8 member team, which is responsible for credit research and monitoring and fund management, for all exposures including securitized debt.
- Ratings are monitored for any movement – Based on the cash flow report and Fixed Income Team's view, periodic review of utilization of credit enhancement shall be conducted and ratings shall be monitored accordingly.
- For legal and technical assistance with regard to the documentation of securitized debt instruments, the team can make use of resources within the internal legal team and if required take help of our external legal counsel as well.

As per the prevailing SEBI guidelines, the investments in securitised debt instruments will be shown as a separate category under debt instruments in the half yearly disclosure of scheme portfolio.

### **INVESTMENTS IN DERIVATIVE INSTRUMENTS**

#### **Brief note on investment in derivative instruments**

As part of the Fund Management process, the Trustee may permit the use of derivative instruments such as swap agreements, Forward Rate Agreement (FRA) or any other derivative instruments that are permissible or may be permissible in future under applicable regulations and such investments shall be in accordance with the investment objectives of the schemes.

On the fixed income side, an interest rate swap agreement from fixed rate to floating rate is an example of

how derivatives can be an effective hedge for the portfolio in a rising interest rate environment.

Derivatives can be either exchange traded or can be over the counter (OTC). Exchange traded derivatives are listed and traded on Stock Exchanges whereas OTC derivative transactions are generally structured between two counterparties.

Derivatives may be high risk - high return instruments, upon leveraging. As they are highly leveraged, a small price movement in the underlying security could have a large impact on their value and may also result in a loss.

### **Position Limits:**

The Scheme may enter into derivatives in line with the guidelines prescribed by SEBI from time to time. The scheme may take exposure in derivatives up to a maximum of 50% of its AUM. The exposure limit per scrip/instrument shall be to the extent permitted by the SEBI Regulation for the time being in force. These limits will be reviewed by the AMC from time to time.

Currently, the position limits for Mutual Funds and its schemes, as permitted by the SEBI Regulations, are as under:

The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme. Exposure due to hedging positions may not be included in the above mentioned limit subject to the following:

- Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
- Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned above.
- Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
- The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.
- Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned above.

Further, the total exposure related to option premium paid must not exceed 20% of the net assets of the scheme. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.

### **Purpose of investment:**

- Trading in derivatives by the scheme shall be restricted to hedging and portfolio balancing purposes.
- The scheme shall fully cover its positions in the derivatives market by holding underlying securities/cash or cash equivalents/option and/or obligation for acquiring underlying assets to honour the obligations contracted in the derivatives market.
- Separate records shall be maintained for holding the cash and cash equivalents/securities for this purpose.
- The securities held shall be marked to market by the AMC to ensure full coverage of investments made in derivative products at all time.

### **Valuation:**

- The traded derivatives shall be valued at market price in conformity with the stipulations of sub clauses (i) to (v) of clause 1 of the Eighth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
- The valuation of untraded derivatives shall be done in accordance with the valuation method for untraded investments prescribed in sub clauses (i) and (ii) of clause 2 of the Eighth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

### **Interest Rate Swaps (IRS):**

The Indian markets have faced high volatility in debt and equity markets. An interest rate swap is a contractual agreement between two counter-parties to exchange streams of interest amount on a national principal basis. In this, one party agrees to pay a fixed stream of interest amount against receiving a



variable or floating stream of interest amount. The variable or floating part is determined on a periodical basis.

Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.

➤ **Purpose of Interest Rate Swaps:**

- The Indian markets have faced high volatility in debt and equity markets. An interest rate swap is a contractual agreement between two counter-parties to exchange streams of interest amount on a notional principal basis. In this, one party agrees to pay a fixed stream of interest amount against receiving a variable or floating stream of interest amount. The variable or floating part is determined on a periodical basis.
- The scheme shall use derivative position for hedging the portfolio risk on a non-leverage basis. The scheme shall fully cover their positions in the derivatives market by holding underlying securities / cash or cash equivalents / option and / or obligation for acquiring underlying assets to honour the obligations contracted in the derivatives market.

➤ **Risks attached with the use of Interest Rate Swaps:**

As and when the Schemes enter into Interest rate swaps agreement, there are risk factors and issues concerning the use of this derivative that the investors should understand. Interest rate swaps require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that the derivative adds to the portfolio and the ability to forecast failure of another party (usually referred to as the "counter-party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mis-pricing or improper valuation of derivatives, the credit risk where the danger is that of a counter-party failing to honour its commitment, liquidity risk where the danger is that the derivative cannot be sold at prices that reflect the underlying assets, rates and indices, and price risk where the market price may move in adverse fashion.

**Let us look at an example of an interest rate swap:**

Entity A has a Rs.20 crores, 3 month asset which is being funded through call. Entity B, on the other hand, has deployed Rs.20 crores in overnight call money market, 3 month liability. Both the entities are taking on an interest rate risk.

To hedge against the interest rate risk, both the entities can enter into a 3 month swap agreement based on say MIBOR (Mumbai Inter Bank Offered Rate). Through this swap, entity B will receive a fixed pre agreed rate (say 8%) and pay NSE MIBOR ("the benchmark rate") which will neutralize the interest rate risk of lending in call. Similarly, entity A will neutralize its interest rate risk from call borrowing as it will pay 8% and receive interest at the benchmark rate.

Assuming the swap is for Rs.20 crores 1 September to 1 December, Entity A is a floating rate receiver at the overnight compounded rate and Entity B is a fixed rate receiver. On a daily basis, the benchmark rate fixed by NSE will be tracked by them.

On December 1, they will calculate as explained below:

Entity A is entitled to receive daily compounded call rate for 92 days and pay 8% fixed. Entity B is entitled to receive interest on Rs.20 crores @ 8% i.e. Rs.40.33 lakhs, and pay the compounded benchmark rate.

Thus on December 1, if the total interest on the daily overnight compounded benchmark rate is higher than Rs.40.33 lakhs, entity B will pay entity A the difference and vice versa.

**Forward Rate Agreement (FRA)**

A FRA is basically a forward starting IRS. It is an agreement between two parties to pay or receive the difference between an agreed fixed rate (the FRA rate) and the interest rate (reference rate) prevailing on a stipulated future date, based on a notional principal amount for an agreed period. The only cash flow is the difference between the FRA rate and the reference rate. As is the case with IRS, the notional amounts are not exchanged in FRAs.

**Example:** Let us assume that a scheme has an investment of Rs.10 crore in an instrument that pays interest linked to NSE Mibor. Since the NSE Mibor would vary daily, the scheme is running interest rate risk on its investment and would stand to lose if rates go down. To hedge itself against this risk, the scheme could do an IRS where it receives a fixed rate (assume 10%) for the next 5 days on the notional amount of Rs.10 crore and pay a floating rate (NSE Mibor). In doing this, the scheme would effectively lock itself into a fixed rate of 10% for the next five days. The steps would be:

1. The scheme enters into an IRS on Rs.10 crore from December 1, 2001 to December 6, 2001. It receives a fixed rate of interest at 10% and the counter party receives the floating rate (NSE Mibor). The scheme and the counter party exchange a contract of having entered into this IRS.
2. On a daily basis, the NSE Mibor will be tracked by the counterparties to determine the floating rate payable by the scheme.
3. On December 6, 2001, the counterparties will calculate the following:
  - The scheme will receive interest on Rs.10 crore at 10% p.a. for 5 days i.e. Rs.1,36,986/-
  - The scheme will pay the compounded NSE Mibor for 5 days by converting its floating rate asset into a fixed rate through the IRS.
  - If the total interest on the compounded NSE Mibor rate is lower than Rs. 1,36,986/-, the scheme will receive the difference from the counterparty and vice-versa. In case the interest on compounded NSE Mibor is higher, the scheme would make a lower return than what it would have made had it not undertaken IRS.

➤ **Risks attached with the use of Forward Rate Agreement:**

As and when the Schemes enter into FRA agreement, there are risk factors and issues concerning the use of this derivative that the investors should understand. FRA requires the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that the derivative adds to the portfolio and the ability to forecast failure of another party (usually referred to as the “counter-party”) to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives, the credit risk where the danger is that of a counter-party failing to honour its commitment, liquidity risk where the danger is that the derivative cannot be sold at prices that reflect the underlying assets, rates and indices, and price risk where the market price may move in adverse fashion.

As is clear from the above examples, engaging in derivatives has the potential to help the schemes in minimising the portfolio risk and/or improve the overall portfolio returns.

**Please note these examples are hypothetical in nature and are given for illustration purposes only. The actual returns may vary depending on the market conditions.**

The AMC retains the right to enter into such derivative transactions as may be permitted by the applicable regulations from time to time.

## **SECURITIES LENDING**

If permitted by SEBI under extant regulations/guidelines, the Scheme may also engage in scrip lending as provided under Securities Lending scheme 1997, and other applicable guidelines/regulations. Scrip lending means lending a security to another person or entity for a fixed period of time, at a negotiated compensation. The security lent will be returned by the borrower on expiry of the stipulated period.

The AMC will comply with the required reporting obligations and the Trustee will carry out the reviews required under SEBI/RBI guidelines. A maximum of 20% of net assets will be deployed in securities lending and the maximum single counterparty exposure will be restricted to 5% of net assets outstanding at any point of time.

Engaging in scrip lending is subject to risks related to fluctuations in the collateral value / settlement / liquidity / counter party.

## **SHORT SELLING OF SECURITIES**

If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said guidelines.

Engaging in short sale of securities is subject to risks related to fluctuations in market price, and settlement/ liquidity risks.

## E. INVESTMENT STRATEGY

The fund will be managed with investments focused on debt and money market instruments consisting predominantly of securities issued by entities such as Banks, Public Sector undertakings and Public Financial Institutions (PFIs). The fund may also seek exposure in Gilt Securities and State Development Loans in order to maintain an optimum balance of yield, safety and liquidity. The fund will follow an active investment strategy within the overall mandate, depending on opportunities available at various points in time.

## F. FUNDAMENTAL ATTRIBUTES

Please note that the following are the fundamental attributes of the respective scheme:

- **Type of scheme** – Open-end income scheme.
- **Investment objective** – The fund seeks to provide regular income through a portfolio of debt and money market instruments consisting predominantly of securities issued by entities such as Banks and Public Sector undertakings. However, there is no assurance or guarantee that the objective of the scheme will be achieved.
- **Investment pattern, minimum and maximum asset allocation.** - Please refer to the section “Asset Allocation Pattern”. The fund retains the option to alter the asset allocation on a short-term basis in the interest of unitholders on defensive considerations.
- **Liquidity provisions such as repurchase or redemption** – Please refer to the section ‘Units and Offer’.
- **Aggregate fees and expenses charged to the scheme** - Please refer to the section ‘Fees and Expenses of the Scheme’.
- **Any Safety Net of Guarantee provided** – None.

In accordance with Regulation 18(15A), the Trustee shall ensure that no change in the fundamental attributes of any scheme or the trust or fees and expenses payable or any other change which would modify the scheme and affects the interest of unitholders, shall be carried out unless, -

- a written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nation wide circulation as well as a newspaper published in the language of the region where the head office of the mutual fund is situated; and
- the unitholders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any exit load.

## G. BENCHMARK INDEX

The Mutual Fund has identified **CRISIL Composite Bond Fund Index** as the benchmark index for the Scheme, with which the performance of the Scheme can be compared with.

CRISIL Composite Bond Fund Index comprises securities which are AAA and AA rated, government securities and money market instruments. This composition adequately reflects the funds strategy.

The AMC / Trustee reserve the right to change / modify the benchmark by issuing an addendum.

## H. WHO MANAGES THE SCHEME

Fund Manager	Tenure of managing the scheme (upto June 26, 2017)
Umesh Sharma	3.17 years
Sachin Padwal-Desai	3.17 years

Their details are as follows:

Name	Qualifications	Functions & Experience	Scheme Managed
<b>Umesh Sharma</b> Age: 40 years Total Experience: 17 years	B.Com., C.A., C.S., C.F.A.	<b>Vice President &amp; Portfolio Manager - Fixed Income (based at Mumbai).</b> Prior assignments: <ul style="list-style-type: none"><li>• Portfolio Manager - Fixed Income, Religare Mutual Fund (2008-2010), responsible for managing fixed income bond portfolios</li><li>• Portfolio Manager- Fixed Income, Lotus India Mutual Fund (2006-</li></ul>	<ul style="list-style-type: none"><li>• Franklin Government Securities Fund</li><li>• Franklin India Dynamic Accrual Fund</li><li>• Franklin India Banking &amp; PSU Debt Fund</li><li>• Franklin India Cash Management Account</li></ul>

Name	Qualifications	Functions & Experience	Scheme Managed
		<p>2008), responsible for managing fixed income bond portfolios.</p> <ul style="list-style-type: none"> <li>• Chief Manager, ICICI Bank (2005-2006), undertook analysing of investment opportunities in international USD bonds.</li> <li>• Manager – Fixed Income, JM Financial Mutual Fund (2003-2005), undertook macro research in order to gauge interest rate trends &amp; credit research.</li> <li>• Primary Dealer, UTI Mutual Fund (2000-2003), involved in analyzing and recommending investments in debt and equity.</li> </ul>	<ul style="list-style-type: none"> <li>• Franklin India Monthly Income Plan (Debt portion)</li> <li>• Franklin India Balanced Fund (Debt Portion)</li> <li>• Franklin India Pension Plan (Debt Portion)</li> </ul>
<p><b>Sachin Padwal-Desai</b> Age: 44 years Total Experience: 20 years</p>	<p>B.E., PGDM (IIM-Bangalore)</p>	<p><b>Vice President &amp; Portfolio Manager - Fixed Income (based at Mumbai).</b></p> <p>Prior assignments:</p> <ul style="list-style-type: none"> <li>• ICICI Bank Ltd - Balance sheet Management, Interest rate risk management, SLR maintenance, liquidity management</li> <li>• Infosys Technologies Ltd – Software Engineer</li> <li>• Thermax Ltd – Designing, testing and approval of weldments on boilers and other pressure vessels.</li> </ul>	<ul style="list-style-type: none"> <li>• Franklin India Government Securities Fund</li> <li>• Franklin India Dynamic Accrual Fund</li> <li>• Franklin India Treasury Management Account</li> <li>• Franklin India Savings Plus Fund</li> <li>• Franklin India Ultra Short Bond Fund</li> <li>• Franklin India Banking &amp; PSU Debt Fund</li> <li>• Franklin India Monthly Income Plan (Debt portion)</li> <li>• Franklin India Balanced Fund (Debt Portion)</li> <li>• Franklin India Pension Plan (Debt Portion)</li> <li>• Franklin India Life Stage Fund of Funds (Debt Portion)</li> <li>• Franklin India Fixed Maturity Plans – Series 1-Plan A (1108 days)</li> <li>• Franklin India Fixed Maturity Plans – Series 1-Plan B (1104 days)</li> </ul>

## I. INVESTMENT RESTRICTIONS

**In pursuance of the Regulations, the following restrictions are currently applicable to the scheme:**

1. Investment in securities from the scheme's corpus would be only in transferable securities in accordance with Regulation 43 of Chapter VI of SEBI [Mutual Funds] Regulations, 1996.
2. The Scheme shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities; provided that the Scheme may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI; provided further that the Scheme may enter into derivatives transactions in a recognised stock exchange, subject to the framework specified by SEBI; provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.
3. The Mutual Fund shall, get the securities purchased or transferred in the name of the mutual fund on account of the concerned scheme, wherever investments are intended to be of long term nature.
4. No investment shall be made in any Fund of Funds scheme.

5. The mutual fund shall not advance any loans for any purpose.
6. The Scheme shall not invest more than 10% of its NAV in debt instruments comprising of money market instruments and non-money market instruments issued by a single issuer, which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the SEBI Act, 1992. Such investment limit may be extended to 12% of the NAV with prior approval of the Trustees and Board of the AMC, provided that such limit shall not be applicable for investment in government securities. Further, investment within such limit can be made in mortgage backed securitised debt which are rated not below investment grade by a credit rating agency registered with SEBI.
7. The scheme shall not invest more than 10% of its NAV in unrated debt instruments issued by a single issuer and the total investment in such instruments shall not exceed 25% of the NAV of the scheme. All such investment shall be made with the prior approval of the Trustee and the Board of the AMC.
8. **a. Sector exposure** – The exposure in a particular sector (excluding investments in Bank CDs, CBLO, G-Secs, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) under the portfolio will not exceed 25% of the net assets on account of purchase. An additional exposure to financial services sector (over and above the limit of 25%) not exceeding 15% of the net assets of the scheme on account of purchase shall be allowed by way of increase in exposure to Housing Finance Companies (HFCs) only. Provided that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total investment/ exposure in HFCs shall not exceed 25% of the net assets of the scheme on account of purchase.
  - b. Group exposure -**  
The total exposure of Scheme in a Group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks) will not exceed 20% of the net assets of the Scheme. Such investment limit may be extended to 25% of the net assets of the Scheme with the prior approval of the Board of Trustees.  
For this purpose, a group means a Group as defined under regulation 2 (mm) of SEBI (Mutual Funds) Regulations, 1996 (Regulations) and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates.  
The Scheme may invest in any other scheme without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund.
9. Transfers of investments from one Franklin Templeton Mutual Fund scheme to another will be done as follows:
  - such transfers will be done at the prevailing market price for quoted instruments on spot basis.
  - the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.
10. No investment shall be made in
  - any unlisted security of an associate or group company of the sponsor; or
  - any security issued by way of private placement by an associate or group company of the sponsor; or
  - the listed securities of group companies of the sponsor which is in excess of 25% of the net assets.
11. Pending deployment of funds in securities in terms of investment objectives of the Scheme, the Mutual Fund can invest the funds of the scheme in short term deposits of scheduled commercial banks in line with SEBI Circular dated April 16, 2007. The Scheme shall abide by the following guidelines for parking of funds in short term deposits:
  - “Short Term” for such parking of funds by mutual funds shall be treated as a period not exceeding 91 days.
  - Such short term deposits shall be held in the name of the scheme.
  - The scheme shall not park more than 15% of the net assets in Short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustees.
  - Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the mutual fund in short term deposits.
  - The scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
  - The Scheme shall not park funds in short-term deposit of a bank, which has invested in the Scheme.
  - Asset Management Company (AMC) shall not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks in case of liquid and debt oriented schemes.

The aforesaid limits are not applicable to term deposits placed as margins for trading in cash and derivatives market.

12. The scheme may consider investment in other financial market investments as per guidelines issued by the Central Government/SEBI/RBI from time to time.

The AMC/Trustee may alter these investment restrictions from time to time to the extent SEBI regulations/applicable rules change/permit so as to achieve the investment objective of the scheme. Such alterations will be made in conformity with SEBI regulations. Further, apart from the investment restrictions prescribed under SEBI regulations, the scheme may follow any internal norms vis-à-vis limiting exposure to a particular scrip or sector, etc.

The investment restrictions specified as a percentage of net assets will be computed at the time of making the investment and it is clarified that changes need not be effected, merely by reason of appreciation or depreciation in value or by reason of factors beyond the control of the scheme (such as receipt of any corporate or capital benefits or amalgamations). In case the limits are exceeded due to reasons beyond its control, the AMC shall adopt necessary measures of prudence to reset the situation having regard to the interest of the investors.

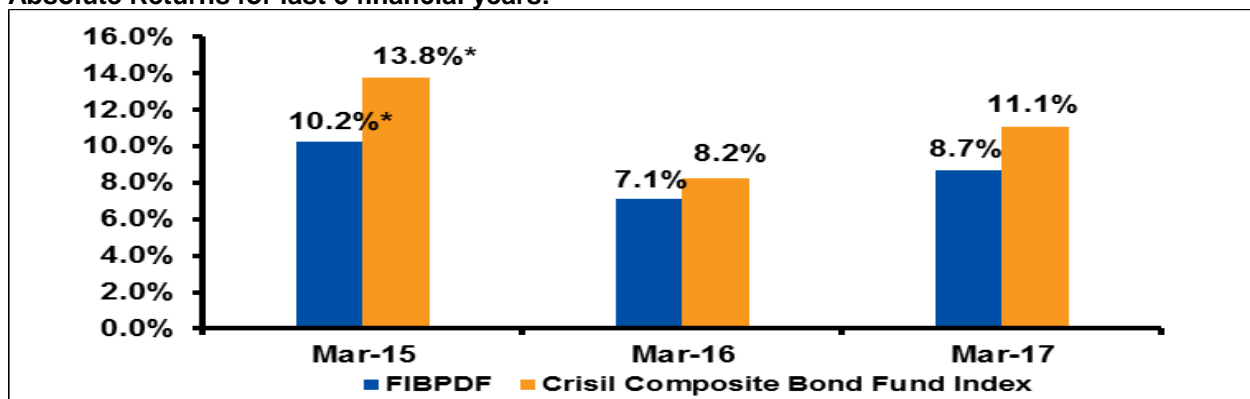
## J. HOW HAS THE SCHEME PERFORMED

### FIBPDF

Compounded annualised returns	1 Year	3 Years	5 Years	Since Inception
FIBPDF	8.52%	8.58%	N.A	8.81%
Crisil Composite Bond Fund Index	10.95%	10.67%	N.A	11.13%

Returns based on Growth Plan NAV of May 31, 2017. Inception date: April 25, 2014. NA – Not Available.

#### Absolute Returns for last 3 financial years:



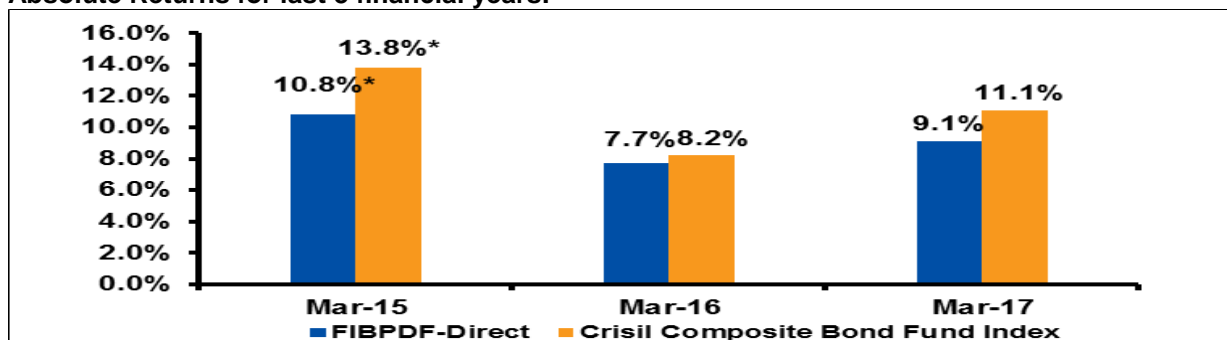
Past performance may or may not be sustained in future.

### FIBPDF – Direct

Compounded annualised returns	1 Year	3 Years	5 Years	Since Inception
FIBPDF - Direct	8.93%	9.13%	N.A	9.37%
Crisil Composite Bond Fund Index	10.95%	10.67%	N.A	11.13%

Returns based on Growth Plan NAV of May 31, 2017. Inception date: April 25, 2014. NA – Not Available.

#### Absolute Returns for last 3 financial years:



Past performance may or may not be sustained in future.

\*For scheme/plan launched during the year the returns are from inception date.

**Top 10 portfolio holdings by issuer and fund allocation towards various sectors as on May 31, 2017:**

<b>Top 10 Holding- Issuer Wise*</b>	<b>% to NAV</b>
NHPC Ltd	8.64
Small Industries Development Bank Of India	8.56
Ongc Mangalore Petrochemicals Ltd	8.54
NTPC Ltd	8.26
IDFC Bank Ltd	7.34
Export-Import Bank Of India	7.18
Reliance Jio Infocomm Limited	7.17
ICICI Bank Ltd	5.74
Power Grid Corp Of India Ltd	4.37

\* Excludes Call, Cash and Other Current Assets.

<b>Sector allocation</b>	<b>% of NAV</b>
Chemicals	8.54
Energy	21.27
Financial services	28.82
Telecom	7.17
Call,cash and other current asset	34.19

Note: All securities belonging to a given sector are considered for this disclosure. It may be noted that Sector exposure limits are monitored as per applicable SEBI Regulations/ circulars. This disclosure does not represent the exposure as per aforesaid Regulatory limits.

Scheme's latest monthly portfolio holding can be viewed on <http://bit.ly/2tnMV7G> under **Monthly Portfolio Disclosure**.

**PORTFOLIO TURNOVER**

Portfolio turnover is defined as lesser of purchases and sales as a percentage of the average corpus of the Scheme during a specified period of time. Portfolio turnover in the scheme will be a function of market opportunities. The scheme is an open-end scheme. It is expected that there would be a number of subscriptions and repurchases on a daily basis. Consequently it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. The AMC will endeavour to optimise portfolio turnover to optimise risk adjusted return keeping in mind the cost associated with it. A high portfolio turnover rate is not necessarily a drag on portfolio performance and may be representative of arbitrage opportunities that exist for securities held in the portfolio rather than an indication of change in AMC's view on a security etc. However, the AMC will take advantage of the opportunities that present themselves from time to time because of the inefficiencies in the securities markets.

**Portfolio Turnover Ratio - Last one year ended May 31, 2017 – Not Applicable**

**INVESTMENT BY AMC IN THE SCHEME**

Franklin Templeton Asset Management (India) Private Limited, the asset management company may invest in the Scheme. However, as per SEBI (Mutual Funds) Regulations, 1996, Franklin Templeton Asset Management (India) Private Limited will not charge any Investment Management Fee for its investment in the Scheme. In addition, the funds managed by the sponsors, Franklin Templeton Group may invest in the Scheme.

**INVESTMENT BY DIRECTORS of AMC, FUND MANAGER(S) & OTHER KEY MANAGERIAL PERSONNEL IN THE SCHEME**

The aggregate investment in the Scheme by Board of Directors of Franklin Templeton Asset Management (India) Private Limited (AMC), Fund Manager(s) of the Scheme and other key managerial personnel is as follows:

<b>Particulars</b>	<b>Aggregate amount invested in the Scheme (As on May 31, 2017)(Rs.)</b>
AMC's Board of Directors	5,00,000.00
Scheme's Fund Manager(s)	0.00
Other key managerial personnel	50,000.00

For the purpose of above information, the President of the AMC is covered under the category of AMC's Board of Directors.



## 04. UNITS AND OFFER

### PLANS AND OPTIONS

The scheme offers choice of following Plans

- **Growth Plan\***
- **Dividend Plan\*** (with Reinvestment and Payout Facility)
- **Growth Plan - Direct**
- **Dividend Plan - Direct** (with Reinvestment and Payout Facility).

*\*For sake of clarity and ease of understanding, these Plans may be referred as Regular – Growth Plan and Regular – Dividend Plan in various advertisements and literatures.*

All the Plans will have a common portfolio. The face value of the Units is Rs.10 per unit.

#### Direct investments

All applications directly received by Franklin Templeton Asset Management (India) Pvt. Ltd., the AMC, at any Official Point of Acceptance of Transactions i.e. applications which are not routed through any AMFI registered mutual fund distributor, shall be treated as investments made under the **Direct route and the Units shall be allotted in Direct.**

In cases where the distributor's ARN or an existing Account Number is mentioned on the application but the investor has clearly and unambiguously specified that the subscription is under 'Direct', the application will be processed as Direct.

#### Growth Plan / Growth Plan - Direct

Under these Plans, the returns to investors will be available in the form of capital appreciation. There will be no dividend declaration under this Plan. Instead the growth in NAV will reflect the appreciation of the value of investment.

#### Dividend Plan / Dividend Plan - Direct

Under these Plans, it is proposed to distribute the returns to the investors in the form of dividends out of distributable surplus. The AMC/Trustee may, at their discretion, approve the distribution of dividends out of distributable surplus to unit holders in the Dividend Plan/ Dividend Plan - Direct whose names appear in the Register of Unit holders on the record date. Investors have the option of reinvesting the dividend (Dividend Reinvestment) or receiving cash payouts (Dividend Payout).

#### Dividend Payout Option:

A Unitholder opting for the Dividend Plan / Dividend Plan - Direct may choose to receive cash payouts of the dividend amount. Please note that where the Unitholder has opted for Dividend Payout option and in case the amount of dividend payable to the Unitholder is Rs.20/- or less, the same will be **compulsorily reinvested in the Scheme.**

#### Dividend Reinvestment Option:

Alternatively, Unitholder opting for the Dividend Plan / Dividend Plan - Direct may choose to reinvest the dividend to be received in additional units of the scheme. The dividend due and payable to the unit holder will be automatically reinvested at the NAV of the immediately following Business Day. The dividend so reinvested shall be construed as payment of dividends to the unit holder and construed as receipt of the same amount from each unit holder for reinvestment in units.

On reinvestment of dividends, the number of units to the credit of unit holder will increase to the extent of the dividend reinvested divided by the NAV applicable on the day of reinvestment, as explained above.

### DEFAULT PLAN/OPTION

The investors must clearly indicate the Plan and Option (Growth or Dividend / Reinvestment or Payout) in the relevant space provided for in the Application Form. In the absence of such instruction, it will be assumed that the investor has opted for the **Default Plan / Option**, which would be as follows:

- **Dividend Reinvestment** for investments routed through a AMFI registered mutual fund distributor
- **Dividend – Direct - Reinvestment** for Direct investments (without distributor).

The Trustee / AMC reserve the right to alter / vary the default plan / option, after giving notice.

## **DIVIDEND POLICY**

The Trustee may declare dividends in the scheme at any time and at such frequency (such as daily, weekly, monthly, quarterly, half-yearly, annually etc.) as it deems appropriate though there is no assurance or guarantee to the Unitholders as to the rate of dividend distribution nor that the dividend will be regularly paid. Distribution of dividend is subject to availability and adequacy of distributable surplus. The Trustees may declare dividends at any periodicity as it deems fit to the Unitholders in the Dividend Plan, whose names appear on the Unitholders' register on the record date.

The scheme reserves the right to suspend sale of units for such period of time as it deems necessary before the record date to ensure proper processing.

Dividends will be distributed within 30 days of the declaration of the dividends.

Dividends will be paid by cheque or electronic mode, as per the payment mode opted for, net of taxes as may be applicable, and payments will be in favour of the Unitholder's registered name or, if there is more than one registered holder, of the first-named registered holder on the original Application Form. To safeguard the interest of Unitholders from loss or theft of dividend cheques it is mandatory for, investors to provide the details of their bank account in the Application Form Dividend cheques or electronic payments will be sent in accordance with such information. The Trustee may not declare a dividend at all in the event of inadequacy of distributable income. There is no assurance or guarantee to Unitholders as to the periodicity of dividend; rate of dividends distribution nor that dividend will be regularly paid. Dividend so declared may be reinvested in the Schemes at the first ex-dividend NAV. The dividends so reinvested shall be constructive payment of dividends to the Unitholders and constructive receipt of the same amount from each Unitholder for reinvestment in Units.

### **Record dates for declaration of dividend**

The procedure of declaring dividend and fixing of record dates will be in accordance with SEBI circular dated April 4, 2006.

### **ONGOING OFFER DETAILS**

The Scheme is perpetually open for subscription & redemption on an ongoing basis with announcements of NAV for every Business Day, except during the period when there is a book closure. The Units can be purchased and redeemed at the Applicable NAV, subject to applicable load.

The Trustee also reserves its right to limit the redemptions as laid down under the section 'Suspension of redemption of units'.

### **Who Can Invest**

The scheme units can be purchased by the following entities (subject to the applicable legislation/regulation governing such entities):

1. Adult individuals, either singly or jointly (not exceeding three), resident in India.
2. Parents/Guardian on behalf of minors.
3. Companies/ Domestic Corporate Bodies/ Public Sector Undertakings registered in India.
4. Charitable, Religious or other Trusts authorised to invest in units of mutual funds.
5. Banks, Financial Institutions and Investment Institutions.
6. Non-Resident Indians (NRIs), , and Overseas Citizen of India (OCI) (including erstwhile Person of Indian Origin card holders) Persons of Indian Origin residing abroad (POIs) and Overseas Citizen of India (OCI) on full repatriation basis and on non-repatriation basis but not (a) United States Persons within the meaning of Regulation 'S' under the United States Securities Act of 1933, or as defined by the U.S. Commodity Futures Trading Commission, as amended from time to time (b) persons resident of Canada.
7. Foreign institutional investors and their sub accounts on full repatriation basis (subject to RBI approval) and such other entities as may be permitted under SEBI (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time.
8. Hindu Undivided Family (HUF).
9. Wakf Boards or Endowments / Societies / Co-operative societies / Association of Persons or Body of individuals (whether incorporated or not), Trusts and clubs authorised to invest in units of mutual funds.
10. Sole Proprietorship, Partnership Firms, Limited Liability Partnership Firms (LLPs).

11. Army/Air Force/Navy/Para-military funds and other eligible institutions.
12. Scientific and/or industrial research organizations.
13. Other Associations, Institutions, Bodies etc. authorized to invest in the units of mutual funds.
14. Such other individuals/institutions/body corporate etc., as may be decided by the AMC from time to time, so long as wherever applicable they are in conformity with SEBI Regulations.
15. Mutual fund Schemes/ Alternative Investment Funds can also invest in the Scheme, subject to SEBI Regulations applicable from time to time.

Units of the schemes are an approved security under Sec 11[5] of the Income Tax Act read with Rule 17C of the Income Tax Rules, 1962.

Mutual Fund / AMC /Trustee reserves the right to redeem investors' investments in the event of failure on the part of the investor(s) to redeem his/her/their holdings, subsequent to his/her/their becoming (a) United States Persons with the meaning of Regulation (S) under the United States Securities Act of 1933 or as defined by the U.S. Commodity Futures Trading Commission, as amended from time to time or (b) residents of Canada.

In view of the individual nature of implications, the investors are advised to consult their own advisors to ascertain if they are eligible to invest in the scheme as per the laws applicable to them and whether the scheme is suitable for their risk profile.

### **AVAILABILITY OF FORMS**

Key Information Memorandum / Application Forms and copies of this Scheme Information Document are available from the Investor Service Centres at their respective locations set forth in the Application Form or on the reverse of this Scheme Information Document, in addition to the Head Office of the Mutual Fund. Application Forms are also available with the approved intermediaries of the Mutual Fund as well as on the website of the mutual fund [www.franklintempletonindia.com](http://www.franklintempletonindia.com).

### **Where can you submit the filled up Application Form**

Investors can purchase Units of the Scheme by completing the Application Form and delivering it along with full payment at any of the Franklin Templeton Branch Offices [Investor Service Centre (ISC)] / Collection Centres or may be routed through an AMFI registered Agent/distributor/broker.

A list of the addresses of the ISC and Collection Centres is given at the end of this Scheme Information Document

### **How to apply**

Investors can subscribe for the Units of the Scheme by completing the Application Form and delivering it at any Investor Service Centre or Collection Centre. KYC complied investor/ Investors who are able to provide necessary information and/or documents to perform KYC can perform a web-based transaction to purchase units of the Scheme on website of the Mutual Fund ([www.franklintempletonindia.com](http://www.franklintempletonindia.com)) or through any other electronic mode introduced from time to time.

Please refer to the SAI and the Key Information Memorandum / Application Form for the instructions.

### **SMS based transaction facility**

Investors can transact in schemes of Franklin Templeton Mutual Fund (except Franklin India Pension Plan and Franklin India Government Securities Fund -PF Plan) through SMS.

In order to avail this facility, the Unitholder(s) should submit SMS transaction registration form along with NACH registration form at the nearest Franklin Templeton branch or ISC.

Investors can send a transaction SMS only through the registered mobile number with the predefined keywords only (available on [www.franklintempletonindia.com](http://www.franklintempletonindia.com)). This facility shall be available subject to the terms and conditions as detailed in the SMS transactions registration form.

The Trustee/Asset Management Company of FTMF reserves the right to modify or discontinue any of these facilities at any time in future on a prospective basis.

Please refer to the SAI and the Key Information Memorandum / Application Form for the instructions.

## Official Points of Acceptance of Transaction

As per SEBI Circular SEBI/IMD/CIR No.11/78450/06 dated October 11, 2006, FTMF hereby declare all its branch offices [Investor Service Centres (ISC)], the designated branch offices of **Karvy Computershare Private Limited** (Karvy) and **Computer Age Management Services Private Limited** (CAMS) (termed as **Collection Centres**), the **MF Utilities India Private Limited** (MFUI) website www.mfuonline.com, authorised MFUI Points of Service updated on www.mfuindia.com and FTMF's website (www.franklintempletonindia.com) as the Official Points of Acceptance of Transactions ("OPAT"). Additionally, the Secured internet site hosted or managed by CAMS will also be OPAT in respect of the transactions routed through the distributors who have registered for this facility (in accordance with the terms and conditions, as may be prescribed from time to time). The "cut off time" mentioned in the Scheme Information Document shall be reckoned at these official points. All transaction (purchase/redemption/switch) applications must be demonstrably received by the Mutual Fund at these OPAT.

Further in case of transactions done through the stock exchange infrastructure, all the Eligible Stock Brokers will be considered as the OPAT for the transactions done under this facility. The cut-off timing and applicability of NAV for the transaction will be determined in accordance with the provisions of SEBI circular no. SEBI/IMD/CIR No.11/78450/06 dated October 11, 2006. The day and time of receipt of the transaction application by FTMF will be based on the time stamping as evidenced by the confirmation slip generated by the stock exchange infrastructure.

## MANDATORY INFORMATION

As per the directives issued by SEBI, it is mandatory for applicants to mention their bank account numbers in their applications and therefore, investors are requested to fill-up the appropriate box in the application form failing which applications are liable to be rejected.

**It is mandatory for all investors (including joint holders, NRIs, POA holders and guardians in the case of minors) to furnish such documents and information as may be required to comply with the Know Your Customers (KYC) policies under the AML Laws. Applications without such documents and information may be rejected.**

In terms of SEBI circulars dated April 27, 2007, April 03, 2008 and June 30, 2008 read with SEBI letter dated June 25, 2007, **Permanent Account Number (PAN) would be the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction**, except (a) investors residing in the state of Sikkim; (b) Central Government, State Government, and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government) and (c) investors participating only in micro-pension. SEBI, in its subsequent letter dated July 24, 2012 has conveyed that investments in mutual fund schemes [including investments through Systematic Investment Plan (SIP)] of up to Rs.50,000/- per year per investor shall be exempted from the requirement of PAN.

Accordingly, where the aggregate of lump sum investment (fresh purchase and additional purchase) and SIP instalments by an investor in a rolling 12 months period or in a financial year i.e., April to March does not exceed Rs.50,000/- (referred to as "Micro investment"), it shall be exempt from the requirement of PAN. However, a duly verified/attested copy of such document(s) as may be prescribed by the AMC/Trustee from time to time, needs to be submitted as the proof of identification in lieu of PAN Card copy.

This exemption will be available only to Micro investment made by individuals being Indian citizens (including NRIs, joint holders, minors acting through guardian and sole proprietary firms). PIOs, HUFs, QFIs and other categories of investors will not be eligible for this exemption.

For the purpose of identifying Micro investment, applications shall be aggregated at the investor level (same sole holder/joint holders in the same sequence) and such aggregation shall be done irrespective of the number of folios / accounts under which the investor is investing and irrespective of source of funds, mode, location and time of application and payment.

Thus, submission of PAN is mandatory for all existing as well as prospective investors (including all joint applicants/holders, guardians in case of minors, POA holders and NRIs but except for the categories mentioned above) for investing with mutual funds from this date. Investors are required to register their PAN with the Mutual Fund by providing the PAN card copy.

**All investments in Franklin Templeton Mutual Fund need to comply with the PAN and KYC requirements as stated above, failing which the applications are liable to be rejected.** It is clarified that all categories of investors seeking exemption from PAN still need to complete the KYC requirements stipulated by the AMC/Trustee from time to time, irrespective the amount of investment.

### **Minimum Application Amount**

Fresh purchase by new applicant: Rs.5,000/- and any amount thereafter in multiple of Re.1/-  
Additional purchases by existing unitholders: Rs.1,000 and any amount thereafter in multiple of Re.1/-

The Trustee reserves the right to vary these limits from time to time, in the interest of investors.

### **Sale Price for ongoing purchases**

For on-going subscriptions, sale price is calculated based on the "Applicable NAV". In accordance with the SEBI guidelines, no entry load will be charged by the Mutual Fund.

All the applications will be processed at the Applicable NAV, based on the date and time of their receipt at the ISC / Collection Centre, as evidenced by the electronic date / time stamp affixed at the ISC or Collection Centre.

### **Transaction Charges**

The AMC/Mutual Fund shall deduct Transaction Charges on purchase/subscription applications received from investors that are routed through a distributor/agent/broker as follows, provided the distributor/agent/broker has opted to receive the transaction charges. The distributors have the option to either opt in or opt out of levying transaction charge based on type of the product:

#### **(i) First time investor in mutual funds:**

Transaction Charge of Rs.150/- on purchase/subscription application of Rs.10,000 and above shall be deducted from the subscription amount and paid to the distributor/agent/broker of the investor. Units will be allotted for the balance subscription amount (net of the transaction charge deducted).

#### **(ii) Investors other than first time investor in mutual funds:**

Transaction Charge of Rs.100/- per purchase/subscription application of Rs.10,000 and above shall be deducted from the subscription amount and paid to the distributor/agent/broker of the investor. Units will be allotted for the balance subscription amount (net of the transaction charge deducted).

**(iii)** In case of investments through Systematic Investment Plan (SIP), the Transaction Charge shall be deducted only if the total commitment through SIP (i.e. amount per SIP instalment x No. of SIP instalments) amounts to Rs.10,000/- and above. The Transaction Charge shall be deducted in 3 or 4 instalments, as may be decided by the AMC from time to time.

#### **(iv) The Transaction Charges shall not be deducted for:**

- (a) purchase/subscription applications for an amount less than Rs.10,000/-;
- (b) transactions other than purchases/subscriptions relating to new inflows such as switches, redemption, Systematic Transaction Plan, Dividend Transfer Plan etc.;
- (c) direct applications received by the AMC i.e. applications received at any Official Point of Acceptance of Transaction of Franklin Templeton Mutual Fund that are not routed through any distributor/agent/broker; and
- (d) transactions routed through stock exchange platform. (not applicable for ARN holders who have 'opted-in' for levy of transaction charges in respect of mutual fund transactions of their clients routed through stock exchange platforms).

The statement of account shall clearly state that the net investment as gross subscription less transaction charge and give the number of units allotted against the net investment. The upfront commission to distributors shall continue to be paid by the investor directly to the distributor by a separate cheque based on his assessment of various factors including the service rendered by the distributor.

### **CUT OFF TIMING FOR SUBSCRIPTIONS**

Pursuant to SEBI guidelines, the cut off timings and the applicability of Net Asset Value of the scheme is under:

**For amount less than Rs.2 Lacs**

In respect of valid applications received\* up to 3:00 p.m. by the Mutual Fund along with a local cheque or a demand draft payable at par at the place where the application is received, the closing NAV of the day on which application is received shall be applicable.

In respect of valid applications received\* after 3:00 p.m. by the Mutual Fund along with a local cheque or a demand draft payable at par at the place where the application is received, the closing NAV of the next business day shall be applicable.

However, in respect of valid applications with outstation cheques/demand drafts not payable at par at the place where the application is received\*, closing NAV of the day on which cheque/demand draft is credited to the account of Franklin Templeton Mutual Fund shall be applicable.

**For amount equal to or more than Rs.2 Lacs:**

In respect of valid applications received\* up to 3:00 p.m. by the Mutual Fund and the funds are available for utilisation on the same day before the cut-off time - the closing NAV of the day on which the funds are available for utilisation shall be applicable.

In respect of valid applications received\* after 3:00 p.m. by the Mutual Fund and the funds are available for utilisation on the same day - the closing NAV of the Business Day following the day on which the funds are available for utilisation shall be applicable.

However, irrespective of the time of receipt of application, where the funds are not available for utilisation on the day of the application, the closing NAV of the Business Day on which the funds are available for utilisation before the cut-off time (3:00 p.m.) shall be applicable provided the application is received\* prior to availability of the funds.

For determining the availability of funds for utilisation, the funds for the entire amount of subscription/purchase (including switch-in) as per the application should be credited to the bank account of the scheme before the cut-off time and the funds are available for utilisation before the cut-off time without availing any credit facility whether intra-day or otherwise, by the scheme.

The Trustee/AMC may alter the limits and other conditions in line with the SEBI Regulations.

\*Received at the Official Points of Acceptance of Transactions of Franklin Templeton Mutual Fund

**Note:**

The applicability of Net Asset Value (NAV) for on-going subscriptions in the schemes will be as follows:

In case where more than one application is received for purchase/subscription (fresh or additional) into a scheme of the Mutual Fund for an aggregate investment amount equal to or more than Rs.2 lacs on any Business Day across all plans/options of the relevant scheme, then such applications shall be aggregated at the investor level (same holders/joint holders identified by their Permanent Account Numbers (PAN) in the same sequence).

Such aggregation shall be done irrespective of the number of folios under which the investor is investing and irrespective of source of funds, mode, location and time of application and payment.

Accordingly the applicable NAV for such applications shall be the closing NAV of the Business Day on which the funds are available for utilisation before the cut off time (currently 3:00 p.m.) in case of each application.

In case funds are received on separate days and are available for utilisation on different Business Days before the cut off time, the applicable NAV shall be of the closing NAV of the Business day(s) on which the cleared funds are available for utilisation for the respective application.

It is clarified that switches and transactions under SIP, STP, DTP and stock exchange infrastructure will not be considered for aggregation of applications. It is further clarified that in respect of schemes having more than one portfolio, the aggregation of application will be done at portfolio level.

**Allotment of Units / Refund**

Full allotment will be made to all valid applications received during continuous offer period. Refund of

subscription money will be made to applicants without any return, in case applications are invalid or are rejected.

The allotment of units is subject to realisation of the payment instrument. Units purchased can be redeemed (including switch-out) only after realisation of cheques. The Mutual Fund will reject any request for redemption (including switch-out) of units in respect of which the payment is not realised.

It is clarified that in case of switch, requests for redemption/switch-out from destination scheme for the units switched shall be accepted and/or processed only if the payment in respect of those units is received from the source scheme to destination scheme.

**The Trustee is entitled, in its sole and absolute discretion, to reject any Application.** Further, the AMC/ Trustee reserves the right to reject any application post allotment or processing, if subsequently found invalid, contravention of any law or provisions of this Scheme Information Document. In this case, AMC will reverse such invalid allotments in their records and communicate to investors.

### **Fractional Units**

Investors may have Account Statements that show an issuance of fractional Units. Fractional Units will be computed and accounted for up to three decimal places using standard rounding criteria. Fractional Units in no way will affect an investor's ability to redeem Units.

### **Option to receive allotment and hold units in demat form**

Investors have an option to receive allotment and hold units of the schemes of Franklin Templeton Mutual Fund in demat form. For this purpose, the investors need to furnish the details of their depository account in the Application Form along with a copy of the Client Master Report / List (CMR/CML) or the Transaction Statement (the page reflecting name and holding pattern) for verification of the demat account. The Units allotted in electronic form will be credited to the investor's Beneficiary Account with a Depository Participant (DP) of CDSL or NSDL as per the details furnished by the investor in the Application Form. In case the Unitholder does not wish to get his/her Units converted / allotted in electronic form or the AMC is not able to credit the Units to the beneficiary account(s) of the investor for any reason whatsoever, the AMC shall issue Account statement(s) specifying the Units allotted to the investor. Please note that where the investor has furnished the details of their depository accounts in the Application Form, it will be assumed that the investor has opted for allotment in demat form and the allotment will be made **only in demat form as default**.

In case of SIP, the units will be allotted based on the applicable NAV as per the terms of the Scheme Information Document of the respective scheme and will be credited to the investor's demat account on weekly basis on realisation of funds. For example, for the subscription amount of the relevant SIP instalment credited to the bank account of Franklin Templeton Mutual Fund during a week (Friday to Thursday), the units allotted will be credited to the investor's demat account on following Monday or the subsequent working day if Monday is a holiday/non working day for the AMC or the depositories.

However, this facility is not available for investment under Daily Dividend and Weekly Dividend options of the schemes, Switch facility, Systematic Transfer Plan (STP) and Dividend Transfer Plan (DTP).

The existing Unitholders can dematerialise the units held in physical form (represented by Account Statement) at any time by making an application to the Depository Participant by filling up the Conversion Request Form (CRF) and surrendering the Account Statement(s).

### **LISTING**

Being an open-end scheme, the units of the scheme will not be listed at any stock exchange. However, subject to the Regulations, the Trustee may decide to list the units of the scheme on any recognised stock exchange.

### **How to Redeem Units**

In order to redeem units, investors must submit a redemption request by filling-up the pre-printed forms and submit / mail the same to any Investor Service Centre (ISC) / Collection Centre. All redemption request forms must contain the investor's Folio / Account Number and be duly signed. A web-based Redemption requests may also be submitted on website of the Mutual Fund

(www.franklintempletonindia.com) or through any other electronic mode introduced from time to time.

In case of units held in demat mode, applications for redemptions should be submitted to the respective Depository Participants only.

Redemption requests by telephone, telegram, fax or other means or that lack valid signatures may not be accepted.

Redemption of Units (including switch-out, STP-out, etc) will be considered on First-in-First-Out (FIFO) basis.

The Fund, however, may limit the right to make redemptions. See “Suspension of redemption of units” below.

### **Redemption Price**

A valid redemption request received on any Business Day will be processed at the “Applicable NAV”, subject to applicable load.

All the applications will be processed at the Applicable NAV, subject to applicable load, based on the date and time of their receipt at the ISC, as evidenced by the electronic date / time stamp affixed at the ISC.

“Applicable NAV” is the Net Asset Value per unit of the business day on which the application for redemption is accepted on or before the cut of time.

The repurchase / exit load shall be charged as a percentage of Net Assets Value (NAV) i.e. applicable load as a percentage of NAV will be deducted from the NAV to calculate repurchase price.

To further elaborate, the redemption price is calculated by multiplying the “Applicable NAV for Redemption” by (1 – Exit Load). The redemption price will be calculated to four decimals using standard rounding criteria. For example, if the “Applicable NAV for Redemption” (rounded) is Rs.12.3269 and the exit load applied is 0.5%, the redemption price will be calculated as follows:

Redemption Price	=	Applicable NAV for Redemption * (1- Exit Load)
	=	12.3269 * (1-0.005)
	=	Rs.12.26526550
	=	Rounded off to Rs.12.2653

### **CUT OFF TIMING FOR REDEMPTIONS**

Pursuant to SEBI guidelines, the cut off timings and the applicability of Net Asset Value of the scheme is under:

In respect of valid applications received up to 3:00 p.m. by the Mutual Fund, same day’s closing NAV shall be applicable.

In respect of valid applications received after 3:00 p.m. by the Mutual Fund, the closing NAV of the next business day shall be applicable.

### **Minimum redemption amount**

Rs.1,000 and any amount in multiple of Re. 1/- thereafter or ‘All Units’ if the account balance is less than Rs.1,000/-.

The Trustee reserves the right to vary these limits from time to time, in the interest of investors.

Unitholder may request the redemption of a certain specified Rupee amount or of a certain number of Units. If a redemption request is for both a specified Rupee amount and a specified number of Units, the specified number of Units will be considered the definitive request. In the case where a Rupee amount is specified or deemed to be specified for redemption, the number of Units redeemed will be the amount redeemed divided by the applicable NAV. Redemption requests will be honoured to the extent permitted by the credit balance in the Unitholder’s account. The number of Units so redeemed will be subtracted



from the Unitholder's account and a statement to this effect will be issued to the Unitholder. If the redemption request exceeds the Balance in the account then the account would be closed and balance sent to the investors. To pay the investor the redemption amount requested for (in Rupees), Franklin Templeton will redeem that many units as would give the investor the net redemption amount requested for, after deducting exit load as applicable from time to time.

### **Minimum balance to be maintained and Right to close an investor's account**

The Mutual Fund may close out an investor's account whenever, due to redemptions, the value of the account falls below Rs.1,000/- and the investor fails to purchase sufficient Units to bring the value of the Account up to the minimum amount or more, after written notice is sent by the Mutual Fund.

### **Suspension of sale of units**

With the approval of the Boards of Directors of the Trustee and the Asset Management Company, the sale of Units may be suspended temporarily or indefinitely when any of the following conditions exist:

1. The equity / debt market stops functioning or trading is restricted.
2. Periods of extreme volatility in the equity / debt market, which, in the opinion of the Investment Manager, is prejudicial to the interest of the investors.
3. When there is a strike by the banking community or trading is restricted by RBI or other authority.
4. Period of extreme volatility in the equity / debt / money market, which in the opinion of the Board of Directors of AMC and Trustee is prejudicial to the interest of the scheme's investors.
5. As and when directed by the Government of India or RBI or SEBI to do so or conditions relating to natural calamity/external aggression/internal disturbances etc. arises, so as to cause volatile movements in the money or debt market, which in the opinion of the AMC, will be prejudicial to the interest of the unitholders, if further trading in the scheme is continued.
6. Break down in the information processing/communication systems affecting the valuation of investments/processing of sale/repurchase request.
7. Natural calamity.
8. SEBI, by order, so directs.
9. Trustee views that increasing the Scheme's size further may prove detrimental to the existing/prospective Unitholders of the Scheme.
10. Any other circumstances which in the opinion of the Board of Directors of AMC and Trustee is prejudicial to the interest of the existing/prospective investors.

### **Suspension of redemption of units**

With the approval of the Boards of Directors of the Trustee and the Asset Management Company, the redemption of Units may be suspended temporarily when there are circumstances leading to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as:

- i. Liquidity issues - when market at large becomes illiquid affecting almost all securities rather than any issuer specific security. Further, restriction on redemption due to illiquidity of a specific security in the portfolio of a scheme due to a poor investment decision, shall not be allowed.
- ii. Market failures, exchange closures - when markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies.
- iii. Operational issues – when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out). Such cases can only be considered if they are reasonably unpredictable and occur in spite of appropriate diligence of third parties, adequate and effective disaster recovery procedures and systems.
- iv. Based on any other guidance/ circular issued by SEBI from time to time.

Restriction on redemption may be imposed for a specified period of time not exceeding 10 working days in any 90 days period. The approval from the Boards of AMC / Trustee shall also be informed to SEBI in advance.

When restriction on redemption is imposed, the following procedure shall be applied:

- i. No redemption requests upto Rs. 2 lakh shall be subject to such restriction.
- ii. Where redemption requests are above Rs. 2 lakh, AMC shall redeem the first Rs. 2 lakh without such restriction and remaining part over and above Rs. 2 lakh shall be subject to such restriction.

Any Units which, by virtue of these limitations, are not redeemed on a particular Business Day will be carried forward for redemption on the next following Business Day in order of receipt. Redemptions carried forward will be made at the NAV in effect on the subsequent Business Day(s) on which the condition for redemption request is fulfilled. To the extent multiple redemptions are being satisfied in a single day under these circumstances, such payments will be made pro-rata based on the size of each redemption request. Under such circumstances, redemption cheques may be mailed out to investors within a reasonable period of time and will not be subject to the normal response time for redemption cheque mailing.

In case where more than one application is received for redemption in a scheme for an aggregate redemption amount equal to or more than Rs.2 lakhs on any Business Day across all plans/options of the relevant scheme, then such applications shall be aggregated at the investor level (same holders/joint holders identified by their Permanent Account Numbers (PAN) in the same sequence).

**Such aggregation shall be done irrespective of the number of folios under which the investor is redeeming and irrespective of mode, location and time of application.**

## **SPECIAL PRODUCTS AVAILABLE**

### **Exchanges / Switch**

Investors can, subject to any applicable restriction (such as lien/lock-in) exchange / switch investments from one scheme of Franklin Templeton Mutual Fund to another (e.g. Franklin India Bluechip Fund to Templeton India Growth Fund), and from one plan to another of the same scheme (i.e. from Dividend plan to Growth plan) at the applicable NAV (subject to applicable load structure) provided that

- a. there is no book closure in either of the schemes/plans.
- b. the investment sought to be exchanged is not under any lock-in period and are free of any encumbrances.
- c. the amount sought to be exchanged is equal to or higher than minimum investment amount required for opening an account in the destination scheme/plan.

For this purpose, the units of that scheme/plan will be redeemed at the applicable NAV (subject to applicable load) and the net proceeds shall be invested in the destination scheme/plan at the applicable NAV.

All the switches / exchanges will be treated as redemption in the source scheme and subscription in the destination scheme, with the applicable load structure. The switches of Units will be considered on First-in-First-Out (FIFO) basis.

The investors may please note the exchanges / switches in the schemes shall be subject to the terms and conditions of the respective schemes, including applicable lock-in-periods.

In the event of book closure in any of the schemes, the relevant exchange will be effected on the working day immediately following the end of the book closure period.

The Trustee/AMC reserves the right to alter/vary the terms of exchanges.

## **SYSTEMATIC INVESTMENT PLAN (SIP)**

Mutual Fund Investors can benefit by investing specified rupee amounts periodically for a continuous period. This concept is called Rupee Cost Averaging. This savings program allows investors to save a fixed amount of rupees every month by purchasing additional units of the Fund. Therefore, the average unit cost will always be less than the average sale price per unit irrespective of the market being rising, falling or fluctuating. By investing a fixed amount of Rupees at regular intervals, investors can take advantage of the benefits of Rupee Cost Averaging, at the same time, saving a fixed amount each month.

The unitholder may avail Systematic Investment Plan (SIP) by completing the application form and submitting the same at any of the ISC / Collection Centres. Unitholders may change the amount and / or tenure (but not below the specified minimum) by giving written notice to the AMC/Registrar. An SIP may be terminated on appropriate written notice by the unitholder of the fund, and it may terminate automatically if transmission is initiated for that folio (notification of death) or incapacity of the unit holder.

The Investment Manager may change rules relating to the facility from time to time.

## Highlights:

- Franklin Templeton Mutual Fund will accept a minimum of 12 cheques ('cheques' include ECS/Direct Debit/ NACH instructions or any other mode of payment accepted by the AMC from time to time) each of Rs.500/- or more or a minimum of 6 cheques each of Rs.1,000/- or more from any SIP investor.
- All the SIP cheques (except the first one) must be uniformly dated i.e. either the 1<sup>st</sup>, 7<sup>th</sup>, 10<sup>th</sup>, 20<sup>th</sup> or 25<sup>th</sup> of a month. Investors can invest at Monthly or Quarterly intervals by providing post-dated cheques. All cheques should be for the same amount.
- Only one instalment per month/quarter is allowed under one SIP registration. e.g., if for a monthly SIP, the first instalment is in the month July, say 2<sup>nd</sup> July, then the second instalment should be in August.
- To effect the Direct debit/ NACH, investors must provide a cancelled cheque or copy thereof for the same account from which the Direct Debit/ NACH is to be done. Please note that ECS facility is discontinued w.e.f. May 31, 2016.
- Load: For all SIP purchase transactions during ongoing sale, the entry and exit load as applicable for normal purchases shall be applicable [Normal purchases are purchases at the minimum subscription amount specified for each respective scheme, other than purchases through SIP, STP(in), DTP(in) or Exchange/Switch(in)].
- In case the specified date of SIP instalment is a non-business day for the scheme, the SIP will be processed on the following business day for that scheme.
- If during the currency of a SIP, the unitholder changes the plan or option in which he/she had invested, the same would be treated as termination of existing SIP and re-registration of a new SIP and all the terms and conditions of the SIP such as minimum term/amount etc. shall apply in both plans/options.
- The AMC / Trustee reserves the right to discontinue the SIP in case of cheque return or rejection of ECS/Direct Debit/ NACH by the bank for any reason, and debit the return / rejection charges to the investors' account.
- The AMC / Trustee shall not be responsible for any delay/non-processing of ECS/Direct Debit/ NACH transaction where it is attributable to any incorrect/incomplete information provided by the investor.
- The AMC / Trustee shall not be responsible and liable for any damages/compensation for any loss, damage etc., incurred by the investor. The investor assumes the entire risk of using the ECS/Direct Debit/ NACH facility and takes full responsibility for the same.
- Investor will not hold AMC / Trustee and its service providers responsible if the transaction is delayed or not effected by the investor Bank or if debited in advance or after the specific SIP date due to various reasons.
- The AMC / Trustee reserve the right to modify or discontinue the SIP facility at any time in future on a prospective basis.

It is clarified that the load applicable for a SIP shall be the load prevailing on the date of registration.

Here is an illustration using hypothetical figures to show how a Systematic Investment Plan can benefit an investor. Let us assume that Mr. ABC would like to invest Rs.1,000/- as a quarterly investment for a period of four quarters, i.e. a total of Rs.4,000/-.

Quarter	Amount Invested (Rs.)	Public Offering Price (POP) (Rs.)	No. of Units purchased
1	1000	12.0000	83.333
2	1000	15.0000	66.667
3	1000	9.0000	111.111
4	1000	12.0000	83.333
<b>TOTAL</b>	<b>4000</b>	<b>48.0000</b>	<b>344.444</b>

Average price (per unit) per quarter (quarters) = Rs.12.0000 (i.e. Rs. 48/4).  
Average cost per unit = Rs.11.6129 (i.e. Rs. 4000/344.444 units).

As can be seen from the example above, the average cost per unit is always lower than the average market price per unit, irrespective of a rise, fall or fluctuations in the market. A greater number of units were purchased when the per-unit cost was low; fewer units were purchased when the per-unit cost was high. Thus, Mr. ABC automatically gains without having to monitor prices (NAV) on a day-to-day basis.

However, an investor should note that the market value of the Scheme's units is subject to fluctuations. **Before undertaking any plan for Systematic Investment, the investor should keep in mind that**

**such a program does not assure a profit or protect against a loss.**

### **Systematic Investment Plan (SIP) Variants facility**

SIP Variants, branded as Freedom SIP are defined as features that can be added to an existing/new Systematic Investment Plan (SIP) through the online and/or offline mode. These features are listed below:

- Step Up SIP
- Pause SIP
- Any Date SIP
- SIP Amount Change
- Flexi SIP

The facility of SIP Variants is provided by Franklin Templeton Mutual Fund (FTMF) to facilitate investors to modify the amount/date of SIP as per the availability of financial resources. This facility may assist the investors in managing their investments without cancelling/revoking/annulling the ongoing SIP.

In case of identical SIPs the SIP variant shall be applied to any one of them. The investor would be required to submit separate forms/ requests for applying a SIP Variant to each SIP.

FTMF reserves the right to reject an application for 'SIP Variants' if it is termed as 'Not in Good Order' in accordance with the guidelines as mentioned on our website [www.franklintempletonindia.com](http://www.franklintempletonindia.com) as amended from time to time. In such circumstances, the ongoing SIP will continue to be processed.

#### **I. Step Up SIP facility**

Step-up SIP is a facility wherein an investor who has enrolled for SIP has an option to increase the amount of the SIP installment by a fixed amount at pre-defined intervals. This is to offer an ability to increase investments with increase in savings or income.

- All Schemes offering SIP facility shall be eligible to offer Step Up SIP facility.
- Step up SIP facility shall be available for SIP Investments through ECS (Debit Clearing) / Direct Debit Facility/ Bill Pay / Net Banking / NACH (maximum value) and e-mandate only.
- Step up SIP will be offered on an annual basis for monthly and quarterly SIP frequencies.
- Step up will be offered in terms of percentage of existing SIP value or fixed value; multiples of 5% or ₹ 500. In case of a % increase, the Rupee value will be rounded off to the nearest multiple of ₹ 100.

Step Up SIP facility shall be governed by following conditions:

- All the terms applicable to SIP facility shall also apply to Step up SIP.
- For registering a new SIP with Step Up feature, the minimum tenure of new SIP shall be at least 2 years.
- For an existing SIP, minimum 3 monthly installments or 1 Quarterly installment should be remaining to register a Step Up.
- Step-up SIP is applicable only for AMC initiated debit feeds i.e. ECS/NACH/Direct Debit, etc.
- Investor will need to provide an alternate mandate in case the existing mandate cannot be utilized for the Step Up and the alternate mandate shall be utilized to debit money for all future SIP installments. The existing mandate will still be active and the investor may choose to use the same if required at a later point of time.
- For existing SIPs, Investor can decide if the step up facility should apply on the first possible instalment or after the rolling cycle. If the first possible cycle is chosen, the rolling year will change for that investor.
  - Note: Rolling year is defined as the period from the 1<sup>st</sup> instalment of the SIP to the 12<sup>th</sup> calendar month from the said 1<sup>st</sup> instalment.
- A Step Up SIP or a Step up cancellation request shall be submitted at least 20 days before instalment due date for it to be effective.
  - Step up Rejection and Cancellation will not cancel the SIP registered by the investor. Receipt of a subsequent Step Up request will override the initial request. The new request will apply to the current value of the already Stepped Up SIP.
- For Family Solutions, Step Up facility can be requested at goal level.

- Step up facility will not be activated automatically to any new SIPs enrolled to a particular goal. Investor would need to specifically request in writing for applying the Step Up facility to the new SIPs.
- The stepped up amount shall be allocated to all the underlying schemes of a particular goal as per the instructions of the investor subject to rounding off to the nearest ₹100.

Example: Simple comparison of Regular SIP and SIP+ Step UP  
Assuming investor avails 'Step Up' choosing to increase SIP Value by ₹1, 000/-

SIP Period (Dates)	Regular SIP	SIP with 'Step Up' facility
March 2016 – Feb 2017	5000	5000
March 2017 – Feb 2018	5000	6000
March 2018 – Feb 2019	5000	7000
	And so on...	And so on...

## II. Pause SIP facility

Any existing investor who has an ongoing SIP will have an option to Pause SIP at any time.

- Notice of Pause should be submitted at least 20 days prior to the subsequent SIP date.
- The Pause SIP facility is available for SIP registration with monthly & Quarterly frequency.
- Pause SIP is allowed for only one instalment (Monthly or Quarterly) with one request which will be applicable to the next possible instalment.
- Pause SIP is applicable only for AMC initiated debit feeds i.e. ECS/NACH/Direct Debit, etc.
- Pause SIP is not possible for the investors having Standing Instructions with banks.
- The SIP shall continue from the subsequent instalment after the completion of Pause period automatically.
- Investors can avail this facility as often as desired but a separate request is required for each instalment.
- For Family Solutions, Pause SIP facility cannot be requested at goal level. However, it can be requested for each underlying SIP which is part of the goal

## III. Facility to initiate SIP on Any date for New SIPs and Date Change for Existing SIPs

**New SIP** - An investor can choose any date of a month for SIP installments. In case the installment date chosen in the current or subsequent months is a non-business day or is not available, the installment will be applied on the next business day.

- The default date will be considered as 10<sup>th</sup> of the month in case the instalment date is not selected in the SIP form.

**Existing SIP** – An SIP instalment date change can be requested by the investor for an existing SIP.

- The request must be received 30 days before the next instalment.
- The facility is offered across regular and Family Solutions SIPs.
- All the existing terms and conditions shall apply to Any date SIP.
- For Family Solutions, Date Change facility will not be activated automatically to any new SIPs. Investor would need to specifically request for applying Date Change to each SIP.
- The default date will be considered as 10<sup>th</sup> of the month in case the instalment date is not selected in the SIP form.

SIP Frequency	Choice of the Day/ Date*
Monthly	Any date of the month – (29, 30, 31 will default to last business day of the month)
Quarterly	Any date of the month for each quarter – (29, 30, 31 will default to last business day of the month)

\*Date – In case the chosen date falls on non-business day, SIP will be processed on the next Business day.

Note: Last business day of the month will be chosen where 29, 30, 31 are non-business days in the month.

#### **IV. SIP Amount Change facility**

SIP Amount Change facility enables the investor to change the amount of the SIP without cancelling the ongoing SIP.

- Applicable to all existing investors with ongoing SIP transactions with maximum value mandates through NACH, ECS, Direct Debit, E mandate, Net banking, Bill pay etc.
- Available only for ongoing SIP Transactions and shall not be accommodated with New SIP Transactions.
- SIP Amount Change is not available for payments via Standing Instructions.
- SIP Amount Change is applicable only for AMC initiated debit feeds i.e. ECS/NACH/Direct Debit, etc.
- SIP Amount change will be offered for both monthly and quarterly installments.
- SIP Amount change will be requested by providing the desired target value (new value of SIP)
- SIP Amount change will be applicable (until SIP Cancellation) for all the remaining tenure of SIP Transaction.
- Investor to provide the SIP Amount change request at least 20 days prior to next installment date.
- Available for Family Solutions and Regular SIPs.
- For Family Solutions, SIP Amount Change facility cannot be requested at goal level. However, it can be requested for each underlying SIP which is part of the goal.

#### **V. Flexi SIP facility**

FTMF investors are offered an option to change the installment amount for a single month or a quarter in situations where an investor may have surplus or a shortfall of cash in a specific month or a quarter. Hence, the investor has the flexibility to change the value for that specific month or quarter.

- Applicable to all existing investors with ongoing SIP transactions with maximum value mandates through NACH, ECS, Direct Debit, E mandate, Net banking, Bill pay, etc.
- Available only for ongoing SIP Transactions and shall not be accommodated with New SIP Transactions.
- Flexi SIP is applicable only for AMC initiated debit feeds i.e. ECS/NACH/Direct Debit, etc.
- Investors have a right to increase/decrease the SIP installment through Flexi SIP at any time during the tenure of SIP.
- Flexi SIP offers SIP installment change facility for a month at monthly and for a quarter at quarterly intervals for both Family Solutions and Regular SIPs. Investor should provide the desired target value for availing this facility.
- Investor to provide the Flexi SIP request 20 days prior to next installment date.
- The Flexi SIP facility cannot be modified once enrolled. In order to make any changes, the investor must provide a new request to AMC.
- For Family Solutions, Flexi SIP facility cannot be requested at goal level. However, it can be requested for each underlying SIP which is part of the goal.

#### **Other terms governing the SIP Variants facility**

- Franklin Templeton Mutual Fund, the AMC, the Trustees, the Sponsors, their respective employees, directors, affiliates and associates shall not be held responsible for any loss, damage etc. incurred by the investor upon availing the SIP Variant facility.
- The AMC / Trustee reserves the right to discontinue these facilities in case of cheque return or rejection of ECS/Direct Debit/ NACH by the bank for any reason and debit the return / rejection charges to the investors' account.
- The AMC / Trustee shall not be responsible for any delay/non-processing of ECS/Direct Debit/ NACH transaction where it is attributable to any incorrect/incomplete information provided by the investor.
- The AMC / Trustee shall not be responsible and liable for any damages/compensation for any loss, damage etc., incurred by the investor or due to the happening of any force majeure event. The investor assumes the entire risk of using the ECS/Direct Debit/ NACH facility and takes full responsibility for the same.
- Investor shall not hold AMC / Trustee and its service providers responsible if the transaction is delayed or not effected by the investor's Bank or if debited in advance or after the specific SIP date due to various reasons.
- The AMC / Trustee reserves the right to modify or discontinue the SIP Variants facility at any time in future on a prospective basis.

## SYSTEMATIC TRANSFER PLAN (STP)

A unitholder may establish a Systematic Transfer Plan and choose to transfer on a daily, weekly, monthly or quarterly basis from the Scheme to another Franklin Templeton scheme. The transfer will be effected by way of redemption of units (with appropriate exit load, if any) and a reinvestment (with appropriate entry load, if any) of the redemption proceeds in another Scheme(s).

The unitholder may avail STP by completing the application form and submitting the same at any of the ISC / Collection Centres. Unitholders may change the amount and / or tenure (but not below the specified minimum) by giving written notice to the AMC / Registrar. An STP may be terminated on appropriate written notice by the unitholder of the fund, and it may terminate automatically (as per the table 1) if all the units are liquidated or withdrawn from the account, or upon the Fund's receipt of notification of death or incapacity of the unitholder.

The Investment Manager may change rules relating to the facility from time to time.

### Highlights:

This facility is available to the investors of all open-end schemes of Franklin Templeton Mutual Fund, subject to the terms mentioned herein below. An investor can select this facility whereby the investor chooses to transfer on a periodic basis a pre-determined amount from any Franklin Templeton open-end scheme (Source Scheme) into any other Franklin Templeton open-end scheme (Destination Scheme) selected by the investor. The provision of "Minimum Redemption Amount" of the Source Scheme(s) and "Minimum Subscription Amount" of the Destination Scheme(s) shall not be applicable to STP.

- 1) In order to start the STP facility, the minimum current value requirement in the Source Scheme is as follows:

Frequency	Fixed Amount Option (Rs.)	Capital Appreciation Option (Rs.)*
Daily	1,000/-	Not available
Weekly	2,000/-	5,00,000/-
Monthly	2,000/-	1,00,000/-
Quarterly	2,000/-	1,00,000/-

\* Except in Franklin India Treasury Management Account (FITMA), Franklin India Ultra Short Bond Fund (FIUBF), Franklin India Cash Management Account (FICMA) and Franklin India Savings Plus Fund (FISPF) where the same should be Rs. 10 Lakhs for all frequencies.

- 2) However, the following schemes/plans/options are not available as Source Scheme:
  - Franklin India Pension Plan (FIPEP)
  - Franklin India Taxshield (FIT)
  - Franklin India Government Securities Fund (FIGSF) - PF Plan
- 3) Franklin India Taxshield is not available as Destination Scheme (under Capital Appreciation Option)
- 4) Options: There are two options available:
  - a. Fixed Amount Option: A fixed amount can be transferred to the specified Destination Scheme at prescribed frequency; and
  - b. Capital Appreciation Option: Capital appreciation in the Source scheme can be transferred to the specified Destination Scheme at prescribed frequency.
- 5) The Capital Appreciation option will be available only under the Growth plans/options of the Source schemes. NAV on the date of registration of STP request will be considered for calculating the capital appreciation of the first installment. For subsequent STP installments, NAV as on the date of previous STP installment processed with capital appreciation option will be considered. However in case of any additional inflows in between the STP installments, the capital appreciation on such additional units will be the NAV difference between the additional purchase date and STP installment. (refer Illustration-2)
- 6) Frequency: The frequency can be Daily, Weekly, Monthly or Quarterly. The Daily frequency of transfer will be available only under Fixed Amount Option.
- 7) Transfer of Funds:

Transfer of Funds	Fixed Amount Option	Capital Appreciation Option
<b>Daily STP</b>	A fixed amount can be transferred to the specified Destination Scheme.	Not Applicable
<b>Weekly STP</b>	A fixed amount can be transferred on the 7th, 14th, 21st and 28th day of every month to the specified	The capital appreciation as on the immediately preceding business day for the Source Scheme can be

	Destination Scheme	transferred to the specified Destination Scheme, on the 7th, 14th, 21st and 28th day of every month
<b>Monthly STP/ Quarterly STP</b>	A fixed amount can be transferred on a pre-specified date (to be chosen by the investor) of every month/every quarter to the specified Destination Scheme	The capital appreciation as on the last business day of every month/quarter can be transferred to the specified Destination Scheme

8) In case the specified date is a non-business day for either the Source Scheme or the Destination Scheme, the STP will be processed on the following business day for both the schemes. The STP will be applicable subject to the terms of the destination scheme. When the value of STP is more than Rs. 2 lakhs or the Destination scheme is a liquid fund then the allotment in the destination scheme will be processed basis the receipt of funds from Source scheme (for more details refer NAV applicability clause for respective Destination scheme)

9) Minimum Amount and Term:

(a) Under the Fixed amount option

Frequency	Minimum Amount per transfer from Source Scheme	Minimum number of transfers	Minimum investment amount in Destination Scheme (INR)	Maximum duration
Daily	INR 500	2	500 * 2 = 1000	5 years
Weekly	INR 1000	2	1000 * 2 = 2000	5 years
Monthly	INR 1000	2	1000 * 2 = 2000	5 years
Quarterly	INR 1000	2	1000 * 2 = 2000	5 years

(b) Under Capital Appreciation Option, the minimum term shall be 6 months.

10) Load: The load as applicable in the Source scheme for normal purchase/redemption shall be applicable. For all STP transactions, the load prevailing for the Destination scheme on the date of registration of the STP shall be applicable.

11) At least 7 days' prior intimation should be given to the Mutual Fund for commencement of a fresh STP or cancellation/termination of an existing STP.

12) If in case of a monthly/quarterly STP with Fixed Amount Option, if the unitholder specifies 30th or 31st of the month (28th/29th in case of February) as the "Specified Date" for the STP transaction, then the STP shall be processed on the day, which is the last business day in that month for both the schemes.

13) Where the Start Date of the STP is not mentioned, then for an STP under Monthly/Quarterly option, the Start Date shall be deemed as follows:

If STP is submitted .....	Then Start Date shall be deemed to be .....
On or before 8th day of the month	15th day of that month
After 8th day but on or before 23rd day of the month	last business day of that month for both the schemes
After 23rd day of the month	15th day of the next month

In case of Daily STP, the same shall be deemed to be the 8th day from the date of submission of the request at any of Franklin Templeton ISC / Collection Centres.

14) This facility is not available for investments under lock-in period or on which any lien or encumbrance is marked or in respect of which the status of realisation of cheque is not available to the AMC.

15) It shall be the responsibility of the investor to ensure that sufficient balance (free from any Lock-in or encumbrances) is available in the Source Scheme account on the date of transfer, failing which the transfer will not be effected. STP will be discontinued in case the transfer is not effected due to insufficient balance in the investor's account as per the below table.

Table 1. The cancellation process is applicable for both Fixed Amount and Capital appreciation option

STP Frequency	Period in which no sufficient balance is available in Source Scheme to process an STP instalment	No. of STP instalments during the specified period
Daily	1 month	30 days
Weekly	1 month	4
Monthly	2 months	2
Quarterly	3 months	1



16) The AMC/Trustees reserve the right to discontinue or modify the STP facility at any time in future on a prospective basis.

Here are illustrations using hypothetical figures to explain the concept of a Systematic Transfer Plan.

#### Illustration – 1

**Fixed amount option:** Let us assume that Mr. ABC would like to transfer Rs.1000/- every month from Scheme 1 to Scheme 2 for a period of four months, i.e. a total of Rs.4000/-.

Scheme 1 (Source Scheme)					
Month	Opening Balance of Units	Applicable NAV (Rs.)	Amount Redeemed (Rs.)	No. of Units Redeemed	Closing Balance of Units
	(a)	(b)	(c)	(d) = [c/b]	(e) = [a-d]
1	5,000.000	11.0000	1,000.00	90.909	4,909.091
2	4,909.091	11.0800	1,000.00	90.253	4,818.838
3	4,818.838	11.1500	1,000.00	89.686	4,729.152
4	4,729.152	11.2000	1,000.00	89.286	4,639.866

Scheme 2 (Destination Scheme)				
Month	Amount Invested (Rs.)	Applicable NAV (Rs.)	No. of Units Allotted	Closing Balance of Units
	(f)	(g)	(h) = [f/g]	(i)
1	1000.00	11.0000	90.909	90.909
2	1000.00	11.0920	90.155	181.064
3	1000.00	11.1290	89.855	270.919
4	1000.00	11.2220	89.111	360.030

#### Illustration – 2

**Capital appreciation option:** Let us assume that Mr. ABC invested Rs. 1,00,000 in Scheme 1 on August 1 at NAV of Rs. 10 per unit and he would like to transfer capital appreciation on a monthly basis from Scheme 1 (Source Scheme) to Scheme 2 (Destination Scheme) for a period of 6 months.

Date of STP Registration – August 12

NAV on August 12 – 10.5000

Date of first STP transaction – August 31

Transaction date	Transaction type	Amount (Rs)	NAV	Units	Closing Balance
		(a)	(b)	(c)=a/b	(d)
August 1	Purchase - Scheme 1	1,00,000.00	10.0000	10000.00	10000.000
August 31	STP to Scheme 2 (e)	15000.00	12.0000	1250.000	8750.000
September 30	STP to Scheme 2 (e)	8750.00	13.0000	673.077	8076.923
October 5	Purchase - Scheme 1	1000.00	15.0000	66.667	8143.59
October 31	STP to Scheme 2 (e)	25926.15	16.2000	1600.379	6543.211

Calculation of Capital Appreciation amount

STP date	STP date NAV	Registration date NAV/ Previous STP NAV/ Additional Purchase NAV	NAV Appreciation per unit	Unit Balance in Source Scheme	Capital Appreciation/ STP Amount (Rs)
	(a)	(b)	c = a-b	(d)	e = c*d
August 31	12.0000	10.5000	1.5000	10000.000	15000.00
September 30	13.0000	12.0000	1.0000	8750.000	8750.00

October 31	16.2000	13.0000 (for 8076.923 units) and 15.0000 (for 66.667 units)	3.2 (for 8076.923 units) and 1.2 (for 66.667 units)	8143.59	(3.2 * 8076.923) + (1.2 * 66.667) = 25926.15
------------	---------	---	---	---------	--

**Note:**

The Fund may close an investor's account if the balance falls below the minimum prescribed balance (based on applicable NAV) in the Schemes from which Transfer is proposed to be done due to redemptions or SWP (and not as a result of STP) and the investor fails to invest sufficient funds to bring the value of the account to the prescribed minimum (based on applicable NAV) after a written intimation in this regard is sent to the Unitholder.

**DIVIDEND TRANSFER PLAN (DTP)**

This facility is available to the investors of various dividend plans (except Daily Dividend and Weekly Dividend Plans) of all open-end schemes of Franklin Templeton Mutual Fund (except Franklin India International Fund & Templeton India Cash Management Account).

An investor can select this facility whereby the dividend declared in one Franklin Templeton open-end scheme (Source Scheme) will be automatically invested into any other Franklin Templeton open-end scheme selected by the investor (Destination Scheme).

The unitholder may avail Dividend Transfer Plan (DTP) by completing the application form and submitting the same at any of the ISC / Collection Centres. A DTP may be terminated on appropriate written notice by the unitholder of the fund, and it may terminate automatically if all the units are liquidated or withdrawn from the account, or upon the Fund's receipt of notification of death or incapacity of the unitholder.

The Investment Manager may change rules relating to the facility from time to time.

**Highlights:**

- In order to avail the DTP facility, the minimum account balance in the Source Scheme should be Rs.25,000/- except in FISTIP where the same should be Rs.1,00,000/-.
- The frequency of transfer will depend on the dividends declared in the plan of the Source Scheme in which the investment has been made.
- The amount, to the extent of the distribution in the Source Scheme, will be automatically invested in the Destination Scheme at its NAV on the next Business Day for both the schemes and equivalent units will be allotted, subject to the terms and conditions of the Destination Scheme:  
*For example: An investor in FICBOF opts to invest the dividend in FIPP. If the dividend record day is a Wednesday and Thursday is the book closure for FICBOF, the investor will be allotted units at NAV of Friday. In case Friday is a non – Business Day for either FICBOF or FIPP, the units will be allotted at the NAV of immediate next Business Day for both the schemes.*
- Load: For all DTP purchase transactions, the entry and exit load as applicable for normal purchases shall be applicable.
- A DTP may be terminated by the unitholder by giving appropriate written notice.
- The Trustee/AMC reserves the right to modify or discontinue the DTP facility at any time in future on a prospective basis.

It is clarified that the load applicable for a DTP shall be the load prevailing on the date of the respective transfer.

**SYSTEMATIC WITHDRAWAL PLAN (SWP)**

A Unitholder may establish a Systematic Withdrawal Plan (SWP) in any scheme and receive regular/quarterly payments from the account. The Unitholder can opt to withdraw a fixed amount or capital appreciation, subject to a prescribed minimum amount per month or per quarter. The Unitholder may avail of SWP by completing the application form and submitting the same at any of the ISC / Collection Centres filling up the relevant portion of the transaction statement or by completing an Application Form and sending it to any of the ISCs mentioned at the reverse of this Offer Document.

The amount thus withdrawn by redemption shall be converted into Units at the applicable NAV (which is generally the first business day of the month in which the payment is scheduled), and such Units will be subtracted from the unit balance of that Unit holder.

The unitholder may avail SWP by completing the application form and submitting the same at any of the ISC / Collection Centres. Unitholders may change the amount (but not below the specified minimum) by giving written notice to the AMC / Registrar. An SWP may be terminated on appropriate written notice by the unitholder of the fund, and it may terminate automatically if all the units are liquidated or withdrawn from the account, or upon the Fund's receipt of notification of death or incapacity of the unitholder.

The Investment Manager may change rules relating to the facility from time to time.

#### Highlights:

This facility is available in all plans and options of the all open end schemes of Franklin Templeton Mutual Fund, except FIGSF – PF Plan.

- In order to start the SWP facility, the minimum account balance should be Rs.25,000.
- The frequency can be Monthly or Quarterly
- There are two options available:
  - (a) Fixed amount: A fixed amount can be withdrawn either on the 15<sup>th</sup> or the last business day of every month/quarter
  - (b) Capital Appreciation: The capital appreciation as on the last business day of the month can be withdrawn.
- Capital Appreciation Option is available only in Growth plans/options of the Schemes.
- Load: For all SWP purchase transactions, the exit load as applicable for normal purchases shall be applicable.
- Minimum withdrawal: Under the Fixed amount option, the minimum withdrawal will be Rs.1,000/-
- Where the Start Date of the SWP is not mentioned, then the same shall be deemed to be the first available SWP date depending upon the option chosen by the unitholder, after a period of 7 days after the date of submission of the SWP request.
- This facility is not available for investments under lock-in period.

It is clarified that the load applicable for SWP shall be the load applicable for the respective purchase transaction.

Here is an illustration using hypothetical figures to explain the concept of a Systematic Withdrawal Plan. Let us assume that Mr. ABC has invested Rs.10,000/- and been allotted 1000 units during the initial offer. Subsequently he would like to receive Rs.1000/- for a period of four months, commencing from the beginning of the next month.

Month	Opening Balance of Units	Amount Withdrawn (Rs.)	Applicable NAV (Rs.)	No. of units redeemed	Closing Balance of Units
1.	1000.000	1000	12	83.333	916.667
2.	916.667	1000	15	66.667	850.000
3.	850.000	1000	9	111.111	738.889
4.	738.889	1000	12	83.333	655.556
Total		4000		344.444	

Note: The Fund may close an investor's account if the balance falls below the prescribed minimum balance (based on applicable NAV) due to redemptions or SWP, and the investor fails to invest sufficient funds to bring the value of the account to the prescribed minimum (based on applicable NAV) after a written intimation in this regard is sent to the Unitholder.

#### 'FRANKLIN TEMPLETON FAMILY SOLUTIONS' FACILITY:

Franklin Templeton Family Solutions ("FS") is a facility offered by FTMF to encourage investors to plan for their investments based on life goals.

The **salient features** of the Franklin Templeton Family Solutions facility are as follows:

- (a) Family Solutions is a unique investment solution that helps investors plan for their life goals like retirement, child's future and wealth creation.
- (b) To invest under the FS facility, investor will need to undertake a questionnaire called the "Family Solutions Planner" that asks for basic details along with specific question on the goals (such as target amount, investment horizon, anticipated rate of inflation and returns etc.) for which the investor wants to plan. Family Solutions Planner is a software tool, which is available on FTMF's website [www.franklintempletonindia.com](http://www.franklintempletonindia.com). Based on the inputs provided by the investor and after considering his/her portfolio style in light on these inputs, a set of schemes of FTMF and the amount of investment

towards the goal would be recommended for investment. However, the investor may opt to invest in schemes of his/her choice and such amount as determined by him/her at his/her discretion.

- (c) The investor needs to make the application by filling the specified application and transaction forms of the FS facility along with a single cheque/draft for the consolidated amount of investment under the application. Applications accompanied with multiple cheques/drafts will be liable for rejection.
- (d) Currently, applications will be accepted only in physical form. Applications through modes such as web based applications, electronic feeds from distributors or stock exchange infrastructure will not be accepted.
- (e) Official Points of Acceptance of Transaction (OPAT) for FS applications: FTMF hereby declares all its branch offices (ISC) and CAMS Collection Centres as the OPAT for FS applications. Currently, the applications will not be accepted at the Karvy Collection Centres.
- (f) Irrespective of the amount of investment recommended through the Family Solutions Planner, the minimum investment amount for fresh and additional purchase in each scheme shall be as specified in the respective Scheme Information Document. Eg: If the recommended amount of investment in a scheme is Rs.4,000/- and the minimum investment amount specified in the Scheme information Document of that scheme is Rs.5,000/-, the investor need to invest at least Rs.5,000/- in the scheme.
- (g) In case of applications for registration of Systematic Investment Plan (SIP), the mode of payment of SIP instalments should be ECS or Direct Debit. Post dated cheques will not be accepted.
- (h) FTMF / the AMC may not accept any request for any changes or modifications in the goal(s) and goal details at any time for whatsoever reason.
- (i) The Trustee/AMC reserves the right to change/modify or discontinue the facility at any time in future.

The **Terms and Conditions** of the FS facility are as follows:

1. Family Solutions is a facility offered by Franklin Templeton Mutual Fund to encourage investors to plan for their investments based on life stage goals. However, there is no assurance or guarantee that the goals of the investors will be achieved and the same is subject to the investment performance of the schemes.
2. Setting up the goals, planning of investment and taking informed investment decision might require professional expert advice. As always, investors are best advised to consult their investment/financial advisor prior to taking the investment decisions.
3. The Trustee, the AMC, the Sponsor, their directors, employees, affiliates or representatives shall not be liable for any consequences that may arise in the event any of the schemes is wound up or its features are substantially altered. Investors are requested to review the Scheme Information Document and the features and terms and conditions of the Family Solutions facility carefully and obtain expert professional advice with regard to specific legal, tax and financial implications of the investment.
4. The recommendation given to the investor through the Family Solutions Planner is based on the inputs provided by the investor like anticipated rate of returns and inflation, details about the life goals, and considering the portfolio style of the investor. The portfolio style of the investor is determined in light of the information furnished by the investor in the questionnaire, based on certain pre-determined criteria.
5. The recommended schemes and the investment amount have been derived using established theories on risk and return, after considering various aspects including, but not limited to, the nature of the schemes (such as its investment objectives, investment style and product positioning) and the inputs provided by the investor about his life goals and return/inflation anticipations. It may please be noted that the recommendation may not take into consideration all the material aspects relevant to the investor's investment decision. It is clarified that the recommendation is not binding on the investor and investor may opt to invest in schemes of his/her choice and such amount as determined by him/her at his/her discretion.
6. The recommendation is based solely on the inputs provided in the questionnaire. Franklin Templeton is not responsible for the accuracy and validity of the information provided by the investor. Also it must be clearly understood that while providing the recommendation, FTMF has neither done a detailed risk profiling of the investor nor has taken into consideration the investor's full portfolio of investments and various other factors which may be necessary for rendering an investment advice. The recommendation should not be construed as a complete investment advice.
7. Past performance of the schemes is neither an indicator nor a guarantee of future performance, and may not be considered as the basis for future investment decisions.
8. For ongoing tracking of the investment and related advice, the investor needs to contact his/her distributor or investment/financial advisor. Franklin Templeton is not responsible for tracking of the investment vis-à-vis the goal or achievement of the goal or for providing any advice of whatsoever nature in relation to the investment.
9. Mention of goals in the account statement is merely a facility offered for ease and convenience of the investor in tracking the investment, and is based on the information provided by the investor in the

Application Form. In case of units subsequently converted in demat form, the account statement of the Beneficiary Account with the Depository Participant (DP) will be sent by the respective DP's as per their service standards and these statements will not carry the details of the goals.

10. This facility is offered to the investors as per the terms and conditions as may be prescribed by the AMC from time to time and is further subject to the terms of conditions of the Statement of Additional information of Franklin Templeton Mutual Fund and the Scheme Information Document of the respective schemes. The AMC reserves the right to amend the terms and conditions, or to discontinue or modify the facility at any time in future.
11. The views constitute only the opinions and do not constitute any guidelines or recommendation on any course of action to be followed by the investors. The information or recommendation is not meant to serve as a professional guide for the investors. Whilst due care has been taken to ensure that the facts are accurate and opinions given fair and reasonable, the Sponsor, the AMC, the Trustee or any of their directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information or recommendation. Recipients of this information or recommendation should take informed investment decision after taking into consideration all the material aspects relevant to their investments.
12. Investors should read and understand all scheme related documents like Statement of Additional Information (SAI), Scheme Information Document (SID), Key Information Memorandum (KIM) and the addenda issued from time to time carefully before investing.

### **Facility for subscription, redemption and switch of units through stock exchange infrastructure:**

Franklin Templeton offers the facility to subscribe and redeem the units of schemes of Franklin Templeton Mutual Fund through the infrastructure of the National Stock Exchange of India Ltd. ("NSE") and BSE Ltd. ("BSE"). This facility is offered in terms of SEBI circulars and the guidelines issued by NSE and BSE in this regard from time to time.

This facility is available in all Schemes covered under this Scheme Information Document.

The salient features of this facility are as follows:

1. Eligible investors – This facility is currently available only to Individuals residing in India and non-individuals incorporated in India.
2. This facility for subscription [fresh purchase, additional purchase and transactions under Systematic Investment Plan (SIP)], redemption and switch of units of the eligible schemes is available for new investors as well as existing investors. Currently, transactions under Systematic Transfer Plan (STP), Systematic Withdrawal Plan (SWP) and Dividend Transfer Plan (DTP) are available only under NSE Platform (NSE NMFII)
3. In order to facilitate the transactions under this facility, NSE has launched Mutual Fund Service System ("MFSS") & NMF II and BSE has introduced BSE StAR MF platform. All trading members, clearing members and non-member Mutual Fund Distributors (MFD) who are registered with NSE, BSE and the Association of Mutual Funds in India ("AMFI") as Mutual Fund Advisors and are empanelled as distributor with Franklin Templeton Asset Management (India) Pvt. Ltd., the AMC, ("Eligible Stock Brokers" / "Eligible Clearing Members"/ "Eligible MFD") will be eligible to offer this facility to the investors.
4. Eligible investors who are willing to transact under this facility are required to register themselves with the Eligible Stock Broker / Eligible Clearing Members/ Eligible MFD.
5. All the Eligible Stock Brokers, Eligible Clearing Members and Eligible MFD will be considered as the Official Point of Acceptance of Transaction ("OPAT") for the transaction done under this facility. The cut-off timing and applicability of NAV for the transaction will be determined in accordance with the provisions of SEBI circular no. SEBI/IMD/CIR No.11/78450/06 dated October 11, 2006. The day and time of receipt of the transaction application by FTMF will be based on the time stamping as evidenced by the confirmation slip generated by the stock exchange infrastructure.
6. The investors have an option to hold the units in physical form (account statement) or dematerialised form. International Security Identification Numbers (ISIN) in respect of the plans/option of the eligible schemes have been created and admitted in the National Securities Depository Ltd. ("NSDL") and Central Depository Services (India) Ltd. ("CDSL"). Units shall be allotted in physical form or dematerialised form as per the request of the investor.
7. **For units issued in physical form (represented by Account Statement)**
  - 7.1 Investors desirous of transacting (subscription or redemption) through the stock exchange infrastructure should approach an Eligible Stock Broker/ Eligible Clearing Members along with the duly filled in Application Form and other documents (including PAN and KYC) as required. For subscriptions, the payment of subscription money should be made to the Eligible Stock Broker/

- Eligible Clearing Members. In case of Eligible MFD, the payment of subscription should be made directly to Clearing corporation (NCCL/CCL).
- 7.2 Dispatch of Account Statements and payment of redemption proceeds will be made by the Mutual Fund directly to the investor as per the normal service standard. The redemption payout will be made to the investor's bank account as registered with the AMC based on the information furnished by the investor.
- 7.3 In case the investor wishes to dematerialise the units held in physical form, the AMC will facilitate the same with the Registrar, Depositories and Depository Participants.
- 8. For units issued in dematerialised form**
- 8.1 Investors desirous of investing in dematerialised form need to have a Beneficiary Account with a Depository Participant (DP).
- 8.2 Investors desirous of transacting (subscription or redemption) through the stock exchange infrastructure should place the order with an Eligible Stock Broker or Eligible Clearing Member or Eligible MFD as currently followed for secondary market activities. For subscriptions, the payment of subscription money should be made to the Eligible Stock Broker or the Eligible Clearing Member or the Clearing Corporation. Investors shall receive units through broker/clearing member's pool account. FTMF would credit the units into broker/clearing member's pool account and broker/clearing member in turn to the respective investor's demat account. For subscriptions received through Eligible MFD, the units will be credited directly to Investors scheme Account.
- 8.3 Completion of the PAN, KYC, FATCA, UBO and third party payment verification requirements of the Depository/ Depository Participant will be considered to be adequate compliance with the guidelines issued by SEBI in this regard for investment in mutual funds.
- 8.4 For redemptions, investors shall receive redemption amount through broker/clearing member's pool account. Payment of redemption proceeds will be made by FTMF to the broker/clearing member and broker/clearing member in turn to the respective investor.
- 8.5 For redemption done through Eligible MFD, the redemption amount will be made by FTMF directly to Clearing corporation and in turn to the investor's registered bank account.
- 8.6 Payment of redemption proceeds to the broker/clearing members by FTMF shall discharge FTMF/the AMC of its obligation of payment to individual investor. Similarly, in case of subscription, crediting units into broker/clearing member pool account shall discharge FTMF/the AMC of its obligation to allot units to individual investor.
- 8.7 Additionally, the Depository Participants (DP) of National Securities Depository Ltd. ("NSDL") and Central Depository Services (India) Ltd. ("CDSL") who are registered with the Association of Mutual Funds in India ("AMFI") as Mutual Fund Advisors and are empanelled as distributor with Franklin Templeton Asset Management (India) Pvt. Ltd., the AMC, ("Eligible DPs") can process redemption requests of the investors holding Beneficiary Account with the respective DP, in accordance with the guidelines issued by SEBI/NSDL/CDSL from time to time. For this purpose, all the Eligible DPs will be considered as the Official Point of Acceptance of Transaction ("OPAT") for the redemptions done under this facility. The cut-off timing and applicability of NAV for the transaction will be determined in accordance with the guidelines issued by SEBI/NSDL/CDSL from time to time. For such redemptions, the payment of redemption proceeds will be made by the AMC/FTMF directly to the investor as per the normal service standard and will be made to the investor's bank account based on the information furnished by the depositories.
- 8.8 The Account Statement of the Beneficiary Account with the DP will be sent by the respective DPs as per their service standards. The Account Statement issued by the DPs will be considered as adequate compliance of the requirements specified by SEBI for mutual funds with respect to dispatch of account statement to investors.
- 8.9 In case the investor wishes to re-materialise the units held in demat form, the AMC will facilitate the same with the Registrar, Depositories and Depository Participants.
9. For any complaints or grievances against the Eligible Stock Broker/Eligible Clearing Member/ Eligible MFD with respect to the transactions done through the stock exchange infrastructure, the investor should contact either the concerned Eligible Stock Broker/Eligible Clearing Member or the investor grievance cell of the respective stock exchange. For non-commercial transactions/service requests such as change in address, change in bank mandate, issue of duplicate account statements etc., the investors should approach any of the Franklin Templeton Investor Service Centres in case the units are held in physical form and to their respective Depository Participant (DP) in case the units are held in demat form.
10. Applications which are incomplete or invalid in any respect or are conditional or ambiguous are liable to be rejected.
11. The investors will have to comply with the PAN and KYC requirements as prescribed by SEBI/BSE/NSE/NSDL/CDSL/Franklin Templeton Mutual Fund from time to time.
12. The facility shall be subject to the terms and conditions specified and guidelines issued by SEBI/BSE/NSE from time to time.

## Ready reckoner for investors on facilities offered through Stock Exchange platform:

Transaction Type	BSE - Physical	BSE - (STAR MFS) Demat	NSE (MFSS)	NSE - NMF - 2
Purchase	✓	✓	✓	✓
SIP	✓	✓	✓	✓
Switch	✓	✓	✗	✓
Redemption	✓	✓	✓	✓
STP	✗	✗	✗	✓
SWP	✗	✗	✗	✓
DTP	✗	✗	✗	✗
Family Solutions	✗	✗	✗	✗

The Trustee/AMC reserves the right to change/modify or discontinue the facility at any time in future.

### ACCOUNTS STATEMENTS

On acceptance of the application for subscription, a confirmation specifying the number of units allotted by way of email and/or SMS will be sent to the Unitholders within 5 Business Days from the date of receipt of application at their e-mail address and/or mobile number registered with the Mutual Fund/AMC.

#### A) Consolidated Account Statement

In order to enable a single consolidated view of all the investments of an investor in Mutual Funds and securities held in demat form with the Depositories, Mutual Fund-Registrar & Transfer Agents or Depositories shall generate and dispatch of single Consolidated Account Statement (CAS) to the investors. Consolidation of account statement shall be done on the basis of PAN. In case of multiple holding, it shall be PAN of the first holder and pattern of holding.

Unitholders who have registered their Permanent Account Number (PAN) with the Mutual Fund will receive a Consolidated Account Statement as follows:

##### 1. Unitholders who hold Demat Account

The Account Statement containing details relating to all financial transactions (purchase, redemption, switch, systematic investment plan, systematic transfer plan, systematic withdrawal plan, dividend transfer plan, dividend payout, dividend reinvestment and bonus transactions) made by the unitholder across all mutual funds and transaction in dematerialised securities across demat accounts of the Unitholder will be sent by the Depositories, for each calendar month within 10th day of the succeeding month to the unitholders in whose folios transactions have taken place during that month.

CAS shall be sent every half yearly (September/ March), on or before 10th day of succeeding month, detailing holding at the end of the six month, to all such Unitholders in whose folios and demat accounts there have been no transactions during that period.

In case of demat accounts with nil balance and no transactions in securities and in mutual fund folios, the Depository shall send account statement in terms of regulations applicable to the depositories.

##### 2. Unitholders who do not hold Demat Account

The Account Statement containing details relating to all financial transactions (purchase, redemption, switch, systematic investment plan, systematic transfer plan, systematic withdrawal plan, dividend transfer plan, dividend payout, dividend reinvestment and bonus transactions)

made by the unitholder across all mutual funds where PAN of the investor is registered and holding at the end of the month including transaction charges, if any, paid to the distributor, will be sent for each calendar month within 10th day of the succeeding month to the unitholders in whose folios transactions have taken place during that month.

The financial transactions processed from the 1st day of the month till 30/31 will be included in CAS, irrespective of trade date of the transaction.

The CAS detailing holding across all schemes of all mutual funds where PAN of the investor is registered, shall be sent at the end of every six months (i.e. September/ March), on or before 10th day of succeeding month to all mutual fund investors, excluding those investors who do not have any holdings in mutual fund schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period. Such CAS shall reflect the closing balance and value of the Units as at the end of the month, the amount of actual commission paid by AMC to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme and scheme's average Total Expense Ratio (in percentage terms) for the half-year period, of both direct plan and regular plan.

For the purpose of sending CAS, common investors across mutual funds shall be identified by their PAN. PAN identified as having a demat account by Depositories for generating CAS will not be considered while generating a Mutual Fund level CAS.

In case of a specific request received from the Unitholders, the AMC/Mutual Fund will provide the account statement to the Unitholder within 5 Business Days from the receipt of such request.

**B) Unitholders who have not registered their PAN with the Mutual Fund will receive the following:**

**For normal transactions during ongoing sales and repurchase:**

- The AMC shall issue to the investor whose application (other than SIP/STP) has been accepted, an account statement specifying the number of units allotted within 5 working days of allotment.

**For SIP / STP/ Dividend Reinvestment transactions:**

- Account Statement for SIP and STP will be despatched once every month along with Dividend reinvestment (daily, weekly, monthly, yearly ) account statement All other dividends statements will be dispatched as and when the dividend transaction is processed
- A soft copy of the Account Statement will be emailed to investors with the valid email id provided the investor has opted for e-delivery after the transaction is processed
- However, the first Account Statement under SIP/STP shall be issued within 10 working days of the initial investment/transfer.
- In case of specific request received from investors, Mutual Funds shall provide the account statement (SIP/STP) to the investors within 5 working days from the receipt of such request without any charges.

**Half-yearly Statement:**

- The AMC shall provide the Account Statement to the Unitholders who are not having Valid PAN excluding those investors who do not have any holdings in mutual fund schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period. The Account Statement shall reflect the latest closing balance, value of the Units across all schemes in the respective folio, prior to the date of generation of the account statement, the amount of actual commission paid by AMC to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme and scheme's average Total Expense Ratio (in percentage terms) for the half-year period, of both direct plan and regular plan.

For those unitholders who have provided an e-mail address, the AMC will send the account statement by e-mail. The unitholder may request for a physical account statement by writing / calling us at any of the ISC.

The Account Statement issued by the AMC is a record of holdings in the scheme of Franklin Templeton Mutual Fund. Investors are requested to review the account statement carefully and contact their nearest Investor Service Centre in case of any discrepancy. The contents of the statement will be considered to be correct if no error is reported within 30 days from the date of receipt of the Account Statement.



## **Dividend**

The dividend warrants shall be dispatched or the dividends would be otherwise distributed to the unitholders within 30 days of the date of declaration of the dividend.

For Dividends paid out, investors will receive an advice in case of dividends paid via electronic mode, and a dividend instrument with counterfoil for dividends paid by way of an instrument.

## **Redemption**

The redemption or repurchase proceeds shall be dispatched to the unitholders within 10 working days from the date of redemption or repurchase.

## **Delay in payment of redemption / repurchase proceeds / dividend**

The AMC shall be liable to pay interest to the unitholders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum).

## **C. PERIODIC DISCLOSURES**

### **Net Asset Value (NAV)**

This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.

In case of this scheme, which is an open end scheme, the NAV shall be normally calculated for all Business Days and published in at least 2 newspapers having circulation all over India. The first NAV shall be calculated and declared within 5 business days from the date of allotment.

The Mutual Fund is required to declare the NAV of the Scheme on every Business Day on AMFI's website [www.amfiindia.com](http://www.amfiindia.com) by 9.00 p.m. (current time limit for uploading NAV as per the SEBI guidelines) and also on our website [www.franklintempletonindia.com](http://www.franklintempletonindia.com).

The publishing of NAV and sale and redemption prices as outlined above are as per the prevailing SEBI Regulations and are subject to change from time to time.

### **Redemption and Sale Prices**

While determining the prices of the units, the scheme shall ensure that the repurchase price is not lower than 93% of the Net Asset Value and the sale price is not higher than 107% of the Net Asset Value.

Provided further that the difference between the repurchase price and the sale price of the unit shall not exceed 7% calculated on the sale price.

## **HALF YEARLY DISCLOSURES**

**Portfolio / Financial Results:** This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.

The Mutual Fund shall within one month of the close of each half year i.e., 31st March and 30th September, upload the soft copy of its unaudited financial results containing the details specified in Regulation 59 on its website and shall publish an advertisement disclosing uploading of such financial results on its website, in one English newspaper having nationwide circulation and in one regional newspaper circulating in the region where the head office of the Mutual Fund is situated.

The Scheme shall mail/e-mail (if an e-mail address is provided with the consent of the Unitholder) to all unitholders or publish, by way of an advertisement, in one English daily circulating in the whole of India and in a newspaper published in the language of the region where the head office of the Mutual Fund is situated the complete scheme portfolio before the expiry of one month of the close of each half year i.e., 31st March and 30th September. These shall also be displayed on the website of the Mutual Fund and that of AMFI.

Additionally, in accordance with SEBI circular no. CIR/IMD/DF/21/2012 dated September 13, 2012, the Mutual Fund shall disclose the scheme portfolios as on the last day of the month on its website on or before the tenth day of the succeeding month.

## ANNUAL REPORT

As required by the SEBI Regulations, the Fund will mail the scheme-wise annual report or an abridged summary thereof to all the unitholders as soon as practical after 31st March each year but not later than four months thereafter, as the Trustee may decide. In case of unitholders whose e-mail addresses are available with the Mutual Fund, the annual report or the abridged summary, as the case may be, would only be sent by e-mail and no physical copies would be mailed to such unitholders. However, those unitholders who still wish to receive physical copies of the annual report/abridged summary notwithstanding their registration of e-mail addresses with the Fund, may indicate their option to the AMC in writing and AMC shall provide the same without demur. For the rest of the investors, i.e. whose email addresses are not available with the mutual fund, the AMC shall continue to send physical copies of scheme annual reports or abridged summary.

The AMC shall display the link of the scheme annual reports or abridged summary prominently on the Fund's website and make the physical copies available to the investors at its registered office at all times.

### Associate Transactions

Please refer to Statement of Additional Information (SAI)

### Taxation

**This information is provided for general information only and is based on the prevailing tax laws, as applicable in case of this Scheme. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.**

The following summary outlines the key tax implications applicable to unit holders based on the relevant provisions under the Income-tax Act, 1961 ('Act') and the amendments made by the Finance Act, 2016 (collectively called 'the relevant provisions').

#### A) Tax implications to unitholders under Income Tax Act:

**Category of this Scheme:** As of April 30, 2017, the scheme is an 'Equity oriented fund', as currently defined under the Act

"*Equity oriented fund*" is defined to mean a fund -

- where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such fund; and
- which has been set up under a scheme of a Mutual Fund specified in section 10(23D) of the Act.

Provided that the percentage of equity shareholding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures

#### Tax on income on units:

Tax on income on units other than sale/ redemption (including Dividend) – Nil.

#### Tax on income on sale/redemption of units:

If the units are held as stock-in-trade of a business, the said income will be taxed at the rates at which the normal income of that investor is taxed.

If the units are held as investments, the said income will be taxed as capital gains. In such case, the tax rates applicable will depend on whether the gain on sale of units is classified as a short-term capital gain or a long-term capital gain. Units of an equity-oriented mutual fund shall be considered as a short-term capital asset where the same are held for a period of 12 months or less immediately preceding their date of transfer for the purpose of computing capital gains. Further, units of a mutual fund (other than an equity oriented fund) shall be considered as a short-term capital asset where the same are held for a period of 36 months or less immediately preceding their date of transfer for the purpose of computing capital gains. Long-term capital asset means an asset which is not a short-term capital asset. The rates of capital gains tax are as follows (applicable to all investors including NRI / PIO/ FPI):

**Schemes other than equity oriented fund:**

Nature of capital gains	Tax rate*
Short-term capital gains	In case of FPIs, 30 percent* For others, taxed at normal tax rates (as explained in Note 1).
Long- term capital	In case of FPI's, 10 percent* (without indexation)  In case of other non-residents: <ul style="list-style-type: none"> <li>• For listed securities 20 percent* (with indexation)</li> <li>• For unlisted securities - 10 percent (without indexation),</li> </ul> In case of residents, 20 percent* (with indexation).

\* plus surcharge and education cess as may be applicable.

**Equity oriented fund:**

Nature of capital gains	Tax rate*
Short-term capital gains	Capital gains tax payable at 15%* [applicable to all investors]
Long- term capital	No capital gains tax payable by any investor

\* plus surcharge, education cess and STT as may be applicable.

**Provisions regarding Dividend income and Bonus**

Losses arising from the sale/redemption of units purchased within 3 months prior to the record date (for entitlement of dividends) and sold within 9 months after such date, is disallowed to the extent of income on such units (other than on sale/redemption) is claimed as tax exempt.

If an investor purchases units within 3 months before the record date (for entitlement of bonus) and sells/redeems the units within 9 months after that date, and by virtue of holding the original units, he becomes entitled to bonus units, then the loss arising on transfer of original units shall be ignored for the purpose of computing his income chargeable to tax. In fact, the loss so ignored will be treated as cost of acquisition of such bonus units.

**Note 1:**

The individuals (including NRIs / PIOs) and HUFs, are taxed in respect of their total income at the following rates:

Slab	Tax rate *
Total income upto Rs.250,000 <sup>#</sup>	Nil
More than Rs.250,000 <sup>#</sup> but upto Rs.500,000	5 percent of excess over Rs 250,000
More than Rs.500,000 but upto Rs.1,000,000	20 percent of excess over Rs. 500,000 + Rs.12,500 <sup>\$</sup>
Exceeding Rs.1,000,000	30 percent of excess over Rs 1,000,000 + Rs.1,12,500 <sup>\$</sup>

\* plus surcharge, if applicable and education cess

<sup>#</sup> for resident senior citizens of sixty years of age and above but below eighty years of age, Rs. 250,000 has to be read as Rs.300,000 and for resident senior citizens of eighty years of age and above Rs.250,000 has to be read as Rs.500,000.

<sup>\$</sup> Similarly for resident senior citizens of sixty years of age and above but below eighty years of age, Rs. 12,500 has to be read as 10,000 and Rs.1,12,500 has to be read as Rs. 1,10,000. And for resident senior citizens of eighty years of age and above Rs. 12,500 has to be read as Nil and Rs.1,12,500 has to be read as Rs. 100,000

A resident individual (whose total income does not exceed Rs.350,000) can avail rebate under section 87A. It is deductible from income tax before calculating education cess. The amount of rebate available would be 100% of income-tax chargeable on his total income or Rs.2,500, whichever is less.

The corporate tax rate for domestic companies is 30 per cent [plus applicable surcharge and education cess]. However, the tax rate applicable to foreign companies is 40 per cent [plus applicable surcharge and education cess]. Further, the FA 2017 provides that in case of a domestic company, where the total turnover or gross receipts of such company for financial year 2015-16 does not exceed Rs 50 crores, the rate of tax shall be 25 percent [plus applicable surcharge and education cess].

The tax rate for partnership firms, including LLPs is 30 per cent [plus applicable surcharge and education cess.

### Tax Deduction at Source (TDS) in respect of capital gains:

#### Schemes other than equity oriented fund:

Category of investor	Nature of capital gains	Tax rate*
Resident Investor	Short term / Long term	Nil
Foreign Portfolio Investors (FPI)	Short term / Long term	Nil
Non-Resident Indian (NRI) / Person of Indian origin (PIO)/ Other foreign entities	Short term	30% for foreign non-corporates; 40% for foreign corporate entities
Non-Resident Indian (NRI) / Person of Indian origin (PIO)/ Other foreign entities	Long term	20% (10% in case of unlisted units)

\* plus surcharge and education cess as may be applicable.

#### Equity oriented fund:

Category of investor	Nature of capital gains	Tax rate*
Resident Investor	Short term / Long term	Nil
Foreign Portfolio Investors (FPI)	Short term / Long term	Nil
Non-Resident Indian (NRI) / Person of Indian origin (PIO)/ Other foreign entities	Short term	15%
Non-Resident Indian (NRI) / Person of Indian origin (PIO)/ Other foreign entities	Long term	Nil

\* plus surcharge and education cess as may be applicable.

The long-term capital gains on listed units of other than equity oriented fund shall be computed after taking into consideration the indexed cost of acquisition of the units redeemed / repurchased / sold.

All the above non-resident investors may also claim the tax treaty benefits available, if any.

As per provisions of section 206AA of the Act, the Mutual Fund would be obliged to withhold tax at penal rates of TDS in case of payments to investors who have not furnished their PAN to the Mutual Fund. The penal rate of TDS is 20% or any higher rate of TDS, as may be applicable, plus applicable surcharge and education cess.

The Finance Act 2016 has amended section 206AA of the Act to provide that the provisions section 206AA shall not apply to non-residents in respect of payment of interest on long-term bonds as referred to in section 194LC and any other payment subject to such conditions as may be prescribed.

The CBDT, vide its notification dated 24 June 2016, has clarified that the provisions of section 206AA shall not apply to non-residents in respect of payment on transfer of capital assets provided the non-residents provide the following information to the payer of such income:

- Name, email-id, contact number;
- Address in the country or specified territory outside India of which the deductee is a resident;
- A certificate of his being resident in any country or specified territory outside India from the government of the other country or specified territory if the law of that country or specified territory provides for issuance of such certificate;
- Tax Identification Number of the deductee in the country or specified territory of his residence and in a case, no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

#### Dividend Distribution Tax (DDT)

The Mutual Fund will be required to pay dividend distribution tax ('DDT') as follows on the dividends distributed by this Scheme:

- No DDT to be paid on equity oriented funds;
- DDT to be paid on funds other than equity oriented funds , a money market mutual fund , a liquid fund at the following rates:

For income distributed to any individual or a Hindu Undivided family  
at **28.84%** (including surcharge and education cess) on dividend distributed

For income distributed to any other person  
at **34.608%** (including surcharge and education cess) on dividend distributed

**Income distribution tax payable by the distributing company/mutual fund would be at the rates specified above on the net amount of dividend distributed (i.e. the taxes would be grossed up)**

## **B) Securities Transaction Tax (STT)**

No STT is payable on sale (redemption) of units of a fund other than an 'equity oriented fund'. In case of an equity-oriented fund, STT at 0.001% is payable on sale (redemption) of units (except in case redemption by any person for, or on behalf of, the New Pension System Trust).

**For further details, please refer to the SAI.**

## **INVESTOR SERVICES**

To resolve investor queries and grievances, the Fund has set up an Investor Service Cell that ensures prompt response to all investor queries and grievances. For any queries, complaints or grievances, the investor can contact the Investor Service Cell at the following address:

### **Investor Services, Franklin Templeton Mutual Fund**

Unit 301, III Floor, Campus 4B, RMZ Millenia Business Park, 143 Dr. MGR Road, Kandanchavadi, Chennai 600096

**Tel:** 1-800-425 4255 or 6000 4255 (Please prefix the city STD code if calling from a mobile phone. Local call rates apply to both the numbers) from 8:00 a.m. to 9:00 p.m., Monday to Saturday.

**E-mail:** service@templeton.com

**Ms. Rini Krishnan** has been appointed as the Investor Relations Officer of the AMC. She can be contacted at the above address.

## **COMPUTATION OF NAV**

The Net Asset Value (NAV) is the value of a Unit and is computed as shown below:

<b>NAV =</b> <b>(Rs. Per unit)</b>	$\frac{\text{Market Value of the scheme's investments + other assets (including accrued interest) - all liabilities except unit capital \& reserves}}{\text{Number of units outstanding at the end of the day}}$
---------------------------------------	--

The NAV will be normally computed for all Business Days of the Scheme and will be calculated to four decimals using standard rounding criteria.

Valuation of the scheme's assets, calculation of the scheme's NAV and the accounting policies & standards will be subject to such norms and guidelines that SEBI may prescribe from time to time. For the detailed Valuation Policy and the accounting policy of the AMC, please refer the Statement of Additional Information.

## **5. FEES AND EXPENSES OF THE SCHEME**

The information that is provided under this section seeks to assist the investor in understanding the expense structure of the Scheme and types of different fees and their percentage the investor is likely to incur on purchasing and selling the units of the Scheme.

### **ANNUAL SCHEME RECURRING EXPENSES:**

These are the fees and expenses for operating the scheme. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc. as given in the table below.

In accordance with Regulations, the asset management company ("AMC") is entitled to charge the scheme with investment and advisory fees. In addition to such fees, the AMC may charge the scheme such expenses as may be permitted under Regulations from time to time.

The maximum annual recurring expenses that can be charged to the Scheme, excluding issue or redemption expenses, whether initially borne by the mutual fund or by the AMC, but including the investment management and advisory fee shall be within the limits stated in Regulations 52 read with SEBI circular no. CIR/IMD/DF/21/2012 dated September 13, 2012, as follows:

(I) Recurring expenses including the investment management and advisory fee subject to the limits specified in the table below (as % of daily net assets):

First Rs.100 crore	Next Rs.300 crore	Next Rs.300 crore	Over Rs.700 crore
2.25%	2.00%	1.75%	1.50%

(II) In addition to the above, the following costs or expenses may be charged to the Scheme, namely-

(a) brokerage and transaction costs which are incurred for the purpose of execution of trade and is included in the cost of investment, not exceeding 0.12% in case of cash market transactions and 0.05% in case of derivatives transactions; the securities transaction tax (STT) will continue to be included in the cost of investment over and will not come under the limit of 0.12% mentioned above.

(b) expenses not exceeding 0.30% of daily net assets, if the new inflows from such cities as specified by SEBI from time to time are at least - (i) 30% of gross new inflows in the scheme, or; (ii) 15% of the average assets under management (year to date) of the scheme, whichever is higher.

Provided that if inflows from such cities are less than the higher of (i) or (ii) above, such expenses on daily net assets of the scheme shall be charged on proportionate basis.

Provided further that expenses charged under this clause shall be utilised for sales, marketing and distribution expenses incurred for bringing inflows from such cities.

Provided further that amount incurred as expense on account of inflows from such cities shall be credited back to the scheme in case the said inflows are redeemed within a period of one year from the date of investment;

(c) additional expenses not exceeding 0.20% of daily net assets of the scheme towards various permissible expenses.

(III) The AMC may charge service tax on investment and advisory fees to the Scheme in addition to the maximum limit of annual recurring expenses as prescribed in Regulation 52. Further, the below mentioned expenses and charges shall be borne by the Scheme within the maximum limit of annual recurring expenses as prescribed in Regulation 52.

a) Service tax on expenses other than investment and advisory fees; and,

b) brokerage and transaction costs (including service tax) incurred for the purpose of execution of trade in excess of 0.12% in case of cash market transactions and 0.05% in case of derivatives transactions, if any.

Within such total recurring expenses charged to the scheme as above, the investment management and advisory fee (charged as a percentage of daily net assets) would be as decided by the AMC from time to time, provided that the investment management and advisory fee shall not exceed the aggregate of expenses charged under clause (I) and (II)(c) above.

In terms of aforesaid SEBI circular dated September 13, 2012, the AMC shall annually set apart at least 0.02% on daily net assets within the maximum limit of recurring expenses as per Regulation 52 for investor education and awareness initiatives.

The total annual recurring expenses of the Scheme including the investment management and advisory fee (together with additional management fee wherever applicable) shall not exceed the limit stated in Regulation 52 read with aforesaid SEBI circular dated September 13, 2012, as explained above. Any excess over these specified ceilings would be borne by the AMC.

The investments under 'Direct' plan shall have a lower expense ratio excluding distribution expenses, commission, etc., and no commission shall be paid on investments under the Direct plan. The Direct Plan shall also have a separate NAV.

The AMC has estimated the following maximum expenses for the first Rs.100 crores of average daily net assets:

Particulars	Expenses
Recurring expenses permissible under Regulation 52(6)(c)(i):	not exceeding

Particulars	Expenses
<ul style="list-style-type: none"> <li>- Investment Management and Advisory Fee</li> <li>- Custodial Fees</li> <li>- Registrar &amp; Transfer Agent Fees including cost related to providing accounts statement, dividend/redemption cheques/warrants etc., Listing Fees</li> <li>- Marketing &amp; Selling Expenses including distributor /agent Commission, brokerage &amp; transaction Cost pertaining to the distribution of units and statutory advertisements</li> <li>- Costs related to investor communications</li> <li>- Expenses towards investor education and awareness initiatives (at least 0.02%)</li> <li>- Fees and Expenses of Trustees / Audit Fees</li> <li>- Costs of fund transfer from location to location</li> <li>- Service tax on expenses other than investment and advisory fees</li> <li>- Brokerage and transaction costs (including service tax) incurred for the purpose of execution of trade in excess of 0.12% (in case of cash market transactions) / 0.05% (in case of derivatives transactions).</li> <li>- Other permissible expenses</li> </ul>	2.25% of daily net assets
Service tax on investment and advisory fees	At actual
Additional expenses permissible under Regulation 52(6A)(c) towards various permissible expenses	not exceeding 0.20% of daily net assets
Expenses in case of inflows from cities beyond Top 15 cities charged proportionately under Regulation 52(6A)(b) (refer II(b) above)	not exceeding 0.30% of daily net asset

**The above estimates have been made in good faith as per the information available to the Investment Manager based on past experience and are subject to change inter-se and types of the expenses charged shall be as per the Regulations.**

For the actual Annual Scheme Recurring expenses currently being charged, the investor should refer to the website of the Mutual Fund.

The tables relating to Annual Scheme Recurring Expenses given above and the Load structure given below have been given to the investor to assist him / her in understanding the various costs and expenses that an investor of the scheme will bear directly or indirectly.

Investment management fees are payable monthly in arrears. The direct expenses incurred by each scheme of Franklin Templeton Mutual Fund shall be chargeable to that scheme. The common expenses incurred on various schemes could be allocated to the schemes based on various parameters such as number of unitholders, the size of the corpus / assets, equally or any other basis in conformity with generally accepted accounting principles.

Illustration of expenses and impact on the return			
	Amount	Units	NAV Per Unit
Opening Investment and NAV Per Unit for the Day (a)	1,000,000.00	100,000.000	10.0000
Closing Investment and NAV Per Unit for the Day (b)	1,100,000.00	100,000.000	11.0000
NAV Movement Per Unit (c = a – b)	100,000.00		1.0000
Return for the Day after expenses (d = (c / a) %)	10.0000%		10.0000%
TER % (e)	2%		
Expenses for the Day (f = (b * e)/365 days)	60		0.0006
Impact on Return due to Expenses % (g = (f / a) %)	0.0060%		
Value of investment prior to expense (h = b + f)	1,100,060		11.0006
Return prior to expenses for the Day (i = d + g)	10.0060%		

**Notes:**

- The above illustration is provided only to explain the impact of expense ratio on scheme's returns, and not to be construed as providing any kind of investment advice or guarantee on returns on investments
- The Expense are charged on the closing asset under management, and are subject to change on a periodic basis
- The investments under 'Direct' shall have a lower expense ratio excluding distribution expenses, commission, etc., and no commission shall be paid on investments under Direct Plan. The Direct Plan shall also have a separate NAV.
- The tax impact has not been considered in the above illustration. In view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.

**LOAD STRUCTURE**

Load is an amount which is paid by the investor to subscribe to the units or to redeem the units from the scheme. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please visit Franklin Templeton India's website ([www.franklintempletonindia.com](http://www.franklintempletonindia.com)) or call at 1800 425 4255 or 6000 4255 (Please prefix the city STD code if calling from a mobile phone. Local call rates apply to both the number) or contact your distributor.

		<b>(as % of NAV)</b>
i	Sales / Entry load on purchase (other than switches)	In accordance with the SEBI guidelines, no entry load will be charged by the Mutual Fund.
ii	Exit Load on redemption / repurchase (other than switches)	Nil
iii	Load on Switch / Exchange	Switch-in: Nil Switch-out: Same as exit load mentioned above

The AMC/Trustee reserves the right to modify the Load/Fee mentioned above at any time in future on a prospective basis, subject to the limits prescribed under the SEBI Regulations.

In accordance with the requirements specified by the SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009 no entry load will be charged for purchase/additional purchase/switches accepted by the Mutual Fund. Similarly, no entry load will be charged with respect to applications for registrations under the Systematic Investment Plan (SIP)/Systematic Transfer Plan (STP) accepted by the Mutual Fund.

The upfront commission on investment made by the investor, if any, shall be paid to the ARN Holder (AMFI registered distributor) directly by the investor, based on the investor's assessment of various factors including service rendered by the ARN Holder.

For the information of the investors, any introduction / change of load in the Scheme may be put up on the website of the Mutual Fund. The addendum detailing the changes may be circulated among the Investor Service Centres / Distributors / Brokers under directions to display it at their respective offices in form of a Notice and attach it to the copies of Scheme Information Documents and Key Information Memorandum (if required) already in stock. The addendum may be published by way of a public notice or advertisement in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated. The addendum may also be sent via e-mail to the unitholders who have registered their e-mail i.d. with the Mutual Fund. The load may also be disclosed in the account statement issued after the introduction of such load.

The investor is requested to check the prevailing load structure of the scheme before investing.

Exit load (if any) charged to the unit holders by the Mutual Fund on redemption (including switch-out) of units shall be credited to the respective scheme net of service tax. Service tax on exit load, if any, shall be paid out of the exit load proceeds.

**Load on bonus/dividend re-investment units:** In terms of SEBI circular SEBI/IMD/CIR No.14/120784/08 dated March 18, 2008, no entry and exit load shall be charged on bonus units or units allotted on reinvestment of dividend.



## 06. RIGHTS OF UNITHOLDERS

Please refer the SAI for details.

## 07. GENERAL UNITHOLDER INFORMATION

### FOLIO / ACCOUNT NUMBER

Every investor will have a Folio number. Within a Folio, an investor will have an account number for each fund or scheme into which he or she invests. The number of Units issued to an investor or redeemed by an investor will be reflected in his or her Account and a statement to this effect will be issued to the Unitholder.

### RESPONSE TIMES

The Fund will endeavour to adhere to the following response times with regard to various investor services from the time of receipt of correct and complete request at Franklin Templeton Asset Management (India) Pvt. Ltd., Chennai.

#### Activity

Account Statement Mailing/e-mailing  
Dispatch of redemption proceeds  
Dispatch of dividend payout

#### From date of receipt

5 working days  
10 working days  
30 days

These response times do not include postal delivery time, acts of God or disruptions beyond the control of the AMC.

### SCHEME TO BE BINDING ON THE UNITHOLDERS

The Trustee may, from time to time, add to or otherwise vary or alter all or any of the features, investment plans and terms of this Scheme after obtaining the prior approval of SEBI and the Government of India where necessary and the Unitholders in accordance with the SEBI Regulations, and the same shall be binding on each Unitholder and any person or persons claiming through or under him as if each Unitholder or such person expressly agreed that such features, plans and terms should be so binding.

### SCHEME COMPARISON

<b>Income Funds</b>	<b>Product positioning</b>
Franklin India Government Securities Fund (FIGSF)	An income fund which predominantly invests in government securities based on market outlook.
Franklin India Income Builder Account (FIIBA)	An income fund that primarily focuses on duration with a potential for higher accrual gains.
Franklin India Dynamic Accrual Fund (FIDA)	An income fund that primarily focuses on accrual income with a potential for capital gains through duration.
Franklin India Low Duration Fund (FILDF)	An income fund which endeavours to invest at the short end of the yield curve by primarily investing in corporate bond and other fixed income instruments.
Franklin India Short Term Income Plan (FISTIP)	A fixed income fund investing in opportunities at the shorter end of the curve, with focus on higher accrual.
Franklin India Savings Plus Fund (FISPF)	An income fund which endeavours to invest at the short end of the yield curve by primarily investing in money market and other fixed income instruments with high credit rating.
Franklin India Income Opportunities Fund(FIIOF)	A fixed income fund that may take concentrated exposure to Corporate Bonds, Gilts or Securitized Debt depending on market opportunities.
Franklin India Ultra Short Bond Fund (FIUBF)	A fixed income fund investing in short term debt and money market instruments, while generally keeping portfolio average maturity upto 12 Months.
Franklin India Monthly Income Plan (FIMIP)	An MIP investing predominantly in debt instruments with marginal equity exposure.
Franklin India Corporate Bond Opportunities Fund (FICBOF)	A fixed income fund that invests predominantly in corporate bonds while maintaining an average maturity of upto 3 years.

Franklin India Banking & PSU Debt Fund (FIBPDF)	An income fund that invests predominantly in debt and money market instruments issued by Banks, Public Sector Undertakings and Public Financial Institutions
---	--

## **08. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY**

- ❑ All disclosures regarding penalties and action(s) taken against foreign Sponsor(s) may be limited to the jurisdiction of the country where the principal activities (in terms of income / revenue) of the Sponsor(s) are carried out or where the headquarters of the Sponsor(s) is situated. Further, only top 10 monetary penalties during the last three years shall be disclosed. - **NIL**
- ❑ In case of Indian Sponsor(s), details of all monetary penalties imposed and/ or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years shall also be disclosed:
  - The Office of the Registrar of Companies, Mumbai (“ROC”) has issued a letter stating that it was observed that Franklin Templeton Asset Management (India) Pvt. Ltd. (“FTAMIL”) did not appoint Company Secretary as per provisions of section 383A of the Companies Act, 1956 (“the Act”) for a certain period of time and has warned FTAMIL to be careful in compliance with the provisions of the Act in future. FTAMIL has requested the Ministry of Corporate Affairs for withdrawal of the said letter based on a certificate issued by the ROC.
- ❑ Details of all enforcement actions taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party. The details of the violation shall also be disclosed - **NIL**

SEBI vide its Adjudication order No. NP/JS/AO/4-6/2016 dated November 29, 2016, levied a total penalty of Rs. 10,00,000/- (Rs. Ten lakhs only) on Franklin Templeton Mutual Fund (FTMF), Franklin Templeton Trustee Services Private Ltd (Trustee) and Franklin Templeton Asset Management (I) Pvt. Ltd. (AMC). In the order, the adjudicating officer concluded that while the Investment Committee constituted by the AMC had discharged its functions, use of the term “Informal Group” to describe the constitution of Investment Committee (IC) and the inclusion of International CIO based outside India as a member of the IC were in violation of SEBI Circular MFD/CIR/15/19133/2002 dated September 30, 2002 read with Regulation 10(a) of SEBI (Mutual Funds) Regulations 1996 and Regulation 25(18) of SEBI (Mutual Funds) Regulations, 1996.

- ❑ Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel are a party should also be disclosed separately:

### **INTERNATIONAL OPERATIONS**

Templeton International Inc. (TII) is not involved in litigation incidental to the business of Franklin Templeton Mutual Fund.

### **INDIAN OPERATIONS**

- The AMC/Trustee is involved from time to time in litigation relating to claims arising in the normal course of business. The Company is of the opinion that the ultimate resolution of such claims will not materially affect its business or financial position.
- ❑ Any deficiency in the systems and operations of the Sponsor(s) and/ or the AMC and/ or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency, shall be disclosed: **Nil**

The above information has been disclosed in good faith as per the information available to the AMC.

Notwithstanding anything contained in the Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the Guidelines thereunder shall be applicable.

The scheme under this Scheme Information Document has been approved by the Trustees of Franklin Templeton Mutual Fund on November 28, 2012.

The Trustees have ensured that Templeton India Income Allocation Fund approved by them is a new

product offered by Franklin Templeton Mutual Fund and is not a minor modification of the existing scheme/fund/product.

For **FRANKLIN TEMPLETON ASSET MANAGEMENT (INDIA) PVT. LTD.**

Investment Manager: FRANKLIN TEMPLETON MUTUAL FUND

Sd/-  
Sanjay Sapre  
President

#### DIRECTORY

<b>Sponsor</b> Templeton International, Inc. 300 S.E. 2nd Street, 11th Floor, Fort Lauderdale, FL 33301, USA.	<b>Investment Manager</b> Franklin Templeton Asset Management (India) Pvt. Ltd. Indiabulls Finance Centre, Tower 2, 12th and 13th Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400013	<b>Trustee</b> Franklin Templeton Trustee Services Pvt. Ltd. Indiabulls Finance Centre, Tower 2, 12th and 13th Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400013
<b>Registrars</b> Franklin Templeton Asset Management (India) Pvt. Ltd. Unit 301, III Floor, Campus 4B, RMZ Millenia Business Park, 143 Dr. MGR Road, Kandanchavadi Chennai 600096	<b>Legal Advisors</b> J. Sagar Associates Vakils House 18 Sprott Road, Ballard Estate Mumbai 400 001	<b>Auditors</b> S. R. Batliboi & Co. LLP 12th Floor, The Ruby, 29 Senapati Bapat Marg, Dadar (W), Mumbai – 400 028
<b>Custodians</b> Deutsche Bank AG Deutsche Bank House, Hazarimal Somani Marg, Fort, Mumbai 400001	<b>For Foreign Securities</b> Citibank, N.A. 11th Floor, First International Financial Centre (FIFC) C-54 & C-55, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	

#### Franklin Templeton Branch Offices (Investor Service Centres)

Name of the Branch	Address
Ahmedabad	202 Abhijit-III, Opp. Mayor's Bungalow, Mithakhali Six Roads Navrangpura, Ahmedabad 380009 Fax: (079) 26462685
Allahabad	S N Tower, 4C Maharishi Dayananad Marg, Opp. Radio Station, Civil Lines, Allahabad-211001
Bangalore	26-27, 1st floor, Northern Area West Wing, Raheja Towers MG Road, Bangalore – 560001. Fax-080-67149595
Bhubaneswar	77, Kharavel Nagar, Unit III, Janpath, Bhubaneswar 751001 Fax: (0674) 2531026
Bhopal	Guru Arcade, 2nd Floor, Ramgopal Maheshwari Marg, Plot No.153, M P Nagar Zone 1, Bhopal – 462011
Chandigarh	S.C.O. 373-374, First Floor, Above HDFC Bank, Sector 35-B, Chandigarh 160022 Fax: (0172) 2622341
Chennai	Century Centre, 75 T.T.K. Road, Alwarpet, Chennai 600018 Fax: (044) 24987790
Cochin (Kochi)	41/418-C, Chicago Plaza, First Floor, Rajaji Road, Ernakulam, Cochin 682035 Fax: (0484) 2373076
Coimbatore	424-C Red Rose Towers, Second Floor, D. B. Road, R. S. Puram, Coimbatore 641002 Fax: (0422) 2470277

Dehradun	Shop No. 5 , 1st Floor, Swaraj Complex, Opp. Hotel Madhuban, Rajpur Road, Dehradun—248001 Fax: (0135) 2719873
Guwahati	ITAG Plaza, 2nd Floor, Office No. 2C, G.S. Road, Main Road, ABC, Guwahati – 781005
Hyderabad	Unit No 402, 6-3-1085/1 4th Floor, Dega Towers Rajbhavan Road, Somajiguda , Hyderabad-500 082 Fax: (040) 23400030
Indore	101, Starlit Towers, Opp. State Bank of India, Head Office, 29/1 Y. N. Road, Indore 452001 Fax: (0731) 4201507
Jaipur	250 Ganpati Plaza, M. I. Road, Jaipur 302001 Fax: (0141) 5114178
Jalandhar	BX III 455, Shakti Tower, Upper Basement, Below Vishal Mega Mart, G. T. Road, Jalandhar 144001 Fax: (0181) 5080783
Jamshedpur	Fair Deal Complex,1st Floor, Office Unit 1B, Main Road, Opp. Ram Mandir, Bistupur, Jamshedpur-831001
Kanpur	Office No.208-09, 14/113 KAN Chambers Civil Lines, Kanpur 208001 Tel: (0512) 6454091/92
Kolkata	2D & 2E Landmark Building, Second Floor, 228-A, A.J.C. Bose Road, Kolkata 700020 Fax: (033) 44000561
Lucknow	2 Uttam Palace, First Floor, 3 Sapru Marg, Lucknow 226001 Fax: (0522) 2231104/06566766
Ludhiana	SCO-37, First Floor, Feroze Gandhi Market, Ludhiana 141001 Fax: (0161) 3012101
Madurai	Suriya Towers, 1st floor ,Door No 272 /273 , Good Shed Street , Madurai 625001 Fax: (0452) 2350144
Mangalore	First Floor, Manasa Towers, M. G. Road, Kodialbail, Mangalore 575003 Fax: (0824) 2493749
Mumbai	(a) Office No. 37, 3rd Floor, Maker Chamber – VI, Nariman Point, Mumbai 400021 Fax: (022) 22810923 (b) Indiabulls Finance Centre, Tower 2, 13th Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400013 Fax: (022) 66391284
Nagpur	Shop No. 3 & 4, Ground Floor, Maharshi Shivpad Complex, Plot No. 262, West High Court Road, Bajaj Nagar, Nagpur 440010 Fax: (0712) 2242238
Nashik	2nd Floor, Bedmutha's Navkar Heights, New Pandit Colony, Near Rajiv Gandhi Bhavan, Saharanpur Road, Nashik 422002 Fax: (0253) 2574329
New Delhi	707-710, 7th Floor, Ashoka Estate Building, 24 Barakhamba Road, New Delhi 110001 Fax: (011) 23752019
Patna	505 Ashiana Hariniwas Apartments, Dak Bungalow Road, Patna 800001 Fax: (0612) 2201762
Panjim	EDCON Mindspace, 6th Floor, Premises No. 605, Dr. Braganza Pereira Road, Campal, Panjim, Goa - 403 001.
Pune	401, Karan Selene, above Yes Bank, 187, Bhandarkar Road, Pune 411004 Fax: (020) 25665221
Raipur	Shop No. 310, 3rd Floor, Lalganga Shopping Mall, G. E. Road, Raipur 492001 Fax: (0771) 4033614
Rajkot	Ankur Building, 1/B, 1st floor, Dr. Radhakrishna Road, Nr. Moti Tanki Chowk, Rajkot - 360001
Ranchi	Saluja Tower, 6th Floor, Peepe Compound, Sujata Chowk, Main Road, Ranchi – 834001
Salem	214/215, Second Floor, Kandaswarna Shopping Mall, Sarada College Road, Salem 636016 Fax: (0427) 2446854
Surat	HG-29 International Trade Centre, Majura Gate Cross Road Signal, Ring Road,

	Surat 395002 Fax: (0261) 2473744
Trichy	Arun Arcade, 75/1, First Floor, First Cross, North East Extension, Thillainagar, Trichy 620018 Fax: (0431) 2760013
Vadodara	104-107 Spenta Complex, First Floor, Opposite Pizza Hut, Near Ambedkar Circle, Race Course Road, Vadodara 390007 Fax: (0265) 2356038
Varanasi	4th Floor, Kuber Complex, Rathyatra Crossing, Varanasi 221010 Fax: (0542) 6454370/71
Vijayawada	White House, First Floor, Room # 2, M. G. Road, Vijayawada 520010 Fax: (0866) 6695550
Visakhapatnam	204, First Floor, Eswar Plaza, Dwaraka Nagar, Visakhapatnam 530016 Fax: (0891) 6666806

**National Call Centre:**

**1800 425 4255** or **6000 4255** (please prefix the city STD code if calling from a mobile phone, Local call rates apply to both the numbers) from 8:00 a.m. to 9:00 p.m., Monday to Saturday.

**Collection Centres:**

**A) Branch Offices of Karvy Computershare Pvt. Ltd.**

<b>Name of the Branch</b>	<b>Address</b>
Agra	17/2/4, 1st Floor, Deepak Wasan Plaza, Opp Megdoot Furnitures, Sanjay Place, Behind Holiday Inn, Agra - 282 002
Anand (Gujarat)	B-42 Vaibhav Commercial Center; Near TVS Down Town Show Room Grid, Char Rasta, Anand 380001
Aurangabad (Maharashtra)	Ramkunj, Railway Station Road, Near Osmanpura Circle, Near N-Mart Aurangabad 431005
Balasore (Odisha)	M S Das Street, Gopalgaon, Balasore 756001
Bankura (West Bengal)	Ground Floor, Ambika Market Complex, Natunganj, Bankura 722101
Bellary (Karnataka)	No.1, K H B Colony, Gandhi Nagar, Bellary 583103
Bhavnagar (Gujarat)	Krushna Darshan Complex, Parimal Chowk, Office No -307, 3rd Floor Above JadBlue Show Room, Bhavnagar 364001
Bhopal (Madhya Pradesh)	Kay Kay Business Centre, Above City Bank, 133, Zone 1, M. P. Nagar, Bhopal 462011
Calicut (Kerala)	IInd Floor, Sowbhagya Shoping Complex, Areyadathupalam, Mavoor Road, Calicut 673004
Chinsurah-Hooghly (West Bengal)	J. C. Ghosh Sarani, Banga Gara, Near Bus Stand, Chinsura 712101
Erode (Tamil Nadu)	No. 4, KMY Salai, Veerappan Traders Complex, Opp. Erode Bus Stand, Sathy Road, Erode 638003
Gurgaon (Haryana)	Shop No. 18, Ground Floor, Sector 14, Opp. AKD Tower, Near Huda Office, Gurgaon 122001
Haridwar (Uttaranchal)	8, Govind Puri, Opp. LIC – 2, Above Vijay Bank, Main Road, Ranipur More, Haridwar - 249401
Jalgaon (Maharashtra)	269, Jaee Vishwa, 1st Floor, Baliram Peth, Above United Bank Of India, Near Kishor Agencies, Jalgaon 425001
Jamnagar (Gujarat)	136-137-138 Madhav Palaza, Opp. SBI Bank, Near Lal Bunglow, Jamnagar 361001
Korba (Chatisgarh)	1st Floor, City Centre, 97 IRCC, Transport Nagar, Korba-495677
Kurnool (Andhra Pradesh)	Shop No.43, 1st Floor, S V Complex, R S Road, Near SBI Main Branch, Kurnool 518004
Nadiad (Gujarat)	104/105, Near Paras Cinema, City Point Nadiad, Nadiad - 387001
Nanded (Maharashtra)	Shop No.4, Santakripa Market, G G Road, Opp. Bank of India, Nanded - 431601
Pondicherry	First Floor, No.7, Thiayagaraja Street, Pondicherry 605001

Name of the Branch	Address
Shillong (Meghalaya)	Annex Mani Bhawan, Lower Thana Road, Police Bazar, Shillong 793001
Trichur (Kerala)	2nd Floor, Brother's Complex, Near Dhana Laxmi Bank Head Office, Naikkanal Junction, Trichur 680001
Trivandrum (Kerala)	2nd Floor, Akshaya Towers, Sasthamangalam, Trivandrum 695010

B) Branch Office of **Computer Age Management Services Pvt. Ltd.**

Name of the Branch	Address
Agartala (Tripura)	Krishnanagar Advisor Chowmuhani (Ground Floor), Agartala - 799 001
Agra (Uttar Pradesh)	No.8, 2nd Floor, Maruti Tower, Sanjay Place, Agra 282002
Ahmedabad (Gujarat)	111-113, 1st Floor - Devpath Building Off C G Road, Behind Lal Bungalow, Ellis Bridge, Ahmedabad 380006
Ahmednagar (Maharashtra)	B, 1+3, Krishna Enclave Complex, Near Hotel Natraj, Nagar-Aurangabad Road, Ahmednagar 414001
Ajmer (Rajasthan)	AMC No. 423/30, Near Church Brahampuri, Opp. T B Hospital, Jaipur Road, Ajmer 305001
Akola (Maharashtra)	Opp. RLT Science College, Civil Lines, Akola 444001
Aligarh (U.P.)	City Enclave, Opp. Kumar Nursing Home, Ramghat Road, Aligarh 202001
Allahabad (Uttarpradesh)	30/2, A&B, Civil Lines Station, Besides Vishal Mega Mart, Strachey Road, Allahabad 211001
Alleppey (Kerala)	Doctor's Tower Building, Door No. 14/2562, 1st floor, North of Iorn Bridge, Near Hotel Arcadia Regency, Alleppey - 688 001
Alwar (Rajasthan)	Plot No -256 A , Scheme number 1, Arya Nagar, Alwar - 301001
Amaravati (Maharashtra)	81, Gulsham Tower, 2nd Floor, Near Panchsheel Talkies, Amaravati 444601
Ambala (Haryana)	Opposite PEER Bal Bhavan Road, Ambala 134003
Amritsar (Punjab)	SCO - 18J, ' C' Block, Ranjit Avenue, Amritsar 140001
Anand (Gujarat)	101, A.P. Tower, Next to Nathwani Chambers, B/h Sardar Gunj, Anand 388001
Anantapur (Andhra Pradesh)	15-570-33, 1st Floor, Pallavi Towers, Opp. Canara Bank, Subhash Road Anantapur 515001
Andheri (Maharashtra)	351, Icon, 501, 5th floor, Western Express Highway, Andheri East, Mumbai – 400 069
Ankleshwar (Gujarat)	Shop No - F -56 First Floor, Omkar Complex, Opp. Old Colony, Near Valia Char Rasta, GIDC Ankleshwar- Bharuch 393002
Asansol (West Bengal)	Block – G 1st Floor P C Chatterjee Market Complex, Rambandhu Talab P O Ushagram Asansol 713303
Bangalore (Karnataka)	Trade Centre, 1st Floor 45, Dikensen Road ( Next to Manipal Centre ) Bangalore 560042
Bankura (West Bengal)	Cinema Road, Nutanganj, Beside Mondal Bakery, PO & District, Bankura 722101
Bareilly (Uttarpradesh)	F-62-63, Butler Plaza, IInd Floor, Commercial Complex, Civil Lines, Bareilly 243001
Belgaum (Karnataka)	1st Floor, 221/2A/1B Vaccine Depot Road Near 2nd Railway gate, Tilakwadi, Belgaum 590006
Bhagalpur (Bihar)	Krishna 1st Floor, Near Mahadev Cinema, Dr.R.P.Road, Bhagalpur 812002
Bharuch (Gujarat)	F-108, First Floor Rangoli Complex, Station Road, Opp. Nagar Seva Sadan, Bharuch 392001
Bhatinda (Punjab)	2907 GH, GT Road, Near Zila Parishad, Bhatinda - 151 001
Bhavnagar (Gujarat)	305 – 306 Sterling Point, Waghawadi Road, Opp. HDFC BANK, Bhavnagar 364002
Bhilai (Chhattisgarh)	1st Floor, Plot No.3, Block No.1 Priyadarshini Pariswar west, Behind IDBI Bank, Nehru Nagar Square, Bhilai – 490020 Chhattisgarh
Bhilwara (Rajasthan)	Indra Prasta Tower, 2nd floor, Syam Ki Sabji Mandi, Near Mukerjee Garden, Bhilwara - 311 001
Bhopal (Madhya)	Plot no 10, 2nd Floor, Alankar Complex, Near ICICI Bank, MP Nagar, Zone II,

Pradesh)	Bhopal 462011
Bhuj (Gujarat)	Data Solution, Office No:17, 1st Floor, Municipal Building, Opp. Hotel Prince, Station Road, Bhuj - Kutch 370001
Bikaner (Rajasthan)	Behind Rajasthan Patrika, In front of Vijaya bank 1404, Amar Singh Pura, Bikaner -334 001
Bilaspur (Chattisgarh)	Shop No. B - 104, First Floor Narayan Plaza, Link Road Bilaspur, Chattisgarh – 495001
Bokaro (Jharkhand)	Mazzanine Floor F-4, City Centre, Sector 4, Bokaro Steel City, Bokaro 827004
Borivali (Maharashtra)	Hirji Heritage, 4th Floor, Office no 402, Landmark: Above Tribhuwandas Bhimji Zaveri (TBZ), L.T. Road, Borivali – West Mumbai - 400 092
Burdwan (West Bengal)	1st Floor Above Exide Showroom 399 G T Road Burdwan-713101 West Bengal
Chennai (Tamil Nadu)	Ground Floor No.178/10, Kodambakkam High Road, Opp. Hotel Palmgrove Nungambakkam, Chennai 600034
Cuttack (Orissa)	Near Indian Overseas Bank, Cantonment Road, Mata Math, Cuttack 753001
Davenegere (Karnataka)	13, 1st Floor, Akkamahadevi Samaj Complex, Church Road, P.J.Extension, Devengere 577002
Delhi (New Delhi)	7-E, 4th Floor Deen Dayaal Research Institute Building, Swami Ram Tirath Nagar, Near Videocon Tower Jhandewalan Extension New Delhi 110055
Dhanbad (Jharkhand)	Urmila Towers, Room No: 111(1st Floor), Bank More Dhanbad 826001
Dhule (Maharashtra)	H. No. 3140 J.B. Road Near Tower Garden Opp Liberty Furniture Dhule – 424001 Maharashtra
Durgapur (West Bengal)	Plot No 3601 Nazrul Sarani City Centre Durgapur – 713216 West Bengal
Faridhabad (Haryana)	B-49, 1st Floor Nehru Ground, Behind Anupam Sweet House, NIT Faridhabad 121001
Gandhidham (Gujarat)	S-7, Ratnakala Arcade, Plot No. 231, Ward 12/B, Gandhidham - 370 201
Ghaziabad (Uttarpradesh)	FF - 26, Konark Building, 1st Floor, RDC - Rajnagar, Ghaziabad 201002
Gorakhpur (Uttarpradesh)	Shop No. 3, Second Floor, The Mall Cross Road, A.D. Chowk Bank Road Gorakhpur 273001
Guntur (Andhra Pradesh)	Door No 5-38-44 5/1 BRODIPET, Near Ravi Sankar Hotel, Guntur 522002
Guwahati (Assam)	A.K. Azad Road, Rehabari, Guwahati 781008
Gwalior (Madhya Pradesh)	G-6 Global Apartment, Kailash Vihar Colony, Opp. Income Tax Office, City Centre Gwalior 474002
Hisar (Haryana)	12, Opp. Bank of Baroda, Red Square Market, Hisar - 125 001
Hosur (Tamil Nadu)	No.9/2, 1st Floor, Attibele Road HCF Post, Behind RTO office Mathigiri Hosur 635110
Hubli (Karnataka)	No.204 - 205, 1st Floor ' B ' Block, Kundagol Complex Opp. Court, Club Road Hubli 580029
Hyderabad (Andhra Pradesh)	208, II Floor Jade Arcade Paradise Circle Secunderabad 500003
Jabalpur (Madhya Pradesh)	8, Ground Floor, Datt Towers Behind Commercial Automobiles Napier Town Jabalpur 482001
Jammu (J & K)	JRDS Heights, Lane Opp. S&S Computers, Near RBI Building, Sector 14, Nanak Nagar Jammu 180004
Jamnagar (Gujarat)	207, Manek Centre, P N Marg, Jamnagar – 361001
Jamshedpur (Jharkhand)	Millennium Tower, "R" Road Room No:15 First Floor, Bistupur Jamshedpur 831001
Jaunpur (Uttar Pradesh)	Gopal katra, 1st Floor Fort Road, Jaunpur – 222001 Uttar Pradesh
Jhansi (Uttar Pradesh)	372/18 D, 1st Floor above IDBI Bank, Beside V-Mart, Near "RASKHAN" Gwalior Road, Jhansi – 284001 Uttar Pradesh
Jodhpur (Rajasthan)	1/5, Nirmal Tower, 1st Chopasani Road, Jodhpur 342003
Junagadh (Gujarat)	"Aastha Plus", 202-A, 2nd Floor Sardarbag road, Near Alkapuri, Opp. Zansi Rani statue, Junagadh 362001



Kadapa (Andhra Pradesh)	Bandi Subbaramaiah Complex D.No:3/1718, Shop No: 8 Raja Reddy Street, Besides Bharathi Junior College, Kadapa 516001
Kakinada (Andhra Pradesh)	D No-25-4-29, 1st floor, Kommireddy Vari Street, Beside Warf Road, Opp. Swathi Medicals, Kakinada - 533001
Kalyani (West Bengal)	A - 1/50 Block A Kalyani Dist Nadia, Kalyani 741235
Kannur (Kerala)	Room No. 14/435, Casa Marina Shopping Centre, Talap, Kannur - 670 004
Karimnagar (Telangana)	HNo.7-1-257, Upstairs S B H Mankammathota, Karimnagar 505001
Karnal (Haryana)	29 Avtar Colony Behind Vishal Mega Mart Karnal – 132001 Haryana
Karur (Tamil Nadu)	126 G, V.P.Towers, Kovai Road Basement of Axis Bank, Karur 639002
Kharagpur (West Bengal)	H.NO.291/1, WARD NO-15 Malancha Main Road, Opposite UCO Bank, Kharagpur 721301
Kolhapur (Maharashtra)	2 B, 3rd Floor, Ayodhya Towers Station Road, Kolhapur 416001
Kolkata (West Bengal)	Saket Building, 44 Park Street, 2nd Floor, Kolkata 700016
Kolkata (Central) (West Bengal)	2A, Ganesh Chandra Avenue Room No.3A Commerce House"(4th Floor), Kolkata 700013
Kollam (Kerala)	Kochupilamoodu Junction Near VLC, Beach Road, Kollam 691001
Kota (Rajasthan)	B-33 'Kalyan Bhawan Triangle Part', Vallabh Nagar, Kota 324007
Kottayam (Kerala)	Jacob Complex Building No - Old No-1319F, New No - 2512D Behind Makkil Centre, Good Sheperd Road, Kottayam 686001
Kumbakonam (Tamil Nadu)	Jailani Complex 47, Mutt Street, Kumbakonam - 612 001
Mapusa (Goa)	Office no.CF-8, 1st Floor, Business Point Above Bicholim Urban Co-op Bank Angod, Mapusa 403507
Margao (Goa)	F4- Classic Heritage, Near Axis Bank, Opp. BPS Club, Pajifond, Margao Goa - 403 601
Mathura (Uttar Pradesh)	159/160 Vikas Bazar, Mathura - 281 001
Meerut (Uttarpradesh)	108 1st Floor Shivam Plaza Opposite Eves Cinema, Hapur Road Meerut 250002
Mehsana (Gujarat)	1st Floor, Subhadra Complex Urban Bank Road Mehsana 384002
Moradabad (Uttarpradesh)	H 21-22, 1st Floor Ram Ganga Vihar Shopping Complex, Opposite Sale Tax Office, Moradabad – 244001 Uttarpradesh
Mumbai (Maharashtra)	Rajabahdur Compound, Ground Floor Opp Allahabad Bank, Behind ICICI Bank 30, Mumbai Samachar Marg, Fort, Mumbai 400023
Muzzafarpur (Bihar)	Brahman toli, Durgasthan Gola Road, Muzaffarpur 842001
Mysore (Karnataka)	No.1, 1st Floor CH.26 7th Main, 5th Cross (Above Trishakthi Medicals) Saraswati Puram, Mysore 570009
Navsari (Gujarat)	16, 1st Floor, Shivani Park, Opp. Shankheswar Complex Kaliawadi, Navsari 396445
Nellore (Andhra Pradesh)	9/756, I Floor Immadisetty Towers Ranganayakulapet Road, Santhapet, Nellore 524001
Noida (Uttar Pradesh)	C-81, 1st Floor, Sector – 2, Noida 201301
Palakkad (Kerala)	10 / 688, Sreedevi Residency, Mettupalayam Street, Palakkad - 678 001
Panipat (Haryana)	SCO 83-84, 1st Floor, Devi Lal Shopping Complex, Opp RBS Bank, G T Road, Panipat 132103
Panjim (Goa)	Lawande Shamalkar Bhavan, 1st Floor, Office No.2, Next to Mahalakshmi Temple, Panaji – 403001 Goa
Patiala (Punjab)	35, New Lal Bagh Colony, Patiala 147001
Pathankot (Punjab)	13 - A, 1st Floor, Gurjeet Market Dhangu Road, Pathankot – 145001
Pune (Maharashtra)	Nirmiti Eminence, Off No. 6, I Floor Opp Abhishek Hotel Mehandale Garage Road Erandawane, Pune 411004
Rajahmundry (Andhra Pradesh)	Door No: 6-2-12, 1st Floor, Rajeswari Nilayam Near Vamsikrishna Hospital, Nyapathi Vari Street, T Nagar, Rajahmundry 533101

Ranchi (Jharkhand)	4,HB Road No: 206, 2nd Floor Shri Lok Complex, H B Road Near Firayalal, Ranchi 834001
Ratlam (Madhya Pradesh)	Dafria & Co 18, Ram Bagh Near Scholar's School, Ratlam 457001
Rohtak (Haryana)	205, 2nd Floor, Building No: 2 Munjal Complex, Delhi Road, Rohtak - 124 001
Rourkela (Orissa)	1st Floor Mangal Bhawan Phase II Power House Road, Rourkela 769001
Saharanpur (Uttar Pradesh)	I Floor, Krishna Complex Opp. Hathi Gate Court Road, Saharanpur 247001
Salem (Tamil Nadu)	No.2, I Floor Vivekananda Street, New Fairlands, Salem 636016
Sambhalpur (Odisha)	Opp. Town High School, Sansarak, Sambalpur - 768 001
Sangli (Maharashtra)	Jiveshwar Krupa Bldg, Shop. No.2, Ground Floor, Tilak Chowk, Harbhat Road, Sangli - 416 416
Satara (Maharashtra)	117 / A / 3 / 22, Shukrawar Peth Sargam Apartment, Satara 415002
Shimla (Himachal Pradesh)	I Floor, Opp. Panchayat Bhawan Main gate Bus stand, Shimla 171001
Shimoga (Karnataka)	No.65 1st Floor Kishnappa Compound, 1st Cross, Hosmane Extn, Shimoga – 577201 Karnataka
Siliguri (West Bengal)	78, Haren Mukherjee Road, 1st floor, Beside SBI Hakimpara, Siliguri – 734001
Sitapur (Uttar Pradesh)	Arya Nagar Near Arya Kanya School, Sitapur 261001
Sri Ganganagar (Rajasthan)	18 L Block, Sri Ganganagar - 335 001
Srikakulam (Andhra Pradesh)	Door No 4-4-96, First Floor, Vijaya Ganapathi Temple Back Side, Nanubala Street, Srikakulam - 532 001
Solapur (Maharashtra)	Flat No 109, 1st Floor,A Wing Kalyani Tower 126 Siddheshwar Peth Near Pangal High School Solapur 413001
Sreerampur (West Bengal)	47/5/1, Raja Rammohan Roy Sarani PO. Mallickpara, District Hoogly Sreerampur -712203
Thane (Maharashtra)	3rd Floor, Nalanda Chambers B Wing, Gokhale Road, Near Hanuman Temple Naupada Thane 400602
Tirupur (Tamil Nadu)	1(1), Binny Compound, 2nd Street, Kumaran Road, Tirupur 641601
Tirunelveli (Tamil Nadu)	1 Floor, Mano Prema Complex 182 / 6, S.N High Road Tirunelveli 627001
Tirupathi (Andhra Pradesh)	Shop No : 6,Door No: 19-10-8 Opp to Passport Office, AIR Bypass Road Bhavani Nagar, Tirupati 517501
Udaipur (Rajasthan)	Shree Kalyanam, 50, Tagore Nagar, Sector – 4, Hiranmagri, Udaipur – 313001 Rajasthan
Valsad (Gujarat)	3rd floor Gita Nivas, opp Head Post Office Halar Cross Lane Valsad 396001
Vapi (Gujarat)	208, 2nd Floor HEENA ARCADE Opp. Tirupati Tower, Near G.I.D.C Char Rasata Vapi 396195
Vasco Da Gama (Goa)	No DU 8, Upper Ground Floor, Behind Techoclean Clinic, Suvidha Complex, Near ICICI Bank, Vasco da gama 403802
Vellore (Tamil Nadu)	No.1, Officer's Line 2nd Floor, MNR Arcade Opp. ICICI Bank, Krishna Nagar Vellore 632001
Warangal (Telangana)	A.B.K Mall, Near Old Bus Depot road BVSS Mayuri Complex F-7, Ist Floor, Ramnagar,Hanamkonda Warangal 506001
Yamuna Nagar (Haryana)	124-B/R, Model Town, Yamuna Nagar - 135 001