FRANKLIN TEMPLETON INVESTMENTS

Franklin Templeton Mutual Fund
Indiabulls Finance Centre, Tower 2, 12th and 13th Floor, Senapati Bapat Marg,
Elphinstone Road (West), Mumbai 400013

Trustee Report

Dear Investor,

The Board of Directors of Franklin Templeton Trustee Services Pvt. Ltd., Trustee to Franklin Templeton Mutual Fund, have the pleasure of presenting before you the twenty-second Annual Report of Franklin Templeton Mutual Fund (FTMF) for the financial year 2017-18 (FY18).

Along with the general information on the background and highlights of Franklin Templeton Mutual Fund, investor services, etc., the Board of Directors of Franklin Templeton Trustee Services Pvt. Ltd. have specifically provided information on the schemes of Franklin Templeton Mutual Fund.

Review of activities of Franklin Templeton Mutual Fund:
During the year under review, the mutual fund industry witnessed a substantial increase in Average Assets Under Management (AAUM) on the back of healthy inflows as well as value appreciation.

Product launches:
FTMF currently has a comprehensive range of products to suit the varied investment objectives of our investors across segments. However, in FY18, we continued to regularly monitor emerging investor needs and changing market dynamics, in order to identify opportunities with respect to the existing product suite or new products. We continued to strengthen our presence in the close-end Fixed Maturity Plan (FMP) space in a selective manner, and launched 8 new FMPs during the year.

Product rationalization:
SEBI carried out an industry level product categorization and rationalization exercise during the year. FTMF reviewed its entire range of open-end schemes and submitted its scheme categorization and rationalization proposal to SEBI in FY18. As approved by SEBI, FTMF has merged Franklin India Government Securities Fund – Composite & PF Plan into Franklin India Government Securities Fund – Long Term Plan with effect from June 4, 2018. We were not required to merge any other funds as we have always maintained a well-differentiated yet limited suite of products.

Mutual funds as an investment avenue continued to gain popularity across retail as well as high networth investors. This was clearly reflected in the healthy AUM growth of the industry. The total AUM of the industry grew by 26% in FY18. FTMF's AUM also grew at the same rate. (AUM Source: AMFI website, Quarterly Average AUM taken into consideration)

During FY18, Franklin Templeton Mutual Fund saw good progress in terms of investment performance and inflows in the fixed income space but faced temporary headwinds in terms of short term performance and inflows in equity and hybrid funds. The firm continuously aims to deliver consistent long term performance.

Key Investor Education & Awareness Initiatives undertaken during FY18:

1. **The Marathon of Life -** We conceptualized this campaign by drawing analogies between completing in a Marathon and investing in Mutual Funds. It features six everyday heroes who go about doing the ordinary in an extra-ordinary way. The theme of the below six videos is similar to the six qualities one should possess for investing in mutual funds, viz., **Have a Goal, Start Early, Be Resilient, Step Up, It's never too late to begin and Having the right Guidance helps.**

   We started the campaign in December 2017 and released one video every week for six weeks on our social media pages. A microsite www.thegoodemi.com/marathon was used to host all the videos as well as a special booklet created which provides details of the above six tenets. We also launched a contest wherein people could tell us their own story besides mentioning which of these six stories they liked the most and why.

   The 6 videos together (across Facebook and Twitter) were viewed over 10 million times with over 113,000 likes, over 10,000 shares, over 1500 comments, over 2200 retweets and over 200 contest entries! Individually, three videos received over 1 million views and one had over 2 million views.

2. **e-Booklet on 16 Rules of Investment Success by Sir John Templeton –** We promoted one rule per week across social media channels. Each rule had a link to a digital flipbook where the audience could read all the rules. The campaign received 5.5 lac+ engagements and over 36 lac impressions. Here is the link: http://www.16investmentrules.com/

3. **Financial Independence –** This was an Independence Day campaign that covered 3 individuals from different walks of life and asked them what Financial Independence means to them. At the end of each video, we asked users their definition of Financial Independence and received an overwhelming response. The campaign generated over 11 million video views and garnered 110 million+ impressions. Here is the link for campaign video: https://bit.ly/2Hz5LAj

4. **Invest for Progress -** March 8 is celebrated as International Women's Day. We flagged off #investforprogress, a digital marketing campaign to spread the message on "Don't just learn to earn, but learn to invest". The campaign received over 11 million digital impressions and more than 3mn video views. We also received a mention in various reputed publications like Brand Equity, The Mint and The DRUM. Here is the link to watch the film - **https://youtu.be/dC9709ngMko**

5. **Funds have Feelings -** In an effort to make mutual funds less daunting, we decided to give them a human twist to develop a connect with existing and potential investors under the tagline #FundsHaveFeelings. The short and shareable nature of the content garnered a reach of over 6.4Lac and over 4000 engagements. Here is the link for the lines - https://bit.ly/2GYyo8M, https://bit.ly/2EIKAIM, https://bit.ly/2HmDXkW

Investor Services:
As on 31st March 2018, Franklin Templeton had more than 36 lakh active investor accounts who are being serviced through its 40 Investor Service Centres (ISC) and 149 offices of its collection partners.

We continue to encourage our investors and partners to leverage our online offerings and services. There is a continuous effort to mobilize technology to provide enhanced customer satisfaction. During the year, in line with our digital ecosystem strategy, the enhanced website was launched and web-chat was introduced as an additional touchpoint for servicing unitholders.

Significant Regulatory Changes:

During the year various regulatory changes were made. Investors may note the following significant changes:

- Scheme categorisation and rationalisation – We believe that the uniformity brought in the characteristics of similar types of open-ended schemes launched by different Mutual Funds would enable an investor of Mutual Funds to more easily compare the different options available, before taking an informed decision to invest in a scheme.
- Disclosure of Total Expense Ratio of Mutual Fund Schemes on Mutual Fund's website, notice of change in base TER - We believe these disclosures would help the investors know about various expenses charged on their investments in a more transparent and timely manner.

Investor Complaints Report:
The Investor Complaints Report of FTMF for FY18 is given in Annexure I to this Report.

Valuation policy:
Valuation policy and related disclosures are available on our website for reference of the investors.

Voting Policy and Disclosures of Votes Cast:
Pursuant to SEBI circular no. SEBI/IMD/CIR no. 18/198647/2010 dated March 15, 2010 and subsequent clarifications/circulars issued by SEBI, FTMF has formulated a policy for exercise of voting rights by the Franklin Templeton Asset Management (India) Private Limited (FTAMIL) in companies in whose securities schemes of the Fund have invested.
Please refer to Annexure II for the summary of proxy votes cast by FTAMIL during FY18. M/s Nipun Sudhir & Associates, Chartered Accountants (Scrutinizer) have independently verified and issued an unqualified certificate regarding the votes cast by FTAMIL. Voting Policy, votes cast during FY18 along with Scrutinizer's certificate is available on the website of the mutual fund www.franklintempletonindia.com.

1. **Scheme performance, future outlook and operations of the schemes:**
   Brief commentary on the schemes, one year and since inception performance vis-à-vis benchmarks, future outlook of the Fund and operations of the schemes are given in Annexure III to this Report.

2. **Brief background of Trust, Sponsor, Trustee Company and Asset Management Company:**

Franklin Templeton Mutual Fund
Franklin Templeton Mutual Fund ('FTMF'/'Mutual Fund') has been constituted as a Trust on January 04, 1996 in accordance with the provisions of the Indian Trusts Act, 1882 and the Deed of Trust is registered under the Indian Registration Act, 1908. FTMF has been sponsored by Templeton International Inc with Franklin Templeton Trustee Services Pvt. Ltd. as the Trustee. Franklin Templeton Trustee Services Pvt. Ltd. has entered into an Investment Management Agreement dated January 05, 1996 with Franklin Templeton Asset Management (India) Pvt. Ltd. appointing it as the Investment Manager for all the schemes of FTMF. FTMF is registered with SEBI vide Registration No. MF/026/96/8 dated February 19, 1996.

Templeton International Inc.
Templeton International Inc., is a wholly owned subsidiary of Templeton Worldwide Inc., which in turn is a wholly owned subsidiary of Franklin Resources Inc. The sponsor was responsible for setting up and establishing the Franklin Templeton Mutual Fund. The Sponsor is the Settler of the Mutual Fund Trust.

Franklin Resources, Inc. is a diversified financial services company based in San Mateo, California, USA. Through its operating subsidiaries, it provides a wide range of investment products and

services to clients worldwide. Franklin Resources, Inc. along with its subsidiary entities (commonly known as Franklin Templeton Investments) is one of the world's largest investment management companies.

Franklin Templeton Investments provides global and domestic investment management to retail, institutional and sovereign wealth clients in over 170 countries. Through specialized teams, the company has expertise across multiple asset classes—including equity, fixed income, alternatives and custom solutions. With offices in over 34 countries, the company has 70 years of investment experience and approximately $732.8 billion in assets under management as of May 31, 2018.

Franklin Templeton Trustee Services Pvt. Ltd.
Franklin Templeton Trustee Services Pvt. Ltd. ('Trustee'/'Trustee Company'), a company incorporated under the Companies Act, 1956 and having its registered office at Indiabulls Finance Center, Tower 2, 12th and 13th Floor, Senapati Bapat Marg, Elphinstone (West), Mumbai 400013 is the Trustee to FTMF. The Trustee is the exclusive owner of the trust fund and holds the same in trust for the benefit of the unitholders. The Trustee has been discharging its duties and carrying out the responsibilities as provided in the Regulations and the Trust Deed. The Trustee seeks to ensures that FTMF and the schemes floated thereunder are managed by the investment manager in accordance with the Trust Deed, SEBI (Mutual Funds) Regulations, 1996 (the Regulations), directions and guidelines issued by SEBI, the stock exchanges, the Association of Mutual Funds in India and other regulatory agencies.

Board of Directors of the Trustee Company as on March 31, 2018:
- Mr. Alok Sethi (Associate Director)
- Mr. Anand J. Vashi (Independent Director)
- Mr. Percy J. Pardiwalla (Independent Director)
- Dr. Indu Shahani (Independent Director)
- Mrs. Shilpa Shetty (Associate Director)

During the year, Mrs. Shilpa Shetty was appointed as a director on the Board of the Trustee Company.

Franklin Templeton Asset Management (India) Pvt. Ltd.
Franklin Templeton Asset Management (India) Pvt. Ltd. ('AMC'/FTAMIL'), a company incorporated under the Companies Act, 1956 and having its registered office at Indiabulls Finance Center, Tower 2, 12th and 13th Floor, Senapati Bapat Marg, Elphinstone (West), Mumbai 400013 is the Investment Manager of FTMF. The investment manager is approved by SEBI to act as the asset management company of FTMF *vide* letter No. IIMARP/406/96 dated February 19, 1996.

Board of Directors of the AMC as on March 31, 2018:
- Mr. Vivek Kudva (Associate Director)
- Mr. Deepak M. Satwalekar (Independent Director)
- Mr. Navroz Seervai (Independent Director)
- Mr. M.B.N. Rao (Independent Director)
- Mr. Sanjay Sapre (Associate Director)
- Mr. S. Jayaram (Associate Director)

3. Investment objectives of the schemes:
The investment objectives of the schemes of FTMF as on March 31, 2018 and related risk factors are given in Annexure IV to this Report.

4. Significant Accounting Policies
The Balance Sheet of schemes of FTMF as on March 31, 2018, the Revenue Account for FY18 and the Auditors' Report thereon are annexed to this Report. As mentioned in the Auditors'

Report the accounting policies are in accordance with Securities Exchange Board of India (Mutual Fund) Regulations 1996.

5. **Unclaimed dividends and redemptions as on March 31, 2018:**
The data on unclaimed dividends and redemptions as on March 31, 2018 is given in Annexure V to this Report.

6. **Statutory Information:**
   a) The Sponsor, Templeton International Inc. is not responsible or liable for any loss resulting from the operation of the schemes of the Mutual Fund beyond its initial contribution of INR 1 lakh for setting up the Mutual Fund, and such other accretions/additions to the same.
   b) In view of the fact that the amounts collected under the various schemes are deployed in securities markets, the price and redemption value of the units, and income from them, can go up as well as down with the fluctuations in the market value of its underlying investments.
   c) Full Annual Report is available on the website of the mutual fund www.franklintempletonindia.com and shall be made available for inspection at the head office of the Mutual Fund. Present and prospective investors can request for copies of the Trust Deed, detailed annual accounts of the schemes and of the AMC upon payment of the prescribed fee.

Acknowledgments:
The Board of Directors of Trustee Company wish to place on record their appreciation for the dedication and sincerity of the employees of the AMC. The Board would also like to thank the Government of India, the Securities and Exchange Board of India, the Reserve Bank of India and the Association of Mutual Funds in India for their ongoing support, co-operation and guidance during the year under review. The Board would like to take this opportunity to thank its family of investors for their confidence and wholehearted faith reposed in the Franklin Templeton Mutual Fund. In addition, the Trustee Company would also like to thank the Auditors, Custodians, Bankers, Registrar, and all other service providers for their valuable support.

We look forward to your continued support and assure you of our commitment to quality products and services from Franklin Templeton Mutual Fund.

Yours sincerely,

for **Franklin Templeton Trustee Services Private Limited**
(Trustee to Franklin Templeton Mutual Fund)

Sd/-
Alok Sethi
Director

Date: July 27, 2018

Annexure I

Investor Complaints Report for the Financial Year 2017-18

Total Number of Folios: 36,38,177

Complaint Code	Type of Complaint#	(a) No. of complaints pending at the beginning of the year	Action on (a) and (b)								
			(b) No. of Complaints received during the year	Resolved				Non Actionable *	Pending			
				Within 30 days	30-60 days	60-180 days	Beyond 180 days		0-3 months	3-6 months	6-9 months	9-12 months
I A	Non receipt of Dividend on Units	6	26	21	9	1	0	0	1	0	0	0
I B	Interest on delayed payment of Dividend	0	3	2	0	1	0	0	0	0	0	0
I C	Non receipt of Redemption Proceeds	2	52	45	7	1	0	0	1	0	0	0
I D	Interest on delayed payment of Redemption	0	5	5	0	0	0	0	0	0	0	0
II A	Non receipt of Statement of Account/Unit Certificate	0	4	4	0	0	0	0	0	0	0	0
II B	Discrepancy in Statement of Account	0	8	8	0	0	0	0	0	0	0	0
II C	Data Corrections in Investor details	10	544	536	6	1	0	0	11	0	0	0
II D	Non receipt of Annual Report/Abridged Summary	0	0	0	0	0	0	0	0	0		0

Complaint Code	Type of Complaint#	(a) No. of complaints pending at the beginning of the year	Action on (a) and (b)								
			(b) No. of Complaints received during the year	Resolved				Non Actionable *	Pending			
				Within 30 days	30-60 days	60-180 days	Beyond 180 days		0-3 months	3-6 months	6-9 months	9-12 months
III A	Wrong switch between Schemes	1	16	17	0	0	0	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	2	1	0	0	0	0	1	0	0	0
III C	Deviation from Scheme attributes	0	0	0	0	0	0	0	0	0	0	0
III D	Wrong or excess charges/load	0	16	12	3	0	0	0	1	0	0	0
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc	1	123	118	3	1	0	0	2	0	0	0
IV	Others	46	1256	1175	79	17	0	0	31	0	0	0
Total		**66**	**2055**	**1944**	**107**	**22**	**0**	**0**	**48**	**0**	**0**	**0**

Complaints Summary for FY 2017-2018

Particulars	**Count**
Total Complaints Received	2055
Total Number of Folios	3638177
Percentage Complaints Against Folios	0.06%

including against its authorized persons/ distributors/ employees, etc.

*Non actionable means the complaints that are incomplete / outside the scope of the mutual fund

Note:

95% of the complaints have been resolved within 30 days. The time shown above is the average time for resolution of complaints from receipt of initial complaint till eventual closure. Delays could be caused by a variety of factors including the need to receive information from clients, due process followed by banks in cases where payment instruments have been lost and delays due to verification of certain facts received from clients.

This Report has been approved by circulation by the Board of Franklin Templeton Trustee Services Private Limited on May 24, 2018.

Annexure II

Summary of proxy votes cast by FTMF / AMC during F.Y. 2017-2018

F.Y.	Quarter	Total no. of resolutions	Break-up of Vote decision			
			For	Against	Abstain	None
2017-2018	Quarter 1	1532	1323	90	112	7
2017-2018	Quarter 2	4880	4415	465	0	0
2017-2018	Quarter 3	227	222	2	0	3
2017-2018	Quarter 4	352	285	49	0	18
	Total	**6991**	**6245**	**606**	**112**	**28**

Annexure III

Performance, future outlook and operations of the schemes

Franklin India Prima Plus

Launched in Sep 1994, Franklin India Prima Plus (FIPP) is a diversified equity fund with a mandate to invest in wealth creating companies whose competitive advantages we believe will translate into superior return on capital. The portfolio comprises mainly of large cap stocks with some exposure to mid and small cap stocks. The fund utilizes a bottom-up approach to stock picking and to that end the portfolio management team conducts in-depth research/analysis of companies before investing.

Given below is the summary of returns delivered by the fund since inception and last 1 year along with the benchmarks:

Franklin India Prima Plus	**Last 1 Year**	**Since Inception***
FIPP - Growth	**8.31%**	**18.71%**
B: Nifty 500 $	**12.98%**	**10.79%**
AB: Nifty 50 ^	**11.86%**	**10.29%**
FIPP - Direct - Growth	**9.48%**	**17.56%**
B: Nifty 500	**12.98%**	**13.90%**
AB: Nifty 50	**11.86%**	**12.02%**

*compounded and annualized returns. Inception date: FIPP - Growth: September 29, 1994, FIPP-Direct-Growth: January 1, 2013. B: Benchmark, AB: Additional Benchmark
Benchmark returns calculated based on Total Return Index Values
"As TRI data is not available since inception of the scheme, benchmark performance is calculated using composite CAGR of ($ Nifty 500 PRI values from 29.09.1994 to 26.11.1998 and TRI values since 26.11.1998, ^ Nifty 50 PRI values from 29.09.1994 to 30.06.1999 and TRI values since 30.06.1999)"

Indian equities rallied in FY2018 led by encouraging global growth trend, up-tick in domestic economic growth, consumption demand, improving corporate results in H2FY18 and conducive policy reform measures in the financial and real estate sectors. The Union budget announced in February 2018 endeavored to deliver on the infrastructure (road, railway) and social sector fronts along with a focus on fiscal consolidation. This was well-received by the market though sentiments were dampened by announcement of tax imposition on long term gains and dividend on equity. The fund underperformed its benchmark and additional benchmark in the last one year. The fund outperformed both benchmark indices for the period since inception. For the one year performance review, on an absolute basis, financials, consumer discretionary and information technology sectors were the top 3 contributors to returns. Robust results in the private banks buoyed the returns from financial sector. Fading effects of demonetization and GST ushered a pick-up in consumption demand thereby supporting a strong growth in consumer discretionary sector. Stock held in the portfolio benefited from the uptrend. A turnaround in the technology sector led by diminishing global headwinds worked well to contribute positively to portfolio returns. Key detractor for the portfolio came in from an overweight exposure to pharmaceuticals sector. Adverse pricing in the US generic drugs market and observations by the USFDA on select Indian pharma companies dented earnings and dragged the sector down during the year. Within financials sector, lack of exposure to Housing finance segment (which surged on the thrust to affordable housing scheme) became a relative detractor for the portfolio. An underweight exposure to a large weighted energy sector stock, which rallied on roll out of their telecom venture, dented relative performance of the portfolio. Overweight exposure to Telecom relative to benchmark also moderated the portfolio performance after a steep fall in the telecom stocks in the Jan-March quarter.

Going forward, the fund will continue to invest in quality firms with sound management, long term sustainable business model and at reasonable prices.
In accordance with SEBI's product categorization and rationalization requirements, effective June 4, 2018, Franklin India Prima Plus has been renamed to Franklin India Equity Fund and changes has also been made to certain fundamental attributes of the scheme in accordance with addendum dated April 19, 2018.

Franklin Build India Fund
Franklin Build India Fund (FBIF) is an open-end equity fund that seeks to provide long term appreciation by investing in companies that are taking advantage of multiple development themes in the Indian economy viz., infrastructure, resources, financial services, social development and agriculture. The fund combines a bottom-up approach for stock selection with a top-down sector views.

Given below is the summary of returns delivered by the fund since inception and last 1 year along with the benchmarks:

Franklin Build India Fund	**Last 1 Year**	**Since Inception***
FBIF - Growth	**10.46%**	**17.40%**
B: Nifty 500	**12.98%**	**11.57%**
AB: Nifty 50	**11.86%**	**10.71%**
FBIF - Direct - Growth	**11.82%**	**23.99%**
B: Nifty 500	**12.98%**	**13.90%**
AB: Nifty 50	**11.86%**	**12.02%**

*compounded and annualized returns. Inception date: FBIF - Growth: September 4, 2009, FBIF-Direct-Growth: January 1, 2013. B: Benchmark, AB: Additional Benchmark
Benchmark returns calculated based on Total Return Index Values

The overall sentiments in the infrastructure space remained buoyant on account of continued focus of the government on infrastructure as seen in the robust allocation to the sector through road capex and railway sector in the union budget 2018-19. However, the fund underperformed its benchmark in the one year period. The fund outperformed its benchmark index for the period since inception. For the one year period, the absolute detractors for the fund came from greater exposure to select PSU banks and auto sector. Relative detractors to the portfolio included underweight exposure to housing finance segment and energy sectors.

The government's thrust on strengthening financial and physical infrastructure is validated by financial sector reforms aimed at speedier resolution for stressed assets in Indian banking system, announcement of INR 2.11trn bank recapitalization plan to strengthen the banking system, real estate sector reforms (RERA) and continued thrust on infrastructure development as indicated by announcement of INR 7trn Bharatmala Pariyojana (road capex project). These initiatives along with focus on affordable housing, bode well for the sector. Additionally, improvement seen in the micro indicators of the economy implying improvement in consumption demand, private sector investment and manufacturing provide scope for a broad-based growth opportunity in the economy.

Going ahead, in line with the fund's investment focus, our endeavor would be to invest in companies that are likely to benefit from investment in the building blocks of the economy and have an attractive risk/reward profile.
In accordance with SEBI's product categorization and rationalization requirements, effective June 4, 2018, changes have been made to certain fundamental attributes of the scheme in accordance with addendum dated April 19, 2018.

Franklin India Bluechip Fund

Launched in 1993, Franklin India Bluechip Fund (FIBCF) is an open-end fund primarily investing in large-cap stocks. The fund follows a bottom-up approach to stock selection based on fundamental research with a medium to long term perspective. The evaluation of individual businesses comprises both quantitative parameters and qualitative factors that include competitive strategy, business objectives etc.

Given below is the summary of returns delivered by the fund since inception and last 1 year along with the benchmarks:

Franklin India Bluechip Fund	Last 1 Year	Since Inception*
FIBCF - Growth	**6.21%**	**21.03%**
B: S&P BSE Sensex $	**12.81%**	**11.55%**
AB: Nifty 50 ^	**11.86%**	**11.12%**
FIBCF - Direct - Growth	**7.16%**	**13.06%**
B: S&P BSE Sensex	**12.81%**	**12.04%**
AB: Nifty 50	**11.86%**	**12.02%**

*compounded and annualized returns. Inception date: FIBCF - Growth: December 1, 1993, FIBCF - Direct- Growth: January 1, 2013. B: Benchmark, AB: Additional Benchmark
Benchmark returns calculated based on Total Return Index Values
"As TRI data is not available since inception of the scheme, benchmark performance is calculated using composite CAGR of ($ S&P BSE SENSEX PRI values from 01.12.1993 to 19.08.1996 and TRI values since 19.08.1996, ^ Nifty 50 PRI values from 01.12.1993 to 30.06.1999 and TRI values since 30.06.1999)"

Indian equities rallied in FY2018 led by encouraging global growth trend, up-tick in domestic economic growth, consumption demand, improving corporate results in H2FY18 and conducive policy reform measures in the financial and real estate sectors. The Union budget announced in February 2018 endeavored to deliver on the infrastructure (road, railway) and social sector fronts along with a focus on fiscal consolidation. This was well-received by the market though sentiments were dampened by tax imposition on long term gains and dividend on equity.

The fund underperformed its benchmark during the year. The fund outperformed its benchmark index for the period since inception. For the one year period, major absolute detractors came from exposure to pharmaceuticals, auto and financials. Adverse pricing in the US generic drugs market and observations by the USFDA on select Indian pharma companies dented earnings and dragged the sector down during the year. Lower exposure to housing finance companies and energy sectors relative to benchmark led to underperformance of the fund. On a relative basis, stock selection in auto sector and overweight allocation in healthcare sector rattled fund performance. An underweight exposure to a large weighted energy sector stock, which rallied on roll out of their telecom venture, dented relative performance of the portfolio. Overweight exposure to Telecom relative to benchmark also moderated the portfolio performance after a steep fall in the telecom stocks in the Jan-March quarter.

The large cap segment continues to trade at a discount to mid and small caps (at the index level). Going forward, our strategy would be to maintain focus on identifying medium to long term opportunities within the large cap space and avoid momentum calls. While this may impact relative performance in intermediate cycles, over the long term this approach should provide sustained benefit.
In accordance with SEBI's product categorization and rationalization requirements, effective June 4, 2018, changes have been made to certain fundamental attributes of the scheme in accordance with addendum dated April 19, 2018.

Franklin India Taxshield

Launched in April 1999, Franklin India Taxshield (FIT) is an equity linked savings scheme that seeks to provide medium to long term capital appreciation along with income tax rebate under Section 80C of the Income Tax Act, 1961. The fund has the flexibility to invest across sectors and market capitalization.

The fund managers aim to create a diversified equity portfolio and the approach taken is to build a core large-cap exposure and selectively add quality companies from the mid & small cap segment. In terms of style, the team utilizes a combination of Growth and Value approach to stock picking and has a long term outlook.

Given below is the summary of returns delivered by the fund since inception and last 1 year along with the benchmarks:

Franklin India Taxshield Fund	Last 1 Year	Since Inception*
FIT - Growth	**8.27%**	**23.27%**
B: Nifty 500	**12.98%**	**16.25%**
AB: Nifty 50 ^	**11.86%**	**14.56%**
FIT - Direct - Growth	**9.40%**	**17.09%**
B: Nifty 500	**12.98%**	**13.90%**
AB: Nifty 50	**11.86%**	**12.02%**

*compounded and annualized returns. Inception date: FIT - Growth: April 10, 1999, FIT - Direct-Growth: January 1, 2013. B: Benchmark, AB: Additional Benchmark

Benchmark returns calculated based on Total Return Index Values

"As TRI data is not available since inception of the scheme, benchmark performance is calculated using composite CAGR of (^ Nifty 50 PRI values from 10.04.1999 to 30.06.1999 and TRI values since 30.06.1999)"

The fund underperformed its benchmark index during the year even as it outperformed its benchmark index for the period since inception. For the one year period, absolute detractors included auto, healthcare and financial services sectors. Portfolio holdings in an auto stock were hurt as the stock corrected on account of poor results in a sub-segment of the company. Adverse pricing in the US generic drugs market and observations by the USFDA on select Indian pharma companies dented earnings and placed a drag on the portfolio returns during the year. Earnings of the banking sector were generally hit on account of a Reserve Bank of India-directed non-performing loan provisioning increase. A sudden surge in the government bond yields further dented the treasury income of the banks. While the banking exposure in the portfolio hurt performance, lower exposure to housing finance companies caused relative underperformance in the portfolio.

The fund's focus on quality stocks and large cap orientation hold scope for sustained long term growth with lower volatility. Looking ahead, the continuing focus on quality stocks with long term growth potential should augur well for the fund.

Franklin India Technology Fund

Launched in August 1998, Franklin India Technology Fund (FITF) is an open-end equity fund focused on companies operating in the technology space and allied sectors.

Given below is the summary of returns delivered by the fund since inception and last 1 year along with the benchmarks:

Franklin India Technology Fund	Last 1 Year	Since Inception*
FITF – Growth	**21.31%**	**18.53%**
B: S&P BSE Information Technology #	**14.68%**	N. A

AB: Nifty 50	**11.86%**	**14.93%**
FIT - Direct – Growth	**22.04%**	**17.82%**
B: S&P BSE Information Technology #	**14.68%**	**16.88%**
AB: Nifty 50	**11.86%**	**12.02%**

Index is adjusted for the period September 16, 2005 to April 15, 2015 with the performance of S&P BSE IT

*compounded annualized returns. Inception Date: FIF - Growth: August 22, 1998, FIF- Direct - Growth: January 1, 2013. B: Benchmark, AB: Additional Benchmark

"As TRI data is not available since inception of the scheme, benchmark performance is calculated using composite CAGR of (B S&P BSE Information Technology PRI values from 01/02/1999 to 23/08/2004; S&P BSE Information Technology TRI values from 23/08/2004 to 29/05/2017 and S&P BSE TECK TRI values since 29/05/2017, AB Nifty 50 PRI values from 22.08.1998 to 30.06.1999 to and TRI values since 30.06.1999)"

Benchmark returns calculated based on Total Return Index Values

The fund outperformed its additional benchmark index for the period since inception. For the one year period, the fund outperformed its benchmark as the sector staged a turnaround with the global headwinds receding during the year. Buyback announcements by some IT companies in the initial part of the year to shore up falling stock prices and hopes of higher IT spends in the US after tax reforms aided the surge in IT stock prices in FY18. Depreciation in the INR further supported the sector. Efficient stock selection along with allocation between mid and large cap stocks within the sector played a significant role in the outperformance.

Looking ahead, stabilizing global growth should support demand for discretionary IT spending. Over the medium to longer term, structural changes in IT services demand with scale up of digital projects and higher focus on app development and IT Outsourcing (key strength of Indian IT vendors), bodes well for the Indian IT sector demand outlook, though still facing certain headwinds in the form of protectionism concerns and insourcing. In accordance with SEBI's product categorization and rationalization requirements, effective June 4, 2018, changes have been made to certain fundamental attributes of the scheme in accordance with addendum dated April 19, 2018.

Franklin India Smaller Companies Fund

Franklin India Smaller Companies Fund (FISCF) is a fund focused on investment opportunities in the mid and small cap segment. The fund was launched as a 5-year closed-end equity product in January 2006 and was converted into an open-end fund with effect from January 14, 2011.

The fund's performance since inception and for the last year is captured below:

Franklin India Smaller Companies Fund	**Last 1 Year**	**Since Inception***
FISCF - Growth	**14.06%**	**15.62%**
B: Nifty Free Float Midcap 100	**10.34%**	**14.55%**
AB: Nifty 50	**11.86%**	**12.28%**
FISCF - Direct - Growth	**15.51%**	**27.89%**
B: Nifty Free Float Midcap 100	**10.34%**	**17.49%**
AB: Nifty 50	**11.86%**	**12.02%**

*compounded and annualized returns. Inception Date: FISCF -- Growth: January 13, 2006, FISCF-Direct-Growth: January 1, 2013. B: Benchmark, AB: Additional Benchmark

Benchmark returns calculated based on Total Return Index Values

In FY2017-18, the mid and small cap segment saw a stock-specific rally rather than broad-based surge as further indicated by Nifty free float midcap 100 underperforming the Nifty 50, even as broader indices outperformed frontline indices. The fund outperformed its benchmark index over the 1 year and since inception time frames. Superior stock selection led to an outperformance by the fund during the year. Industrial and Materials sectors rallied on the back of impetus to the

infrastructure sector through policy reforms and thrust to manufacturing from domestic demand and nascent revival in private capex. An overweight allocation to these sectors aided portfolio returns. Fading effects of demonetization and GST spurred consumption demand growth which in turn supported rally in consumer discretionary sector. The sector was among top three absolute contributors to portfolio returns. An underweight allocation and prudent stock selection in healthcare and financial sectors contributed positively to fund performance.

In terms of economic/market outlook for the year ahead, the aggregate domestic demand growth trend remains encouraging. Investment indicators, including steel, cement, coal and industrial output, have also seen a positive development. We believe that the transmission of domestic demand into corporate earnings has strengthened. The corporate capital expenditure (capex) cycle presently shows a nascent recovery on improving domestic demand and better capacity utilisation levels across industries. Domestic growth continues to recover, buoyed by strengthening microeconomic indicators that attempt to offset the weakness in macroeconomic gauges as well as global challenges. This bodes well for long term equity investments.

Going forward, the fund's fundamental research oriented approach to identifying opportunities in the mid/small capitalization space through bottom-up stock selection and continued focus on quality at reasonable prices is expected to provide cushion against steep market movements. Further, it should benefit from upside potential of the mid-small cap segment in the long term.

In accordance with SEBI's product categorization and rationalization requirements, effective June 4, 2018, changes have been made to certain fundamental attributes of the scheme in accordance with addendum dated April 19, 2018.

Franklin India Prima Fund

Launched in December 1993, Franklin India Prima Fund (FIPF) is an open-end equity fund focused on mid and small-capitalization stocks. The fund follows a blend of value and growth style with a bottom-up approach to stock selection across sectors. Stocks are selected based on fundamental research with a medium to long term perspective. As a strategy, the fund pre-dominantly invests in mid-cap stocks with a smaller exposure to small-cap stocks.

The fund's performance since inception and for the last year up to March 2018 is captured below:

Franklin India Prima Fund	**Last 1 Year**	**Since Inception***
FIPF - Growth	**11.64%**	**20.62%**
B: Nifty 500 $	**12.98%**	**11.57%**
B: Nifty Free Float Midcap 100 #@	**10.34%**	**N.A**
AB: Nifty 50 ^	**11.86%**	**11.12%**
FIPF - Direct - Growth	**12.81%**	**23.64%**
B: Nifty 500	**12.98%**	**13.90%**
B: Nifty Free Float Midcap 100 #	**10.34%**	**17.49%**
AB: Nifty 50	**11.86%**	**12.02%**

#Nifty Midcap 100 index has been included as additional benchmark for FIPF effective May 20, 2013. *compounded and annualized returns. Inception Date: FIPF - Growth: December 1, 1993, FIPF- Direct-Growth: January 1, 2013. B: Benchmark, AB: Additional Benchmark

Benchmark returns calculated based on Total Return Index Values

"As TRI data is not available since inception of the scheme, benchmark performance is calculated using composite CAGR of ($ Nifty 500 PRI values from to 01.12.1993 to 26.11.1998 and TRI values since 26.11.1998, @Nifty Midcap 100 PRI values from 01.01.2001 to 01.01.2003 and TRI values since 01.01.2003, ^ Nifty 50 PRI values from 01.12.1993 to 30.06.1999 and TRI values since 30.06.1999)"

Indian equities rallied in FY2018 led by encouraging global growth trend, up-tick in domestic economic growth, consumption demand, improving corporate results in H2FY18 and conducive policy reform measures in the financial and real estate sectors. The mid and small cap segment saw a stock-specific rally rather than broad-based surge as further indicated by Nifty free float midcap 100 underperforming the Nifty 50, even as broader indices outperformed frontline indices. The fund outperformed its benchmark for the period since inception. During the year, the fund outperformed one of its benchmark indices Nifty Free float midcap 100, while marginally undershooting its broader benchmark (Nifty 500). On an absolute basis, consumer discretionary sector was a top contributor to the fund performance. Fading effects of demonetization and GST spurred consumption demand growth which in turn supported rally in consumer discretionary sector. Industrial sector, another absolute contributor to the portfolio, rallied on the back of impetus to the infrastructure sector through policy reforms as well as on thrust to manufacturing from domestic demand and nascent revival in private capex. An underweight exposure to consumer staples, which rallied on consumption demand resurgence, made the sector a relative detractor for the portfolio.

In terms of economic/market outlook for the year ahead, the aggregate domestic demand growth trend remains encouraging. Investment indicators have also seen a positive development. We believe that the transmission of domestic demand into corporate earnings has strengthened. The corporate capital expenditure (capex) cycle presently shows a nascent recovery on improving domestic demand and better capacity utilization levels across industries. Domestic growth continues to recover, buoyed by strengthening microeconomic indicators that attempt to offset the weakness in macroeconomic gauges as well as global challenges – a positive for earnings growth.

Given the current valuation levels in mid and small cap segment, stock selection holds key for benefiting from the growth potential in the mid and small cap stocks. Looking ahead, the fund's fundamental research oriented approach to identifying opportunities in the mid/small capitalization space through bottom-up stock selection and continued focus on quality at reasonable prices is expected to provide cushion against steep market movements. Further, it should benefit from upside potential of the mid-small cap segment in the long term.
In accordance with SEBI's product categorization and rationalization requirements, effective June 4, 2018, changes have been made to certain fundamental attributes of the scheme in accordance with addendum dated April 19, 2018.

Franklin India Opportunities Fund
Launched in February 2000, Franklin India Opportunities Fund (FIOF) is an open-end equity fund that adopts a bottom-up approach to stock-picking and focuses on four themes - (a) Companies that operate in the space where India has a strong advantage (b) Globally competitive Indian companies that have the potential to participate in global opportunities as well (c) Companies that are undervalued (d) Companies that are best positioned to take advantage of the opportunities thrown up by the growing economy.

The fund's performance since inception and in the last one year ended March 2018 is summarized below:

Franklin India Opportunities Fund	**Last 1 Year**	**Since Inception***
FIOF - Growth	**10.96%**	**11.51%**
B: S&P BSE 200 # $	**12.60%**	**2.40%**
AB: Nifty 50	**11.86%**	**11.73%**
FIOF - Direct - Growth	**11.89%**	**16.43%**
B: S&P BSE 200	**12.60%**	**13.59%**
AB: Nifty 50	**11.86%**	**12.02%**

*Compounded annualized returns. # Index adjusted for the period February 21, 2000 to March 10, 2004 with the performance of ET Mindex. Inception Date: FIOF- Growth: February 21, 2000, FIOF - Direct - Growth: January 1, 2013. B: Benchmark, AB: Additional Benchmark
Benchmark returns calculated based on Total Return Index Values
"As TRI data is not available since inception of the scheme, benchmark performance is calculated using composite CAGR of ($ ET Mindex PRI values from 21.02.2000 to 10.03.2004; S&P BSE 200 PRI values from 10.03.2004 to 01.08.2006 and S&P BSE 200 TRI values since 01.08.2006)"

Indian equities rallied in FY2018 led by encouraging global growth trend, up-tick in domestic economic growth, consumption demand, improving corporate results in H2FY18 and conducive policy reform measures in the financial and real estate sectors. While the fund outperformed its benchmark over the period since inception, it underperformed its benchmark during the year ended March 2018. During the one year period, on an absolute basis, fund's exposure in the healthcare sector was a detractor on account of adverse pricing in the US generic drugs market and observations by the USFDA on select Indian pharma companies which dented earnings. Improving demand and Government's focus on affordable housing led to a rally in the consumer finance and housing finance sectors. Selective exposure to consumer finance and nil exposure to housing finance companies led to relative underperformance in the portfolio. Earnings of the banking sector were generally hit on account of a Reserve Bank of India-directed non-performing loan provisioning increase. A sudden surge in the government bond yields further dented the treasury income of the banks. Overweight exposure to banking sector in the portfolio made it a relative detractor. Exposure to construction materials sector was a top contributor to portfolio which helped offset some of the losses.

In terms of economic/market outlook for the year ahead, the aggregate domestic demand growth trend remains encouraging. Investment indicators have also seen a positive development. We believe that the transmission of domestic demand into corporate earnings has strengthened. The corporate capital expenditure (capex) cycle presently shows a nascent recovery on improving domestic demand and better capacity utilization levels across industries. Domestic growth continues to recover, buoyed by strengthening microeconomic indicators that attempt to offset the weakness in macroeconomic gauges as well as global challenges. This bodes well for long term growth in equities.

Going forward, stock selection holds key to capture the opportunities presented by prevailing valuations in the market. The fund's fundamental research oriented approach to identifying opportunities through bottom-up stock selection and continued focus on quality at reasonable prices is expected to provide cushion against steep market movements while benefiting from upside potential in the long term.
In accordance with SEBI's product categorization and rationalization requirements, effective June 4, 2018, changes have been made to certain fundamental attributes of the scheme in accordance with addendum dated April 19, 2018.

Franklin India High Growth Companies Fund
Launched in July 2007, Franklin India High Growth Companies Fund (FIHGCF) is an open-end equity fund investing in companies that appear well-placed to deliver high growth rates by capturing the growth potential across various macro themes over the medium to long-term. The fund adopts a 'growth style' of investing and combines bottom-up stock selection with top-down industry themes to identify such companies. As high growth rates are often characteristic of emerging companies/ sectors - mid to small cap market capitalization - the portfolio tends to have a bias towards lower capitalization.

The fund's performance since inception and in the last one year ended March 2018 is summarized below:

Franklin India High Growth Companies Fund	Last 1 Year	Since Inception*
FIHGCF - Growth	9.04%	13.23%
B: Nifty 500	12.98%	9.44%
AB: Nifty 50	11.86%	8.87%
FIHGCF - Direct - Growth	10.26%	21.11%
B: Nifty 500	12.98%	13.90%
AB: Nifty 50	11.86%	12.02%

*compounded and annualized returns. Inception Date: FIHGCF - growth: July 26, 2007, FIHGCF-Direct-Growth: January 1, 2013. B: Benchmark, AB: Additional Benchmark
Benchmark returns calculated based on Total Return Index Values

Indian equities rallied in FY2018 led by encouraging global growth trend, up-tick in domestic economic growth, consumption demand, improving corporate results in H2FY18 and conducive policy reform measures in the financial and real estate sectors. However, ongoing NPA resolution process in the banks and the uncovering of a scam at a PSU bank during Q4FY18 dented the financial sector. FIHGCF outperformed its benchmark for the period since inception. However, it underperformed the benchmark index during the year. This underperformance was driven by relative overweight exposure to PSU banks as well as lower exposure to housing finance and consumer finance segments. Fading effects of demonetization and GST spurred consumption demand growth which in turn supported rally in consumer discretionary sector. An underweight exposure to select sub-segments within consumer discretionary made the sector a relative detractor. An overweight allocation to an auto stock in the portfolio, which corrected on account of poor results in a sub-segment of the company, further dented the portfolio returns. An underweight exposure to energy sector, which rallied on firming crude oil prices and improving GRMs, dented relative performance of the portfolio. In particular, an underweight exposure to a large weighted energy sector stock, which rallied on roll out of their telecom venture, rattled relative performance of the portfolio.

Relative contribution to performance came in from superior stock selection in the healthcare sector which suffered from adverse pricing in the US generic drugs market. Industrial sectors, also a top relative contributor to portfolio, rallied on the back of impetus to the infrastructure sector through policy reforms as well as on thrust to manufacturing from domestic demand and nascent revival in private capex. On an absolute basis though, financial sector was a top contributor led by exposure to select private sector banks.

In terms of economic/market outlook for the year ahead, the aggregate domestic demand growth trend remains encouraging. Investment indicators have also seen a positive development. We believe that the transmission of domestic demand into corporate earnings has strengthened. The corporate capital expenditure (capex) cycle presently shows a nascent recovery on improving domestic demand and better capacity utilization levels across industries. Domestic growth continues to recover, buoyed by strengthening microeconomic indicators that attempt to offset the weakness in macroeconomic gauges as well as global challenges. This bodes well for long term growth in equities.

Looking ahead, stock selection holds key to capture the opportunities presented by prevailing valuations in the market. The fund's fundamental research oriented approach to identifying opportunities through a blend of top-down and bottom-up stock selection and continued focus on quality at reasonable prices is expected to provide cushion against steep market movements while benefiting from upside potential in the long term. In accordance with SEBI's product categorization and rationalization requirements, effective June 4, 2018, Franklin India High Growth Companies

Fund has been renamed to Franklin India Focused Equity Fund and changes has also been made to certain fundamental attributes of the scheme in accordance with addendum dated April 19, 2018

Franklin Asian Equity Fund
Launched in January 2008, Franklin Asian Equity Fund (FAEF) focuses on investing in companies domiciled in the Asia ex Japan region. The fund seeks to provide investors' exposure to companies that are benefitting and/or expected to benefit from rapid growth in the Asia ex Japan region.

The MSCI Asia index gained in the last one year buoyed by several region-specific and global factors. Fund outperformed the benchmark index. The fund's performance since inception and in the last one year ended March 2018 is summarized below:

Franklin Asian Equity Fund	Last 1 Year	Since Inception*
FAEF - Growth	**23.75%**	**8.16%**
B: MSCI Asia (ex Japan) Standard Index	**26.20%**	**10.27%**
AB: Nifty 50	**11.86%**	**6.61%**
FAEF - Direct - Growth	**24.64%**	**11.30%**
B: MSCI Asia (ex Japan) Standard Index	**26.20%**	**11.53%**
AB: Nifty 50	**11.86%**	**12.02%**

*compounded and annualized returns. Inception Date: FAEF - Growth: January 16, 2008, FAEF - Direct -Growth: January 1, 2013. B: Benchmark, AB: Additional Benchmark
Benchmark returns calculated based on Total Return Index Values

Asian equities were among top performing global markets for the year ended in March 2018. The fund underperformed benchmark index during the year as well as for the period since inception. For the one year period, overweight exposure to consumer discretionary sector placed a drag on the portfolio returns. Within the sector, overweight exposure to internet & direct marketing and media segments dragged relative performance. Selective exposure to auto sector (poor results dragging earnings in one stock) further dented portfolio returns. Selection effect in multiline retail and specialty retail segments within discretionary sector caused a relative detraction in the portfolio. Pharmaceuticals segment within the healthcare sector was another relative detractor to portfolio returns. Adverse pricing in the US generic drugs market and observations by the USFDA on select Indian pharma companies dented earnings in the sector during the year. Exposure to information technology sector specifically the Chinese ecommerce, Korean electronics and Indian IT services players contributed positively to the portfolio. A global rally during the year heavily contributed to the surge in Asian technology stocks which helped the portfolio. Superior stock selection effect in the electronic equipment instruments segment within the tech sector also led to relative gains for the portfolio.

Going ahead, Asian economic growth forecast remains robust and among the fastest across global regions. Improving global growth continues to support Asian exports. Rising intra-Asia trade has also provided impetus to exports in the Asian region. Sturdy forex positions of the Asian economies adds to their relative resilience to global market vagaries. While protectionist trade actions taken by the United States have cast a shadow over the synchronized global growth that lifted stock markets, the long-term outcome remains to be seen. The key drivers for emerging markets—technology and consumerism—remain intact. Companies in emerging markets, especially Asia, have not only embraced the use of technology but have also become global innovators in many areas, ranging from e-commerce to mobile banking and more. Meanwhile, we expect demand for basic and aspirational goods and services to continue growing as incomes head higher. We believe that Asian equities provide a host of opportunities for the medium-to-long term. This bodes well for the fund.

In accordance with SEBI's product categorization and rationalization requirements, effective June 4, 2018, changes have been made to certain fundamental attributes of the scheme in accordance with addendum dated April 19, 2018.

Franklin India Flexi Cap Fund
Franklin India Flexi Cap Fund (FIFCF) is an open-end equity fund that invests in stocks across the market capitalization range. The fund follows a bottom-up, fundamental driven approach to investing. Stock selection process focuses on companies with identifiable drivers of growth, strong management capabilities, healthy balance sheet and attractive valuations.

The fund's performance since inception and in the last one year ended March 2018 is summarized below:

Franklin India Flexi Cap Fund	**Last 1 Year**	**Since Inception***
FIFCF - Growth	**10.03%**	**16.89%**
B: Nifty 500	**12.98%**	**14.32%**
AB: Nifty 50	**11.86%**	**14.22%**
FIFCF - Direct - Growth	**10.92%**	**16.64%**
B: Nifty 500	**12.98%**	**13.90%**
AB: Nifty 50	**11.86%**	**12.02%**

*compounded and annualized returns. Inception Date: FIFCF - Growth: March 2, 2005, FIFCF - Direct -Growth: January 1, 2013. B: Benchmark, AB: Additional Benchmark
Benchmark returns calculated based on Total Return Index Values

Indian equities rallied in FY2018 led by encouraging global growth trend, up-tick in domestic economic growth, consumption demand, improving corporate results in H2FY18 and conducive policy reform measures. FIFCF outperformed its benchmark for the period since inception, it however underperformed its benchmark during the one year period. For the one year period, major relative detractors included allocation to financial and energy sectors. Within the financial sector, holdings in consumer finance segment dragged the portfolio returns. Housing finance segment rallied during the year on government's impetus to affordable housing segment. Negligible allocation to this segment proved to be a relative detractor. However, gains from overweight allocation and superior stock selection in banking segment within financial sector offset losses in the financial sector. The energy sector rallied on firming crude oil prices and improving GRMs. However, a combination of lower allocation and stock selection made the sector a relative detractor for the portfolio.

In terms of economic/market outlook for the year ahead, the aggregate domestic demand growth trend remains encouraging. Investment indicators have also seen a positive development. We believe that the transmission of domestic demand into corporate earnings has strengthened. The corporate capital expenditure (capex) cycle presently shows a nascent recovery on improving domestic demand and better capacity utilization levels across industries. Domestic growth continues to recover, buoyed by strengthening microeconomic indicators that attempt to offset the weakness in macroeconomic gauges as well as global challenges. This bodes well for long term growth in equities. Stock selection holds key to capture the opportunities presented by prevailing valuations in the market.

Looking forward, the fund's fundamental research oriented approach to identifying opportunities through bottom-up stock selection, continued focus on quality at reasonable prices and incremental value-orientation is expected to provide cushion against steep market movements while benefiting from upside potential in the long term.

In accordance with SEBI's product categorization and rationalization requirements, effective June 4, 2018, Franklin India Flexi Cap Fund has been renamed to Franklin India Equity Advantage Fund and changes has also been made to certain fundamental attributes of the scheme in accordance with addendum dated April 19, 2018

Franklin India Index Fund

Franklin India Index Fund (FIIF) is a passively-managed open-end fund tracking the Nifty 50 index. The objective is to invest in companies whose securities are included in the chosen underlying index and subject to tracking errors, endeavoring to attain results commensurate with that of the underlying index.

As indicated in the table below, the fund has performed in line with the chosen underlying index since inception and over the last one year.

Franklin India Index Fund - NSE Nifty Plan	Last 1 Year	Since Inception*
FIIF - NSE Nifty Plan - Growth	10.20%	12.50%
B/AB: Nifty 50	11.86%	13.82%
FIIF - NSE Nifty Plan - Direct Growth	10.68%	11.16%
B/AB: Nifty 50	11.86%	12.02%

*compounded and annualized basis. Inception Date of NSE Nifty Plan - Growth: August 4, 2000, NSE Nifty Plan -Direct Growth: January 1, 2013. B: Benchmark, AB: Additional Benchmark Benchmark returns calculated based on Total Return Index Values

The fund underperformed its benchmark index during the period since inception as well as over the one year period. In the year ended in March 2018, a moderate underweight allocation to energy and materials sectors, and extent of cash holding in the portfolio were major detractors for the portfolio.

Going ahead, the fund is expected to continue to maintain a portfolio to closely track its benchmark Nifty 50 index.

Templeton India Growth Fund

Launched in September 1996, Templeton India Growth Fund (TIGF) follows the 'value investing' philosophy, which is based on the tenets of intrinsic value, bargain hunting and long-term orientation. The fund is focused on undervalued securities with the most promising potential for the long-term, unearthed through in-depth research and fundamental analysis, and without overreacting to news and noise. The fund follows a buy-hold strategy, as a result of which it typically has a low portfolio churn rate.

The fund's performance since inception and in the last one year ended March 2018 is summarized below:

Templeton India Growth Fund	Last 1 Year	Since Inception*
TIGF - Dividend	11.07%	16.83%
B: S&P BSE Sensex	12.81%	12.91%
B: MSCI India Value	10.74%	N.A
AB: Nifty 50^	11.86%	12.67%
TIGF - Direct - Growth	11.94%	15.34%
B: S&P BSE Sensex	12.81%	12.04%
B: MSCI India Value	10.74%	8.81%
AB: Nifty 50	11.86%	12.02%

*Compounded & annualized returns. Inception dates: TIGF -Dividend: September 10, 1996, TIGF-Direct Growth: January 1, 2013. B: Benchmark, AB: Additional Benchmark
Benchmark returns calculated based on Total Return Index Values
"As TRI data is not available since inception of the scheme, benchmark performance is calculated using composite CAGR of (^Nifty 50 PRI values from 10.09.1996 to 30.06.1999 and TRI values since 30.06.1999)"
The fund outperformed its benchmark during the period since inception. During the 1-year period ended in March 2018, the fund outperformed its benchmark MSCI India Value while undershooting the other benchmark BSE Sensex. Indian equities rallied in FY2018 led by encouraging global growth trend, up-tick in domestic economic growth, consumption demand, improving corporate results in H2FY18 and conducive policy reform measures. Across sectors, financials, healthcare and materials were key contributors to returns on a relative basis for the one year period. Robust results in the private banks buoyed the returns in financial sector. Overweight allocation to banks along with superior stock selection aided top contribution to relative performance of the fund. Stock selection in consumer finance and underweight allocation in housing finance segments hindered relative performance within financial sector. Adverse pricing in the US generic drugs market and observations by the USFDA on select Indian pharma companies dented earnings in the sector during the year. An underweight exposure to the sector benefitted relative performance. Impetus to the infrastructure and construction sectors through policy reforms and thrust on affordable housing aided the portfolio by the way of overweight allocation and superior stock selection in the materials sector. Consumer discretionary and energy sectors were relative detractors to the portfolio. This was driven by stock selection within consumer discretionary led by underperformance in an Auto stock and underweight exposure to energy sector. Firming up crude oil prices and improving GRMs spurred a rally in the energy stocks during the year.

In terms of economic/market outlook for the year ahead, the aggregate domestic demand growth trend remains encouraging. Investment indicators have also seen a positive development. We believe that the transmission of domestic demand into corporate earnings has strengthened. The corporate capital expenditure (capex) cycle presently shows a nascent recovery on improving domestic demand and better capacity utilization levels across industries. Domestic growth continues to recover, buoyed by strengthening microeconomic indicators that attempt to offset the weakness in macroeconomic gauges as well as global challenges. This bodes well for long term growth in equities.

Going forward, given the valuations hovering at above long term average levels in the market (at index level) a bottom-up stock research and selection and a value-oriented approach should augur well from a medium to long term investment perspective. The fund's investment mandate supports this belief and we will continue to employ a ground-up research approach to identify undervalued companies with long term growth potential. In accordance with SEBI's product categorization and rationalization requirements, effective June 4, 2018, Templeton India Growth Fund has been renamed to Templeton India Value Fund and changes has also been made to certain fundamental attributes of the scheme in accordance with addendum dated April 19, 2018.

Templeton India Equity Income Fund
Launched in May 2006, Templeton India Equity Income Fund (TIEIF) is an open-end diversified equity fund that follows the 'value investing' philosophy, which is based on the tenets of intrinsic value, bargain hunting and long-term orientation. The fund focuses on Indian and foreign equities that have a current or potentially attractive dividend yield (dividend as a percentage of market price).

The fund's performance since inception and in the last one year ended March 2018 is summarized below:

Templeton India Equity Income Fund	Last 1 Year	Since Inception*

TIEIF - Growth	14.33%	13.78%
B: S&P BSE 200 $	12.60%	11.63%
AB: Nifty 50	11.86%	11.01%
TIEIF - Direct - Growth	15.16%	14.62%
B: S&P BSE 200	12.60%	13.59%
AB: Nifty 50	11.86%	12.02%

*Compounded & annualized returns. Inception dates: TIEIF - Growth: May 18, 2006, TIEIF- Direct - Growth: January 1, 2013. B: Benchmark, AB: Additional Benchmark
Benchmark returns calculated based on Total Return Index Values
"As TRI data is not available since inception of the scheme, benchmark performance is calculated using composite CAGR of ($ S&P BSE 200 PRI values from 18.05.2006 to 01.08.2006 and TRI values since 01.08.2006)"

Indian equities rallied in FY2018 led by encouraging global growth trend, up-tick in domestic economic growth, consumption demand, improving corporate results in H2FY18 and conducive policy reform measures. The fund outperformed its benchmark BSE 200 during the period since inception as well as for the 1-year period ended in March 2018. For the 1-year period, healthcare, consumer staples and financials were top 3 relative contributors to portfolio performance. Superior stock selection in healthcare aided outperformance even as the pharmaceutical segment suffered from adverse pricing in the US generic drugs market and observations by the USFDA on select Indian pharma companies. The consumer staples sector rallied on improving consumption demand. Superior stock selection led to relative outperformance in the sector. Within financial sector, exposure to NBFCs and selective exposure within banking space supported relative outperformance. This was despite the fact that earnings of the banking sector banks were rattled by a Reserve Bank of India-directed non-performing loan provisioning increase.

Looking forward, we believe that the long-term investment case for emerging markets continues to remain attractive - we expect positive demographics and rising income levels to boost consumption growth. Further, consumption demand and public and private capex spending continue to be key growth themes. In terms of strategy, we will continue to closely scan the investment universe in both domestic and overseas markets for attractive bargains that in our view are poised to do well. In accordance with SEBI's product categorization and rationalization requirements, effective June 4, 2018, changes have been made to certain fundamental attributes of the scheme in accordance with addendum dated April 19, 2018.

Hybrids:

Franklin India Balanced Fund
An open-end hybrid scheme, Franklin India Balanced Fund (FIBF), was launched in December 1999 with the objective to provide long term capital growth along with current income by investing in a mix of equity and fixed income securities. The fund has the flexibility to invest majority of its assets in equity and related instruments, and remaining in government securities, money market instruments as well as debt issued by private and public sector companies. Based on market conditions, the fund maintains an optimum balance between growth and stability. On the equity side, the fund primarily invests in well-established companies. The fixed income portfolio is actively managed to capitalize on various opportunities in corporate and government debt.

Given below is the summary of returns delivered by the fund since inception and last 1 year along with the benchmarks:

Franklin India Balanced Fund	**Last 1 Year**	**Since Inception***
FIBF - Growth	7.81%	14.12%
B: CRISIL Hybrid 35+65 - Aggressive Index	10.05%	N.A
AB: Nifty 50	11.86%	12.81%
FIBF - Direct - Growth	9.38%	15.79%

B: CRISIL Hybrid 35+65 - Aggressive Index	10.05%	12.05%
AB: Nifty 50	11.86%	12.02%

*compounded and annualized returns. Inception date: FIBF - Growth: December 10, 1999, FIBF - Direct- Growth: January 1, 2013. B: Benchmark, AB: Additional Benchmark. Benchmark and additional benchmark returns are calculated based on Total Return Index Values. CRISIL Balanced Fund - Aggressive Index has been renamed as CRISIL Hybrid 35+65 - Aggressive Index w.e.f. February 01, 2018 and the historical values have been revised due to a change in the underlying equity index.

At the close of year, equity allocation stood at 67.20% and debt exposure stood at 31.04%. The average maturity of the debt portfolio at end of year (March 2018) stood at 5.26 years, compared to 8.02 years at end of March 2017. The Yield to Maturity (pre-expenses) of the debt portfolio stood at 8.47% as on March 2018.

The fund outperformed its additional benchmark during the period since inception. The fund underperformed its benchmark and additional benchmark in the 1 year due to exposure to select stocks in equities and hardening of yields since August 2017. The fund underperformed its additional benchmark due to lower equity allocation.

On the fixed income markets front, benign consumer price index (CPI) inflation in May and June appeased the market and led to softening of bond yields. In August, the RBI reduced interest rates by 25bps to 6%, lowest level since 2010. Post the rate cut, owning to various factors like higher HRA, concerns on rising crude oil prices, likelihood of a fiscal slippage, bank recapitalization and rising inflationary expectations of households the benchmark yield moved up. The 10-year yield moved up since August 2017 for seven straight month. In March, yields fell sharply following the announcement of a lower-than-expected borrowing plan for 1HFY19. Bond yields closed higher for the fiscal year. Structural reforms on the regulatory and legislative front and improvement in credit ratio – are likely to bode well for corporate borrowing.

Expansion in the manufacturing sector continued along with improving consumption demand that augurs well for the growth of the economy. Higher capacity utilization in select sectors, along with better demand conditions show improvement in the economic condition. This is also reflected in higher GDP growth projections for FY19. Globally, the Fed is rising rates, dollar liquidity is likely to tighten and oil prices have moved up. Domestically, in addition to higher oil prices, a weaker rupee, and higher Minimum Support Prices (MSPs) are likely to push inflation up in FY19. We believe that a confluence of global and local factors may lead to RBI rising rate in FY2019. Going forward, movement of yields would be dependent on, the pace of Fed rate hikes, movement of crude, Current Account Deficit, Fiscal Deficit, the evolution of GST, monsoon and external sector developments.

Going ahead, the fund managers will continue to actively monitor market developments and actively manage the maturity profile of the fund in line with views on interest rate changes, within the stated investment mandate and will stick to the fundamental research oriented approach to identifying opportunities in the equities and fixed income space. Stock selection holds key to capture the opportunities presented by prevailing valuations in the market.

In accordance with SEBI's product categorization and rationalization requirements, effective June 4, 2018, Franklin India Balanced Fund has been renamed to Franklin India Equity Hybrid Fund and changes has also been made to certain fundamental attributes of the scheme in accordance with addendum dated April 19, 2018

Franklin India Monthly Income Plan

Franklin India Monthly Income Plan (FIMIP) is an open-ended scheme that aims to provide regular income through a portfolio of predominantly fixed income securities with a maximum exposure of 20% to equities. The fund's exposure to equity helps enhance returns over a longer timeframe while

the debt portion helps provide stability to portfolio. The fund managers follow an active investment strategy taking aggressive/defensive positions depending on opportunities available at various points of time.

The fund's performance is summarized below:

Franklin India Monthly Income Plan	**Last 1 Year**	**Since Inception***
FIMIP - Growth	5.32%	9.95%
B: CRISIL Hybrid 85+15 - Conservative Index	6.26%	N.A
AB: Crisil 10 Year Gilt Index	-0.42%	N.A
FIMIP - Direct - Growth	6.11%	10.49%
B: CRISIL Hybrid 85+15 - Conservative Index	6.26%	9.44%
AB: Crisil 10 Year Gilt Index	-0.42%	6.56%

Benchmark returns are calculated based on Total Return Index Values. CRISIL MIP Blended Fund Index has been renamed as CRISIL Hybrid 85+15 - Conservative Index.
*compounded and annualized returns. Inception date: FIMIP - Growth: September 28, 2000, FIMIP - Direct - Growth: January 1, 2013. B: Benchmark, AB: Additional Benchmark

FY2017-18 started with huge systemic liquidity surplus due to demonetisation effect. The RBI in its first bi-monthly monetary policy for FY18 announced measures to absorb extra liquidity by way of narrowing Liquidity Adjustment Facility (LAF) corridor in April 2017. This came as a surprise and led to spike in the bond yields. However, benign consumer price index (CPI) inflation in May and June appeased the market and led to softening of bond yields. In August, the RBI reduced interest rates by 25bps to 6%, lowest level since 2010. Post the rate cut, owning to various factors like higher HRA, concerns on rising crude oil prices, likelihood of a fiscal slippage, bank recapitalization and rising inflationary expectations of households the benchmark yield moved up. The 10-year yield moved up for seven straight month since August 2017. In March 2018, yields fell sharply following the announcement of a lower-than-expected borrowing plan for 1HFY19. Bond yields however closed higher for the fiscal year.

During the fiscal, the fund's average maturity was actively managed. The portfolio average maturity in April 2017 was 5.98 years, which was reduced to 3.73 years in Jun-2017, then reduced again to 3.14 years in Oct-2017 and finally closing the year with 4.55 years Mar-2018. The fund underperformed its benchmark in the last 1 year period. The hardening of yields since August 2017 till end March 2018, weighed on the fixed income component of the portfolio. However, the equity portion and lower average maturity of the debt portion helped the fund to outperform the additional benchmark.

As of Mar-2018, 61.84% of the portfolio was invested in corporate debt and PSU/PFI bonds, 15.27% in gilts while 18.73% was in equity assets. From a credit quality perspective, 49.29% of the fund's investments were in sovereigns or instruments with AAA and/or equivalent) while 50.71% were in AA+, AA, AA- rated securities.

Expansion in the manufacturing sector continued along with improving consumption demand that augurs well for the growth of the economy. Higher capacity utilization in select sectors, along with better demand conditions show improvement in the economic condition. This is also reflected in higher GDP growth projections for FY19. Globally, the Fed is rising rates, dollar liquidity is likely to tighten and oil prices have moved up. Domestically, in addition to higher oil prices, a weaker rupee, and higher Minimum Support Prices (MSPs) are likely to push inflation up in FY19. We believe that a confluence of global and local factors may lead to RBI rising rate in FY2019. Going forward, movement of yields would be dependent on, the pace of Fed rate hikes, movement of crude, Current Account Deficit, Fiscal Deficit, the evolution of GST, monsoon and external sector developments.

Going ahead, the fund managers will continue to actively monitor market developments and actively manage the maturity profile of the fund in line with views on interest rate changes, within the stated investment mandate and will stick to the fundamental research oriented approach to identifying opportunities in the equities and fixed income space.

In accordance with SEBI's product categorization and rationalization requirements, effective June 4, 2018, Franklin India Monthly Income Plan has been renamed to Franklin India Debt Hybrid Fund and changes has also been made to certain fundamental attributes of the scheme in accordance with addendum dated April 19, 2018

Franklin India Pension Plan
Franklin India Pension Plan (FIPEP) is an open-ended hybrid scheme, designed to cater to pension needs of investors. Investments in the fund are eligible for tax benefits under Section 80C of the Income Tax Act. The fund invests predominantly in fixed income securities and takes upto 40% exposure in equities. Equity exposure helps enhance returns over the longer timeframe. The equity portion of the scheme is invested in a diversified portfolio of stocks.

The below table captures the returns of the fund since inception and for last one year:

Franklin India Pension Plan	**Last 1 Year**	**Since Inception***
FIPEP - Growth	5.57%	12.52%
Benchmark**	8.37%	N.A
Additional Benchmark: Crisil 10 Year Gilt Index	-0.42%	N.A
FIPEP - Direct - Growth	6.37%	11.95%
Benchmark**	8.37%	10.91%
Additional Benchmark: Crisil 10 Year Gilt Index	-0.42%	6.56%

**40% CNX 500 + 60% CRISIL Composite Bond Fund Index; *compounded and annualized returns.
Inception date: FIPEP - Growth: March 31, 1997, FIPEP - Direct - Growth: January 1, 2013.
Benchmark returns are calculated based on Total Return Index Values.

The fund underperformed its benchmark in last 1 year due to lower allocation to equities compared to benchmark and rise in bond yields since August 2017. However, the fund outperformed its additional benchmark as long end of the curve underperformed in a rising yield scenario.

At end of March 2018, about 37% of fund assets were invested in equities. Top sectoral allocations were to banks, consumer non-durables and auto. On the fixed income side, about 48% of the exposure was to A+ or higher rated corporate papers and about 11% exposure to Government of India securities. At the end of the year, the portfolio's average maturity stood at 4.74 years and Yield-to-Maturity (pre-expenses) stood at 8.42%.

FY2017-18 started with huge systemic liquidity surplus due to demonetisation effect. The RBI in its first bi-monthly monetary policy for FY18 announced measures to absorb extra liquidity by way of narrowing Liquidity Adjustment Facility (LAF) corridor in April 2017. This came as a surprise and led to spike in the bond yields. However, benign consumer price index (CPI) inflation in May and June appeased the market and led to softening of bond yields. In August, the RBI reduced interest rates by 25bps to 6%, lowest level since 2010. Post the rate cut, owning to various factors like higher HRA, concerns on rising crude oil prices, likelihood of a fiscal slippage, bank recapitalization and rising inflationary expectations of households, the benchmark yields moved up. The 10-year yield moved up for seven straight month since August 2017. In March 2018, yields fell sharply following the announcement of a lower-than-expected borrowing plan for 1HFY19. Bond yields however closed higher for the fiscal year.

Expansion in the manufacturing sector continued along with improving consumption demand that augurs well for the growth of the economy. Higher capacity utilization in select sectors, along with

better demand conditions show improvement in the economic condition. This is also reflected in higher GDP growth projections for FY19. Globally, the Fed is rising rates, dollar liquidity is likely to tighten and oil prices have moved up. Domestically, in addition to higher oil prices, a weaker rupee, and higher Minimum Support Prices (MSPs) are likely to push inflation up in FY19. We believe that a confluence of global and local factors may lead to RBI rising rate in FY2019. Going forward, movement of yields would be dependent on, the pace of Fed rate hikes, movement of crude, Current Account Deficit, Fiscal Deficit, the evolution of GST, monsoon and external sector developments.

The fund managers will continue to actively monitor market developments and fine-tune the maturity profile of the fund in line with views on equity/fixed income markets, within the stated investment mandate.

In accordance with SEBI's product categorization and rationalization requirements, effective June 4, 2018, certain scheme features have been changed in accordance with addendum dated April 19, 2018.

FOFs

Franklin India Dynamic PE Ratio Fund of Funds
Franklin India Dynamic PE Ratio Fund of Funds (FIDPEF) is an open-end hybrid fund of fund that allocates funds between equity and debt asset classes based on the level of weighted average PE ratio of CNX Nifty index.

The fund comes with a pre-defined re-balancing mechanism that ensures that the scheme holds less equity when the markets are overvalued and vice-versa, using the PE levels of the market as a barometer. This approach ensures that the scheme pares its equity exposure when the markets are ruling high. At lower PE levels (i.e. when markets are down), the fund increases its equity exposure to take advantage of the attractive valuations. Thus, when the markets rise, a fully invested portfolio is well positioned to turn in a good performance. The table below provides an insight into how the asset allocation works -

If weighted average PE ratio of NSE Nifty falls in this band…	…the equity component will be…%	…and the debt component will be …%
Upto 12	90 – 100	0 – 10
12-16	70 – 90	10 – 30
16-20	50 – 70	30 – 50
20-24	30 – 50	50 – 70
24-28	10 – 30	70 – 90
Above 28	0 – 10	90 – 100

The fund managers may, at their discretion, change the allocation pattern depending upon their assessment of the markets.

Given below is the summary of returns delivered by the fund since inception and last 1 year along with the benchmarks:

Franklin India Dynamic PE Ratio Fund of Funds	Last 1 Year	Since Inception*
FIDPEF - Growth	7.74%	15.21%
B: S&P BSE Sensex	12.81%	15.81%
B: Crisil Balanced Fund Index	10.05%	13.21%
FIDPEF - Direct - Growth	8.93%	11.38%
B: S&P BSE Sensex	12.81%	12.04%
B: Crisil Balanced Fund Index	10.05%	12.05%

Additional Benchmark	Not Applicable	Not Applicable

*compounded and annualized returns. Inception date: FIDPEF - Growth: October 31, 2003, FIDPEF - Direct- Growth: January 1, 2013. B: Benchmark, AB: Additional Benchmark
Benchmark returns calculated based on Total Return Index Values
CRISIL Balanced Fund - Aggressive Index has been renamed as CRISIL Hybrid 35+65 - Aggressive Index w.e.f. February 01, 2018 and the historical values have been revised due to a change in the underlying equity index

At end of March 2018, 40% of the fund's assets were invested in equity fund and the rest in debt fund. During the period since inception, the fund outperformed the balanced fund index and underperformed its other benchmark. In the one year time period, the fund underperformed both the benchmark indices due to low allocation to equity fund. Also, the large cap segment continued to trade at a discount to mid and small caps (at the index level). The underlying equity fund's large cap mandate limited the fund's ability to capture uptick in the broader market segments. The fund's strategy would be to maintain focus on identifying medium to long term opportunities within the large cap space and avoid momentum calls. While this may impact relative performance in intermediate cycles, over the long term, this approach should provide sustained benefit.

Going forward, movement of yields would be a function of, inter alia, pace of Fed rate hikes, movement of commodity prices especially crude, evolution of GST, monsoon situation and external sector developments. The fund managers will continue to actively monitor market developments and fine-tune the maturity profile of the fund in line with views on interest rate changes, within the stated investment mandate.

In terms of economic/market outlook for the year ahead, the aggregate domestic demand growth trend remains encouraging. Investment indicators have also seen a positive development. We believe that the transmission of domestic demand into corporate earnings has strengthened. The corporate capital expenditure (capex) cycle presently shows a nascent recovery on improving domestic demand and better capacity utilization levels across industries. Domestic growth continues to recover, buoyed by strengthening microeconomic indicators that attempt to offset the weakness in macroeconomic gauges as well as global challenges. This bodes well for long term growth in equities. Going forward, the allocation to equity/fixed income will be guided by P/E ratio of the Nifty 50 index.

Franklin India Life Stage Fund of Funds
Franklin India Life Stage Fund of Funds (FILSF) is an open end fund of funds that offers five plans with different equity and fixed income allocations. This gives investors the flexibility to choose a plan suitable for them, in line with their risk profile, investment horizon and returns expectations. The scheme invests in a combination of Franklin Templeton India's equity and fixed income schemes, with a pre-determined steady state allocation and has an inbuilt rebalancing feature that makes each plan revert back to the above steady state asset allocation once every six months. Also, based on market conditions, the fund manager has the flexibility to make a tactical allocation of 10% on either side of the steady state asset allocation.

The performance of the Growth Option in each of the scheme's Plans is captured below:

Franklin India Life Stage Fund of Funds	**Last 1 Year**	**Since Inception***
The 20s Plan - Growth	7.61%	15.54%
Benchmark**	11.41%	14.20%
The 30s Plan - Growth	7.43%	12.88%
Benchmark**	9.52%	12.16%
The 40s Plan - Growth	7.32%	11.14%
Benchmark**	7.96%	10.34%
The 50s Plus Plan - Growth	7.26%	8.87%

Benchmark**	6.74%	8.78%
The 50s Plus Floating Rate Plan - Growth	6.75%	9.59%
Benchmark**	8.15%	9.34%
The 20s Plan - Direct - Growth	8.11%	13.37%
Benchmark**	11.41%	11.77%
The 30s Plan - Direct - Growth	8.15%	12.02%
Benchmark**	9.52%	10.88%
The 40s Plan - Direct - Growth	8.25%	11.27%
Benchmark**	7.96%	10.17%
The 50s Plus Plan - Direct - Growth	8.15%	9.77%
Benchmark**	6.74%	9.40%
The 50s Plus Floating Rate Plan - Direct - Growth	7.19%	9.52%
Benchmark**	8.15%	9.02%
Additional Benchmark	Not Applicable	Not Applicable

*Compounded annualized returns. Inception Date: FILSF 20s Plan - Growth/30s Plan - Growth/40s Plan - Growth/50s Plus Plan - Growth: December 1, 2003, FILSF 50s Plus Floating Rate Plan - Growth: July 9, 2004. FILSF 20s Plan - Direct Growth/30s Plan - Direct Growth/40s Plan - Direct Growth/50s Plus Plan - Direct Growth/50s Plus Floating Rate Plan - Direct Growth: January 1, 2013.
**Benchmark: The 20s Plan - 65% S&P BSE Sensex + 15% Nifty 500 + 20% Crisil Composite Bond Fund Index; The 30s Plan - 45%S&P BSE Sensex + 10% Nifty 500 + 45% Crisil Composite Bond Fund Index; The 40s Plan - 25% S&P BSE Sensex + 10% Nifty 500 + 65% Crisil Composite Bond Fund Index; The 50s Plus Plan - 20% S&P BSE Sensex+ 80% Crisil Composite Bond Fund Index; The 50s Plus Floating Rate Plan - 20% S&P BSE Sensex + 80% Crisil Liquid Fund Index.
Benchmark returns calculated based on Total Return Index Values

For the period since inception, all plans outperformed their respective benchmark indices. The 50s plus plan outpaced its benchmark on account of outperformance in the underlying fixed income funds in the one year timeframe. Rest of the plans underperformed their respective benchmark indices as the underlying equity funds undershot their respective benchmark indices during the one year timeframe. Muted performance in equity was offset to some extent by the advances in underlying fixed income funds.

Going forward, movement of yields would be a function of, inter alia, pace of Fed rate hikes, movement of commodity prices especially crude, evolution of GST, monsoon situation and external sector developments. The fund managers will continue to actively monitor market developments and fine-tune the maturity profile of the fund in line with views on interest rate changes, within the stated investment mandate.

In terms of economic/market outlook for the year ahead, the aggregate domestic demand growth trend remains encouraging. Investment indicators have also seen a positive development. We believe that the transmission of domestic demand into corporate earnings has strengthened. The corporate capital expenditure (capex) cycle presently shows a nascent recovery on improving domestic demand and better capacity utilization levels across industries. Domestic growth continues to recover, buoyed by strengthening microeconomic indicators that attempt to offset the weakness in macroeconomic gauges as well as global challenges. This bodes well for long term growth in equities.

Going ahead, the fund managers will continue to actively monitor market developments and actively manage the equity and fixed income allocation, within the stated investment mandate.

Franklin India Multi-Asset Solution Fund
Franklin India Multi-Asset Solution Fund (FIMAS) is an open end fund of funds which seeks to achieve capital appreciation and diversification through a mix of strategic and tactical allocation to

various asset classes such as equity, debt, gold and cash by investing in funds investing in these asset classes.

The asset allocation is dynamically managed across each of the asset classes based on proprietary model. The fund proposes to primarily invest in Franklin Templeton's existing local equity, fixed income, liquid products and in domestic Gold ETFs. The proprietary model uses a mix of strategic and tactical allocation. The strategic allocation stems from a combination of quantitative and qualitative analysis and it determines long term allocation to different asset classes. In order to determine the tactical allocation, the model uses a combination of economic, valuation and momentum / sentiment indicators to determine the allocation towards a particular asset class/security. The fund dynamically changes its allocation to different asset classes on monthly basis.

At the end of March 2018, fund's asset allocation was:

Asset	Instrument	Total Portfolio Allocation
Equity	Franklin India Bluechip Fund	36.13%
Fixed Income	Franklin India Short Term Income Plan	40.18%
Gold	R*shares Gold BeES	22.37%
Cash	Franklin India Treasury Management Account	0.00%

The fund's performance since inception is summarized below:

Franklin India Multi-Asset Solution Fund	Last 1 Year	Since Inception#
FIMAS - Growth	5.14%	5.50%
B: Crisil Balanced Fund Index	10.05%	8.85%
FIMAS - Direct -Growth	6.77%	7.28%
B: Crisil Balanced Fund Index	10.05%	8.85%
Additional Benchmark	Not Applicable	Not Applicable

Inception Date: November 28, 2014. B: Benchmark, AB: Additional Benchmark
Benchmark returns calculated based on Total Return Index Values
CRISIL Balanced Fund - Aggressive Index has been renamed as CRISIL Hybrid 35+65 - Aggressive Index w.e.f. February 01, 2018 and the historical values have been revised due to a change in the underlying equity index

The fund underperformed its benchmark during the period since inception and the one year timeframe. Outperformance in the underlying fixed income fund during the one year period, was offset by a decline in the underlying equity fund during the same time. The underlying equity fund's large cap mandate limited the fund's ability to capture uptick in the broader market segments. The fund's strategy would be to maintain focus on identifying medium to long term opportunities within the large cap space and avoid momentum calls. While this may impact relative performance in intermediate cycles, over the long term, this approach should provide sustained benefit.

Going forward, movement of yields would be a function of, inter alia, pace of Fed rate hikes, movement of commodity prices especially crude, evolution of GST, monsoon situation and external sector developments. The fund managers will continue to actively monitor market developments and fine-tune the maturity profile of the fund in line with views on interest rate changes, within the stated investment mandate.

In terms of economic/market outlook for the year ahead, the aggregate domestic demand growth trend remains encouraging. Investment indicators have also seen a positive development. We believe that the transmission of domestic demand into corporate earnings has strengthened. The corporate capital expenditure (capex) cycle presently shows a nascent recovery on improving domestic demand and better capacity utilization levels across industries. Domestic growth continues to recover, buoyed by strengthening microeconomic indicators that attempt to offset the

weakness in macroeconomic gauges as well as global challenges. This bodes well for long term growth in equities.

Going ahead, the fund will continue to allocate across local equity, fixed income, liquid products and domestic Gold ETFs, based on the propriety model.

Franklin India Feeder - Franklin US Opportunities Fund

Franklin India Feeder - Franklin US Opportunities Fund (FIF-FUSOF) is an open end fund of fund scheme that seeks to provide capital appreciation by investing predominantly in units of Luxembourg domiciled Franklin US Opportunities Fund (FUSOF). FUSOF was launched in 2000 and has assets of about USD 3.46bn at end of March 31, 2018. FUSOF's investment philosophy is to identify and invest in US based high-quality growth companies with sustainable long-term growth prospects, superior profitability and meaningful competitive advantages. The aim of FIF-FUSOF is to leverage on the firm's global expertise and provide investors with an opportunity to diversify portfolios and gain exposure to the US stock markets.

The fund's performance since inception and in the last one year ended March 2018 is summarized below:

Franklin India Feeder - Franklin U.S. Opportunities Fund	Last 1 Year	Since Inception*
FIF-FUSOF - Growth	18.35%	16.49%
B: Russell 3000 Growth	20.04%	20.23%
Additional Benchmark	N. A	N. A
FIF-FUSOF - Direct - Growth	19.43%	17.60%
B: Russell 3000 Growth	20.04%	19.83%
Additional Benchmark	N. A	N. A

*compounded and annualized returns. Inception Date: FIF-FUSOF-Growth: February 6, 2012, FIF-FUSOF - Direct - Growth: January 2, 2013. B: Benchmark, AB: Additional Benchmark
Benchmark returns calculated based on Total Return Index Values

The underlying fund undershot its benchmark during the period since inception and one year timeframe. Stock selection in healthcare, industrial and financial sectors dragged relative performance for the one year timeframe. On the other hand, a combination of allocation and selection effects in the information technology sector helped offset some underperformance.

The underlying fund continues to focus on identifying and investing in high-quality growth companies with sustainable long-term growth prospects, superior profitability and meaningful competitive advantages. As the global growth experienced a synchronized uptick during 2017-18, a recovery in the US economic growth buoyed the US equities. Strong corporate earnings growth, US tax reform that featured a significant reduction in the corporate tax rate together with positive economic data news flow pushed the US equities higher despite rate hikes by the US Federal Reserve and trade conflicts between the US and China.

Going ahead, underlying fundamentals and momentum in the US economy remain constructive, while we do not foresee an acceleration in growth to a level that would swiftly create inflationary pressures, despite a likely short-term boost from the recent tax policy changes. Improvement in corporate earnings and a rise in consumer sentiments and business confidence provide a favorable outlook for the US economic growth going forward and lead us to maintain a positive stance on the US equity market for the medium to long term.

In accordance with SEBI's product categorization and rationalization requirements, effective June 4, 2018, changes have been made to certain fundamental attributes of the scheme in accordance with addendum dated April 19, 2018.

Franklin India Feeder - Franklin European Growth Fund

Franklin India Feeder - Franklin European Growth Fund (FIF-FEGF) is an open ended fund of funds scheme investing overseas that seeks to provide capital appreciation by investing predominantly in units of Franklin European Growth Fund (FEGF), an overseas equity fund which primarily invests in securities of issuers incorporated or having their principal business in European countries. FEGF was launched in 2000, and has Euro 440.95mn assets as on March 31, 2018.

The fund's performance since inception is summarized below:

Franklin India Feeder - Franklin European Growth Fund	Last 1 Year	Since Inception*
FIF-FEGF - Growth	11.28%	0.08%
B: MSCI Europe	15.82%	5.01%
FIF-FEGF - Direct - Growth	12.70%	1.45%
B: MSCI Europe	15.82%	5.01%
Additional Benchmark	Not Applicable	Not Applicable

*compounded and annualized returns. Inception Date: May 19, 2014 for both Growth and Direct-Growth plans. B: Benchmark,
Benchmark returns calculated based on Total Return Index Values

The fund utilizes a bottom-up, long-term strategy and endeavors to take advantage of market volatility to gain exposure to companies that exhibit strong and sustainable competitive advantages, solid balance sheets and substantial cash generation. With a contrarian style, the fund's philosophy and process may target segments of the market that are out of favor with other investors.

As the global growth pace remained robust during the 2017-18 period, recovery in the US economic growth raised concerns of speedier rate hikes by the US Federal Reserve thereby adding volatility to the global markets including the European markets. On the geopolitical front, nuclear testing by N. Korea and tension in the Middle East contributed to global market volatility during the year. Escalating trade conflicts between the US and China during the Jan-March quarter further hurt global market sentiments. These global factors weighed on the European equities despite encouraging economic growth and corporate earnings growth.

The feeder fund underperformed its benchmark index during the period since inception and one year time period. Underperformance in the one year period was on account of an underperformance seen in the Franklin European Growth fund. Healthcare was the biggest relative detractor to the portfolio as the sector continued to face increased competition in the generics segment. Stock selection in consumer discretionary and industrials dragged relative performance. However, relative gains from stock selection in financials and information technology sectors helped offset some underperformance.

Looking forward, while lead indicators have softened in Europe, the economic backdrop remains expansionary. An environment of easier fiscal policy, still-accommodative monetary policy, a falling savings ratio and accelerating investment for capacity expansion on the back of high capacity utilization remains auspicious for the European equities from the medium to long term perspective.

In accordance with SEBI's product categorization and rationalization requirements, effective June 4, 2018, changes have been made to certain fundamental attributes of the scheme in accordance with addendum dated April 19, 2018.

Fixed Income

Franklin India Fixed Maturity Plans – Series 1 – Plan A (1108 days)
Franklin India Fixed Maturity Plans – Series 1 – Plan A is a 1108 days closed end fund which seeks to generate income by investing in a portfolio of fixed income securities/ debt instruments maturing on or before the maturity of the Scheme. The fund was launched in March 2017.

As on March 2018, its performance was as follows:

Franklin India Fixed Maturity Plan (FIFMP) - Series 1 - Plan A	Last 1 Year	Since Inception##
FIFMP Series 1-Plan A-Growth	6.31%	6.34%
B: Crisil Composite Bond Fund Index	5.10%	5.17%
AB: Crisil 10 Year Gilt Index	-0.42%	-0.25%
FIFMP Series 1-Plan A - Direct - Growth	6.79%	6.82%
B: Crisil Composite Bond Fund Index	5.10%	5.17%
AB: Crisil 10 Year Gilt Index	-0.42%	-0.25%

##absolute returns have been shown here. B: Benchmark, AB: Additional Benchmark. Inception Date: March 27, 2017 for all plans.

The fund performed better than its benchmark and the additional benchmark in both 1 year and since inception. Going ahead, the scheme will be managed in line with the stated objective. Going forward, movement of yields would be a function of, inter alia, pace of Fed rate hikes, movement of commodity prices especially crude, evolution of GST, monsoon situation and external sector developments. The fund managers will continue to actively monitor market developments and fine-tune the maturity profile of the fund in line with views on interest rate changes, within the stated investment mandate.

Franklin India Fixed Maturity Plans – Series 1 – Plan B (1104 days)
Franklin India Fixed Maturity Plans – Series 1 – Plan B is a 1104 days closed end fund which seeks to generate income by investing in a portfolio of fixed income securities/ debt instruments maturing on or before the maturity of the Scheme. The fund was launched in May 2017.

As on March 2018, its performance was as follows:

Franklin India Fixed Maturity Plan (FIFMP) - Series 1 - Plan B	Last 1 Year	Since Inception##
FIFMP Series 1-Plan B-Growth	N.A	5.58%
B: Crisil Composite Bond Fund Index	N.A	4.62%
AB: Crisil 10 Year Gilt Index	N.A	0.24%
FIFMP Series 1-Plan B - Direct - Growth	N.A	5.99%
B: Crisil Composite Bond Fund Index	N.A	4.62%
AB: Crisil 10 Year Gilt Index	N.A	0.24%

##absolute returns have been shown here. B: Benchmark, AB: Additional Benchmark. Inception Date: May 12, 2017 for all plans.

The fund performed better than its benchmark and additional benchmark since inception. However, the assessment period was too short. Going ahead, the scheme will be managed in line with the stated objective.
Going forward, movement of yields would be a function of, inter alia, pace of Fed rate hikes, movement of commodity prices especially crude, evolution of GST, monsoon situation and external sector developments. The fund managers will continue to actively monitor market developments and fine-tune the maturity profile of the fund in line with views on interest rate changes, within the stated investment mandate.

Franklin India Fixed Maturity Plans – Series 2 – Plan A (1224 days)
Franklin India Fixed Maturity Plans – Series 2 – Plan A is a 1224 days closed end fund which seeks to generate income by investing in a portfolio of fixed income securities/ debt instruments maturing on or before the maturity of the Scheme. The fund was launched in November 2017.

As on March 2018, its performance was as follows:

Franklin India Fixed Maturity Plan (FIFMP) - Series 2 - Plan A	Last 1 Year	Since Inception##
FIFMP Series 2-Plan A-Growth	N.A	1.40%
B: Crisil Composite Bond Fund Index	N.A	0.60%
AB: Crisil 10 Year Gilt Index	N.A	-1.37%
FIFMP Series 2-Plan A - Direct - Growth	N.A	1.56%
B: Crisil Composite Bond Fund Index	N.A	0.60%
AB: Crisil 10 Year Gilt Index	N.A	-1.37%

##absolute returns have been shown here. B: Benchmark, AB: Additional Benchmark. Inception Date: November 29, 2017 for all plans.

The fund performed better than its benchmark and additional benchmark since inception. However, the assessment period was too short. Going ahead, the scheme will be managed in line with the stated objective.

Going forward, movement of yields would be a function of, inter alia, pace of Fed rate hikes, movement of commodity prices especially crude, evolution of GST, monsoon situation and external sector developments. The fund managers will continue to actively monitor market developments and fine-tune the maturity profile of the fund in line with views on interest rate changes, within the stated investment mandate.

Franklin India Fixed Maturity Plans – Series 2 – Plan B (1224 days)
Franklin India Fixed Maturity Plans – Series 2 – Plan B is a 1224 days closed end fund which seeks to generate income by investing in a portfolio of fixed income securities/ debt instruments maturing on or before the maturity of the Scheme. The fund was launched in December 2017.

As on March 2018, its performance was as follows:

Franklin India Fixed Maturity Plan (FIFMP) - Series 2 - Plan B	Last 1 Year	Since Inception##
FIFMP Series 2-Plan B-Growth	N.A	1.54%
B: Crisil Composite Bond Fund Index	N.A	0.87%
AB: Crisil 10 Year Gilt Index	N.A	-0.47%
FIFMP Series 2-Plan B - Direct - Growth	N.A	1.68%
B: Crisil Composite Bond Fund Index	N.A	0.87%
AB: Crisil 10 Year Gilt Index	N.A	-0.47%

##absolute returns have been shown here. B: Benchmark, AB: Additional Benchmark. Inception Date: December 20, 2017 for all plans.

The fund performed better than its benchmark and additional benchmark since inception. However, the assessment period was too short. Going ahead, the scheme will be managed in line with the stated objective.

Going forward, movement of yields would be a function of, inter alia, pace of Fed rate hikes, movement of commodity prices especially crude, evolution of GST, monsoon situation and external sector developments. The fund managers will continue to actively monitor market developments and fine-tune the maturity profile of the fund in line with views on interest rate changes, within the stated investment mandate.

Franklin India Fixed Maturity Plans – Series 2 – Plan C (1205 days)
Franklin India Fixed Maturity Plans – Series 2 – Plan C is a 1205 days closed end fund which seeks to generate income by investing in a portfolio of fixed income securities/ debt instruments maturing on or before the maturity of the Scheme. The fund was launched in December 2017.

As on March 2018, its performance was as follows:

Franklin India Fixed Maturity Plan (FIFMP) - Series 2 - Plan C	**Last 1 Year**	**Since Inception##**
FIFMP Series 2-Plan C-Growth	N.A	1.47%
B: Crisil Composite Bond Fund Index	N.A	1.19%
AB: Crisil 10 Year Gilt Index	N.A	0.62%
FIFMP Series 2-Plan C - Direct - Growth	N.A	1.57%
B: Crisil Composite Bond Fund Index	N.A	1.19%
AB: Crisil 10 Year Gilt Index	N.A	0.62%

##absolute returns have been shown here. B: Benchmark, AB: Additional Benchmark. Inception Date: January 10, 2018 for all plans.

The fund performed better than its benchmark and additional benchmark since inception. However, the assessment period was too short. Going ahead, the scheme will be managed in line with the stated objective.

Going forward, movement of yields would be a function of, inter alia, pace of Fed rate hikes, movement of commodity prices especially crude, evolution of GST, monsoon situation and external sector developments. The fund managers will continue to actively monitor market developments and fine-tune the maturity profile of the fund in line with views on interest rate changes, within the stated investment mandate.

Franklin India Fixed Maturity Plans – Series 3 – Plan A (1157 days)
Franklin India Fixed Maturity Plans – Series 3 – Plan A is a 1157 days closed end fund which seeks to generate income by investing in a portfolio of fixed income securities/ debt instruments maturing on or before the maturity of the Scheme. The fund was launched in February 2018

As on March 2018, its performance was as follows:

Franklin India Fixed Maturity Plan (FIFMP) - Series 3 - Plan A	**Last 1 Year**	**Since Inception##**
FIFMP Series 3-Plan A-Growth	N.A	1.20%
B: Crisil Composite Bond Fund Index	N.A	1.96%
AB: Crisil 10 Year Gilt Index	N.A	2.50%
FIFMP Series 3-Plan A - Direct - Growth	N.A	1.24%
B: Crisil Composite Bond Fund Index	N.A	1.96%
AB: Crisil 10 Year Gilt Index	N.A	2.50%

##absolute returns have been shown here. B: Benchmark, AB: Additional Benchmark. Inception Date: February 27, 2018 for all plans.

The fund underperformed its benchmark and additional benchmark since inception. However, the assessment period was too short. Going ahead, the scheme will be managed in line with the stated objective.

Going forward, movement of yields would be a function of, inter alia, pace of Fed rate hikes, movement of commodity prices especially crude, evolution of GST, monsoon situation and external sector developments. The fund managers will continue to actively monitor market developments and fine-tune the maturity profile of the fund in line with views on interest rate changes, within the stated investment mandate.

Franklin India Fixed Maturity Plans – Series 3 – Plan B (1139 days)
Franklin India Fixed Maturity Plans – Series 3 – Plan B is a 1139 days closed end fund which seeks to generate income by investing in a portfolio of fixed income securities/ debt instruments maturing on or before the maturity of the Scheme. The fund was launched in March 2018.

As on March 2018, its performance was as follows:

Franklin India Fixed Maturity Plan (FIFMP) - Series 3 - Plan B	**Last 1 Year**	**Since Inception##**
FIFMP Series 3-Plan B-Growth	N.A	1.00%
B: Crisil Composite Bond Fund Index	N.A	1.82%
AB: Crisil 10 Year Gilt Index	N.A	2.38%
FIFMP Series 3-Plan B - Direct - Growth	N.A	1.03%
B: Crisil Composite Bond Fund Index	N.A	1.82%
AB: Crisil 10 Year Gilt Index	N.A	2.38%

##absolute returns have been shown here. B: Benchmark, AB: Additional Benchmark. Inception Date: March 7, 2018 for all plans.

The fund underperformed its benchmark and the additional benchmark since inception. However, the assessment period was too short. Going ahead, the scheme will be managed in line with the stated objective.

Going forward, movement of yields would be a function of, inter alia, pace of Fed rate hikes, movement of commodity prices especially crude, evolution of GST, monsoon situation and external sector developments. The fund managers will continue to actively monitor market developments and fine-tune the maturity profile of the fund in line with views on interest rate changes, within the stated investment mandate.

Franklin India Fixed Maturity Plans – Series 3 – Plan C (1132 days)
Franklin India Fixed Maturity Plans – Series 3 – Plan C is a 1132 days closed end fund which seeks to generate income by investing in a portfolio of fixed income securities/ debt instruments maturing on or before the maturity of the Scheme. The fund was launched in March, 2018.

As on March 2018, its performance was as follows:

Franklin India Fixed Maturity Plan (FIFMP) - Series 3 - Plan C	**Last 1 Year**	**Since Inception##**
FIFMP Series 3-Plan C-Growth	N.A	0.52%
B: Crisil Composite Bond Fund Index	N.A	1.52%

AB: Crisil 10 Year Gilt Index	N.A	2.26%
FIFMP Series 3-Plan C - Direct - Growth	N.A	0.55%
B: Crisil Composite Bond Fund Index	N.A	1.52%
AB: Crisil 10 Year Gilt Index	N.A	2.26%

##absolute returns have been shown here. B: Benchmark, AB: Additional Benchmark. Inception Date: March 14, 2018 for all plans.

The fund underperformed its benchmark and the additional benchmark since inception. However, the assessment period was too short. Going ahead, the scheme will be managed in line with the stated objective.

Going forward, movement of yields would be a function of, inter alia, pace of Fed rate hikes, movement of commodity prices especially crude, evolution of GST, monsoon situation and external sector developments. The fund managers will continue to actively monitor market developments and fine-tune the maturity profile of the fund in line with views on interest rate changes, within the stated investment mandate.

Franklin India Fixed Maturity Plans – Series 3 – Plan D (1132 days)
Franklin India Fixed Maturity Plans – Series 3 – Plan D is a 1132 days closed end fund which seeks to generate income by investing in a portfolio of fixed income securities/ debt instruments maturing on or before the maturity of the Scheme. The fund was launched in March 2018.

As on March 2018, its performance was as follows:

Franklin India Fixed Maturity Plan (FIFMP) - Series 3 - Plan D	**Last 1 Year**	**Since Inception##**
FIFMP Series 3-Plan D-Growth	N.A	0.34%
B: Crisil Composite Bond Fund Index	N.A	0.98%
AB: Crisil 10 Year Gilt Index	N.A	1.23%
FIFMP Series 3-Plan D - Direct - Growth	N.A	0.35%
B: Crisil Composite Bond Fund Index	N.A	0.98%
AB: Crisil 10 Year Gilt Index	N.A	1.23%

##absolute returns have been shown here. B: Benchmark, AB: Additional Benchmark. Inception Date: March 22, 2018 for all plans.

The fund underperformed its benchmark and the additional benchmark since inception. However, the assessment period was too short. Going ahead, the scheme will be managed in line with the stated objective.

Going forward, movement of yields would be a function of, inter alia, pace of Fed rate hikes, movement of commodity prices especially crude, evolution of GST, monsoon situation and external sector developments. The fund managers will continue to actively monitor market developments and fine-tune the maturity profile of the fund in line with views on interest rate changes, within the stated investment mandate.

Franklin India Short-term Income Plan
Franklin India Short-term Income Plan (FISTIP) is focused on delivering steady returns by investing in shorter-dated fixed income securities. By investing in shorter-dated debt instruments the fund minimizes impact of interest rate changes and bears lower market risk compared to a fund with higher maturity.

The fund's performance is summarized below:

Franklin India Short Term Income Plan	Last 1 Year	Since Inception*
FISTIP - Retail - Growth	8.46%	8.38%
B: Crisil Short-Term Bond Fund Index	6.17%	N.A
AB: Crisil 1 year T-Bill Index	5.92%	6.00%
FISTIP - Institutional # - Growth	8.89%	9.19%
B: Crisil Short-Term Bond Fund Index	6.17%	7.70%
AB: Crisil 1 year T-Bill Index	5.92%	6.20%
FISTIP - Retail - Direct - Growth	9.22%	10.15%
B: Crisil Short-Term Bond Fund Index	6.17%	8.55%
AB: Crisil 1 year T-Bill Index	5.92%	7.13%

*compounded and annualized returns. Inception date: FISTIP – Regular - Growth: January 31, 2002, FISTIP - Institutional - Growth: September 6, 2009, FISTIP - Retail -Direct (Growth): January 1, 2013. B: Benchmark, AB: Additional Benchmark. #This Plan and all the Option(s) offered under the Plan are suspended for further subscription.

The FY2017-18 started with the huge systemic liquidity surplus and 10 year g-sec yields at 6.70% level. However the year ended with systemic liquidity in deficit and due to various factors like higher HRA, concerns on rising crude oil prices, likelihood of a fiscal slippage, bank recapitalization and rising inflationary expectations of households, the 10 year g-sec yield moved up by ~63bps to close the year at 7.33%. The RBI reduced the repo rate by 25bps to 6% in August 2017, lowest level since 2010. The year was interspersed with volatility.

The RBI in its first bi-monthly monetary policy for FY18 announced measures to absorb extra liquidity by way of narrowing Liquidity Adjustment Facility (LAF) corridor in April 2017 which led to spike in the bond yields. However, benign consumer price index (CPI) inflation in May and June appeased the market and led to softening of bond yields. August onwards the 10 year g-sec rate saw an upward move. In March 2018, yields fell sharply following the announcement of a lower-than-expected borrowing plan for 1HFY19. Bond yields closed higher for the fiscal year.

The fund outperformed its benchmark and the additional benchmark across 1 year and since inception period. Last 1 year outperformance was on account of the fund's higher yield to maturity and maintaining low portfolio duration.

Key portfolio characteristics at end of March 2018 were as given below:

As of March 31, 2018	Average Maturity (in years)	Yield-to-Maturity^
FISTIP	2.33	10.14%

^pre-fund expenses

RBI kept interest rates unchanged in its first bi- monetary policy review (for FY19) on April 5, 2018. It also continued with a neutral stance. The RBI lowered Apr-Sep retail inflation projection to 4.7-5.1% from 5.1-5.6% and Oct-Mar projection to 4.4% (earlier 4.5-4.6%) in a somewhat dovish turn. Other factors such as higher supply of State development loans, rising US treasury yields and continued absence of PSU banks from the market also put upward pressure on yields.

Going forward, movement of yields would be a function of, inter alia, pace of Fed rate hikes, movement of commodity prices especially crude, evolution of GST, monsoon situation and external sector developments. The fund managers will continue to actively monitor market developments and fine-tune the maturity profile of the fund in line with views on interest rate changes, within the stated investment mandate.

In accordance with SEBI's product categorization and rationalization requirements, effective June 4, 2018, changes have been made to certain fundamental attributes of the scheme in accordance with addendum dated April 19, 2018.

Franklin India Corporate Bond Opportunities Fund

The fund's performance is summarized below:

Franklin India Corporate Bond Opportunities Fund	Last 1 Year	Since Inception*
FICBOF - Growth	8.08%	9.81%
B: Crisil Short-Term Bond Fund Index	6.17%	8.65%
AB: Crisil 10 Year Gilt Index	-0.42%	7.32%
FICBOF - Direct - Growth	8.91%	10.21%
B: Crisil Short-Term Bond Fund Index	6.17%	8.55%
AB: Crisil 10 Year Gilt Index	-0.42%	6.56%

*compounded and annualized returns. Inception date: FICBOF - Growth: December 12, 2011, FICBOF - Direct - Growth: January 1, 2013. B: Benchmark, AB: Additional Benchmark.

The FY2017-18 started with the huge systemic liquidity surplus and 10 year g-sec yields at 6.70% level. However the year ended with systemic liquidity in deficit and due to various factors like higher HRA, concerns on rising crude oil prices, likelihood of a fiscal slippage, bank recapitalization and rising inflationary expectations of households, the 10 year g-sec yield moved up by ~63bps to close the year at 7.33%. The RBI reduced the repo rate by 25bps to 6% in August 2017, lowest level since 2010. The year was interspersed with volatility.

The RBI in its first bi-monthly monetary policy for FY18 announced measures to absorb extra liquidity by way of narrowing Liquidity Adjustment Facility (LAF) corridor in April 2017 which led to spike in the bond yields. However, benign consumer price index (CPI) inflation in May and June appeased the market and led to softening of bond yields. August onwards the 10 year g-sec rate saw an upward move. In March 2018, yields fell sharply following the announcement of a lower-than-expected borrowing plan for 1HFY19. Bond yields closed higher for the fiscal year.

The fund outperformed its benchmark and the additional benchmark across 1 year and since inception period. Last 1 year outperformance was on account of the fund's higher yield to maturity and maintaining low portfolio duration.

Key portfolio characteristics at end of March 2018 for were as given below.

As of March 31, 2018	Average Maturity (in years)	Yield-to-Maturity^
FICBOF	2.50	11.51%

^pre-fund expenses

RBI kept interest rates unchanged in its first bi- monetary policy review (for FY19) on April 5, 2018. It also continued with a neutral stance. The RBI lowered Apr-Sep retail inflation projection to 4.7-5.1% from 5.1-5.6% and Oct-Mar projection to 4.4% (earlier 4.5-4.6%) in a somewhat dovish turn. Other factors such as higher supply of State development loans, rising US treasury yields and continued absence of PSU banks from the market also put upward pressure on yields.

Globally, the Fed is rising rates, dollar liquidity is likely to tighten and oil prices have moved up. Domestically, in addition to higher oil prices, a weaker rupee, and higher Minimum Support Prices (MSPs) are likely to push inflation up in FY19. We believe that a confluence of global and local factors may lead to RBI rising rate in FY2019. Going forward, movement of yields would be dependent on, the pace of Fed rate hikes, movement of crude, Current Account Deficit, Fiscal Deficit, the evolution of GST, monsoon and external sector developments. Structural reforms on

the regulatory and legislative front and improvement in credit ratio – are likely to bode well for corporate borrowing.

The fund managers will continue to actively monitor market developments and fine-tune the maturity profile of the fund in line with views on interest rate changes, within the stated investment mandate.

In accordance with SEBI's product categorization and rationalization requirements, effective June 4, 2018, Franklin India Corporate Bond Opportunities Fund has been renamed to Franklin India Credit Risk Fund and changes has also been made to certain fundamental attributes of the scheme in accordance with addendum dated April 19, 2018

Franklin India Income Builder Account

The fund's performance is summarized below:

Franklin India Income Builder Account	Last 1 Year	Since Inception*
FIIBA - Growth	7.80%	9.12%
B: Crisil Composite Bond Fund Index	5.10%	N.A
AB: Crisil 10 Year Gilt Index	-0.42%	N.A
FIIBA - Direct - Growth	8.49%	9.88%
B: Crisil Composite Bond Fund Index	5.10%	8.57%
AB: Crisil 10 Year Gilt Index	-0.42%	6.56%

*compounded and annualized returns. Inception date: FIIBA -Growth: June 23, 1997, FIIBA - Direct -Growth: January 1, 2013. B: Benchmark, AB: Additional Benchmark.

The FY2017-18 started with the huge systemic liquidity surplus and 10 year g-sec yields at 6.70% level. However the year ended with systemic liquidity in deficit and due to various factors like higher HRA, concerns on rising crude oil prices, likelihood of a fiscal slippage, bank recapitalization and rising inflationary expectations of households, the 10 year g-sec yield moved up by ~63bps to close the year at 7.33%. The RBI reduced the repo rate by 25bps to 6% in August 2017, lowest level since 2010. The year was interspersed with volatility.

The RBI in its first bi-monthly monetary policy for FY18 announced measures to absorb extra liquidity by way of narrowing Liquidity Adjustment Facility (LAF) corridor in April 2017 which led to spike in the bond yields. However, benign consumer price index (CPI) inflation in May and June appeased the market and led to softening of bond yields. August onwards the 10 year g-sec rate saw an upward move. In March 2018, yields fell sharply following the announcement of a lower-than-expected borrowing plan for 1HFY19. Bond yields closed higher for the fiscal year.

The fund outperformed its benchmark and the additional benchmark across 1 year and since inception period. Last 1 year outperformance was on account of the fund's higher yield to maturity and maintaining low portfolio duration.

Key portfolio characteristics at end of March 2018 for were as given below.

As of March 31, 2018	Average Maturity (in years)	Yield-to-Maturity^
FIIBA	2.61	9.12%

^pre-fund expenses

RBI kept interest rates unchanged in its first bi- monetary policy review (for FY19) on April 5, 2018. It also continued with a neutral stance. The RBI lowered Apr-Sep retail inflation projection to 4.7-5.1% from 5.1-5.6% and Oct-Mar projection to 4.4% (earlier 4.5-4.6%) in a somewhat dovish turn. Other factors such as higher supply of State development loans, rising US treasury yields and continued absence of PSU banks from the market also put upward pressure on yields.

Expansion in the manufacturing sector continued along with improving consumption demand that augurs well for the growth of the economy. Higher capacity utilization in select sectors, along with better demand conditions show improvement in the economic condition. This is also reflected in higher GDP growth projections for FY19. Globally, the Fed is rising rates, dollar liquidity is likely to tighten and oil prices have moved up. Domestically, in addition to higher oil prices, a weaker rupee, and higher Minimum Support Prices (MSPs) are likely to push inflation up in FY19. We believe that a confluence of global and local factors may lead to RBI rising rate in FY2019. Going forward, movement of yields would be dependent on, the pace of Fed rate hikes, movement of crude, Current Account Deficit, Fiscal Deficit, the evolution of GST, monsoon and external sector developments.

The fund managers will continue to actively monitor market developments and fine-tune the maturity profile of the fund in line with views on interest rate changes, within the stated investment mandate. We believe that FIIBA is well-positioned to provide prudent total returns (higher yields along with capital appreciation).

In accordance with SEBI's product categorization and rationalization requirements, effective June 4, 2018, Franklin India Income Builder Account has been renamed to Franklin India Corporate Debt Fund and changes has also been made to certain fundamental attributes of the scheme in accordance with addendum dated April 19, 2018

Franklin India Income Opportunities Fund
Franklin India Income Opportunities Fund (FIIOF) is an open-end income fund that looks to provide regular income and medium term capital appreciation by investing in fixed income securities across the yield curve, while focusing on high accrual securities. The fund has the flexibility to take concentrated exposure based on macro/micro analysis.

The fund's performance is summarized below:

Franklin India Income Opportunities Fund	Last 1 Year	Since Inception*
FIIOF - Growth	8.44%	9.13%
B: Crisil Short-Term Bond Fund Index	6.17%	8.04%
AB: Crisil 10 Year Gilt Index	-0.42%	6.09%
FIIOF - Direct - Growth	9.21%	10.15%
B: Crisil Short-Term Bond Fund Index	6.17%	8.55%
AB: Crisil 10 Year Gilt Index	-0.42%	6.56%

*compounded and annualized returns. Inception date: FIIOF - Growth: December 11, 2009, FIIOF - Direct - Growth: January 1, 2013. B: Benchmark, AB: Additional Benchmark.

The FY2017-18 started with the huge systemic liquidity surplus and 10 year g-sec yields at 6.70% level. However the year ended with systemic liquidity in deficit and due to various factors like higher HRA, concerns on rising crude oil prices, likelihood of a fiscal slippage, bank recapitalization and rising inflationary expectations of households, the 10 year g-sec yield moved up by ~63bps to close the year at 7.33%. The RBI reduced the repo rate by 25bps to 6% in August 2017, lowest level since 2010. The year was interspersed with volatility.

The RBI in its first bi-monthly monetary policy for FY18 announced measures to absorb extra liquidity by way of narrowing Liquidity Adjustment Facility (LAF) corridor in April 2017 which led to spike in the bond yields. However, benign consumer price index (CPI) inflation in May and June appeased the market and led to softening of bond yields. August onwards the 10 year g-sec rate saw an upward move. In March 2018, yields fell sharply following the announcement of a lower-than-expected borrowing plan for 1HFY19. Bond yields closed higher for the fiscal year.

The fund outperformed its benchmark and the additional benchmark across 1 year and since inception period. Last 1 year outperformance was on account of the fund's higher yield to maturity and maintaining low portfolio duration.

Key portfolio characteristics at end of March 2018 for were as given below.

As of March 31, 2018	Average Maturity (in years)	Yield-to-Maturity^
FIIOF	2.31	9.78%

^pre-fund expenses

RBI kept interest rates unchanged in its first bi- monetary policy review (for FY19) on April 5, 2018. It also continued with a neutral stance. The RBI lowered Apr-Sep retail inflation projection to 4.7-5.1% from 5.1-5.6% and Oct-Mar projection to 4.4% (earlier 4.5-4.6%) in a somewhat dovish turn. Other factors such as higher supply of State development loans, rising US treasury yields and continued absence of PSU banks from the market also put upward pressure on yields.

Gradual recovery in growth coupled with contained inflation may result in RBI remaining on hold in the near to medium term, although risks to this view are rising. Globally, the Fed is rising rates, dollar liquidity is likely to tighten and oil prices have moved up. Domestically, in addition to higher oil prices, a weaker rupee, and higher Minimum Support Prices (MSPs) are likely to push inflation up in FY19. We believe that a confluence of global and local factors may lead to RBI rising rate in FY2019. Going forward, movement of yields would be dependent on, the pace of Fed rate hikes, movement of crude, Current Account Deficit, Fiscal Deficit, the evolution of GST, monsoon and external sector developments.

In accordance with SEBI's product categorization and rationalization requirements, effective June 4, 2018, changes have been made to certain fundamental attributes of the scheme in accordance with addendum dated April 19, 2018.

Franklin India Government Securities Fund

Franklin India Government Securities Fund (FIGSF) is focused on investment opportunities in government debt. While not exposed to credit risks, the fund is subject to market risks based on changes in interest rate environment, monetary policy expectations and liquidity risks. The fund managers strive to enhance portfolio returns by actively managing the portfolio duration and market volatility.

The fund has various plans for investors to choose from. The performance of the various Plans is summarized below:

Franklin India Government Securities Fund	Last 1 Year	Since Inception*
FIGSF – Long Term Plan (LT) -Growth	0.76%	8.70%
B: I-Sec Li-BEX	4.56%	N.A
AB: Crisil 10 Year Gilt Index	-0.42%	6.76%
FIGSF - LT -Direct -Growth	1.75%	8.46%
B: I-Sec Li-BEX	4.56%	9.02%
AB: Crisil 10 Year Gilt Index	-0.42%	6.56%
FIGSF – Composite Plan (CP) -Growth	0.88%	9.55%
B: I-Sec Si-BEX	5.10%	N.A
AB: Crisil 10 Year Gilt Index	-0.42%	N.A
FIGSF - CP -Direct -Growth	2.03%	8.30%
B: I-Sec Si-BEX	5.10%	8.73%
AB: Crisil 10 Year Gilt Index	-0.42%	6.56%
FIGSF - PF Plan-Growth	0.88%	6.62%
B: I-Sec Si-BEX	5.10%	7.41%
AB: Crisil 10 Year Gilt Index	-0.42%	5.31%
FIGSF - PF Plan -Direct -Growth	1.98%	8.03%

B: I-Sec Si-BEX	5.10%	8.73%
AB: Crisil 10 Year Gilt Index	-0.42%	6.56%

*compounded and annualized returns. Inception date: FIGSF - LT Plan - Growth: December 7, 2001, FIGSF - CP - Growth: June 21, 1999, FIGSF - PF Plan -Growth: May 7, 2004, All direct plan options: January 1, 2013. B: Benchmark, AB: Additional Benchmark, CP: Composite Plan, LT: Long Term Plan

The fund underperformed its benchmark in FIGSF-LT plans, FIGSF CP plans, and FIGSF - PF Plans in last 1 year and since inception due to the upward move in bond yields (across the curve) post August 2017. All the plans outperformed the additional benchmarks across last 1 year and since inception, as upward movement in g-sec yields was more pronounced at the longer end of the yield curve as compared to the shorter end of the curve.

Key portfolio characteristics at end of March 2018 for the various plans were as given below.

As of March 31, 2018	Average Maturity (in years)	Yield-to-Maturity^
FIGSF - CP/ PF	12.98	7.57%
FIGSF - LT	13.37	7.58%

^pre-fund expenses

RBI kept interest rates unchanged in its first bi- monetary policy review (for FY19) on April 5, 2018. It also continued with a neutral stance. The RBI lowered Apr-Sep retail inflation projection to 4.7-5.1% from 5.1-5.6% and Oct-Mar projection to 4.4% (earlier 4.5-4.6%) in a somewhat dovish turn. Other factors such as higher supply of State development loans, rising US treasury yields and continued absence of PSU banks from the market also put upward pressure on yields.

Globally, the Fed is rising rates, dollar liquidity is likely to tighten and oil prices have moved up. Domestically, in addition to higher oil prices, a weaker rupee, and higher Minimum Support Prices (MSPs) are likely to push inflation up in FY19. We believe that a confluence of global and local factors may lead to RBI rising rate in FY2019. Going forward, movement of yields would be dependent on, the pace of Fed rate hikes, movement of crude, Current Account Deficit, Fiscal Deficit, the evolution of GST, monsoon and external sector developments. The fund managers will continue to actively manage portfolio maturities, in line with our views on the macro-environment and policy developments. The attempt will be to take advantage of any opportunities that arise as a result of market volatility over the near term, while positioning well for any capital gains over the medium term.

In accordance with SEBI's product categorization and rationalization requirements, effective June 4, 2018, merger of Composite & PF Plan into Long Term Plan and changes to certain fundamental attributes of the scheme have been made in accordance with addendum dated April 19, 2018.

Franklin India Dynamic Accrual Fund

Franklin India Dynamic Accrual Fund (FIDA) is an open-end income fund that focuses on fixed income securities with high accrual and potential for capital gains in line with its maturity profile. The fund manager aims to generate steady return in fixed income market by managing credit risk through investments in managed credit space and interest rate risk through opportunistic duration management in medium to long term space.

The fund's performance is summarized below:

Franklin India Dynamic Accrual Fund	Last 1 Year	Since Inception*
FIDA - Growth	8.22%	8.99%
B: Crisil Composite Bond Fund Index	5.10%	N.A
AB: Crisil 10 Year Gilt Index	-0.42%	N.A
FIDA - Direct - Growth	9.20%	9.91%
B: Crisil Composite Bond Fund Index	5.10%	8.57%

AB: Crisil 10 Year Gilt Index	-0.42%	6.56%

*compounded and annualized returns. Inception date: FIDA -Growth: March 5, 1997, FIDA - Direct -Growth: January 1, 2013. B: Benchmark, AB: Additional Benchmark.

The FY2017-18 started with the huge systemic liquidity surplus and 10 year g-sec yields at 6.70% level. However the year ended with systemic liquidity in deficit and due to various factors like higher HRA, concerns on rising crude oil prices, likelihood of a fiscal slippage, bank recapitalization and rising inflationary expectations of households, the 10 year g-sec yield moved up by ~63bps to close the year at 7.33%. The RBI reduced the repo rate by 25bps to 6% in August 2017, lowest level since 2010. The year was interspersed with volatility.

The RBI in its first bi-monthly monetary policy for FY18 announced measures to absorb extra liquidity by way of narrowing Liquidity Adjustment Facility (LAF) corridor in April 2017 which led to spike in the bond yields. However, benign consumer price index (CPI) inflation in May and June appeased the market and led to softening of bond yields. August onwards the 10 year g-sec rate saw an upward move. In March 2018, yields fell sharply following the announcement of a lower-than-expected borrowing plan for 1HFY19. Bond yields closed higher for the fiscal year.

The fund outperformed its benchmark and the additional benchmark across 1 year and since inception period. Last 1 year outperformance was on account of the fund's higher yield to maturity and maintaining low portfolio duration.

Based on the above and our views on the macro/market environment, we increased the average maturity of the fund marginally from 2.24 years in March 2017 to 2.64 years in March 2018. Due to the fund's focus on fixed income securities with high accrual and investments in the managed credit space, it has predominant exposure to securities in AA and A rated segment.

Key portfolio characteristics at end of March 2018 were as given below.

As of March 31, 2018	Average Maturity (in years)	Yield-to-Maturity^
FIDA	2.64	9.13%

RBI kept interest rates unchanged in its first bi- monetary policy review (for FY19) on April 5, 2018. It also continued with a neutral stance. The RBI lowered Apr-Sep retail inflation projection to 4.7-5.1% from 5.1-5.6% and Oct-Mar projection to 4.4% (earlier 4.5-4.6%) in a somewhat dovish turn. Other factors such as higher supply of State development loans, rising US treasury yields and continued absence of PSU banks from the market also put upward pressure on yields.

Globally, the Fed is rising rates, dollar liquidity is likely to tighten and oil prices have moved up. Domestically, in addition to higher oil prices, a weaker rupee, and higher Minimum Support Prices (MSPs) are likely to push inflation up in FY19. We believe that a confluence of global and local factors may lead to RBI rising rate in FY2019. Going forward, movement of yields would be dependent on, the pace of Fed rate hikes, movement of crude, Current Account Deficit, Fiscal Deficit, the evolution of GST, monsoon and external sector developments. The fund managers will continue to actively monitor market developments and fine-tune the maturity profile.

Franklin India Ultra-Short Bond Fund

Launched in December 2007, Franklin India Ultra-Short Bond Fund (FIUBF) invests in a mix of short-term debt and money market instruments. The fund seeks to provide a combination of regular income and high liquidity, and is positioned between a liquid and a short bond fund. The fund's performance is summarized below:

Franklin India Ultra Short Bond Fund	Last 1 Year	Since Inception*
FIUBF - Retail# - Growth	7.58%	8.39%

FIUBF - Institutional# - Growth	7.79%	8.61%
FIUBF - Super Institutional - Growth	8.10%	8.91%
B: Crisil Liquid Fund Index	6.85%	7.56%
AB: Crisil 1 year T-Bill Index	5.92%	6.46%
FIUBF - Super Institutional - Direct - Growth	8.18%	9.57%
B: Crisil Liquid Fund Index	6.85%	8.09%
AB: Crisil 1 year T-Bill Index	5.92%	7.13%

*compounded and annualized returns. Inception date for Retail, Institutional and Super Institutional plans is December 18, 2007. Inception date for all direct plan options is January 1, 2013. B: Benchmark, AB: Additional Benchmark. #These Plan(s) and all the Option(s) offered under the Plan(s) are suspended for further subscription.

The fund's average maturity was 0.74 years in March 2018, down from 0.85 years in March 2017. Yield to Maturity (pre-expenses) stood at 8.57% at the end of March 2018.

The fund outperformed its benchmark and additional benchmark across 1 year and since inception period. Last 1 year outperformance was on account of the fund's ability to capture rally at the shorter end of the curve.

RBI kept interest rates unchanged in its first bi- monetary policy review (for FY19) on April 5, 2018. It also continued with a neutral stance. The RBI lowered Apr-Sep retail inflation projection to 4.7-5.1% from 5.1-5.6% and Oct-Mar projection to 4.4% (earlier 4.5-4.6%) in a somewhat dovish turn. Other factors such as higher supply of State development loans, rising US treasury yields and continued absence of PSU banks from the market also put upward pressure on yields. Gradual recovery in growth coupled with contained inflation may result in RBI remaining on hold in the near to medium term, although risks to this view are rising.

Going forward, movement of yields would be a function of, inter alia, pace of Fed rate hikes, movement of commodity prices especially crude, evolution of GST, monsoon situation and external sector developments. The fund managers will continue to actively monitor market developments and fine-tune the maturity profile.

In accordance with SEBI's product categorization and rationalization requirements, effective June 4, 2018, changes have been made to certain fundamental attributes of the scheme in accordance with addendum dated April 19, 2018.

Franklin India Savings Plus Fund

The fund's performance is summarized below:

Franklin India Savings Plus Fund	**Last 1 Year**	**Since Inception***
FISPF - Retail - Growth	7.07%	7.43%
B: Crisil Liquid Fund Index	6.85%	N.A
AB: Crisil 1 year T-Bill Index	5.92%	5.98%
FISPF - Retail - Direct - Growth	7.27%	8.71%
B: Crisil Liquid Fund Index	6.85%	8.09%
AB: Crisil 1 year T-Bill Index	5.92%	7.13%

*compounded and annualized returns. Inception date: FISPF - Retail - Growth: February 11, 2002, FISPF - Institutional - Growth: September 6, 2005. Inception date for all direct plan options is January 1, 2013. B: Benchmark, AB: Additional Benchmark.

The fund outperformed its benchmark and the additional benchmark across 1 year and since inception period. Last 1 year outperformance was on account of the fund's ability to capture rally at the shorter end of the curve.

The fund's average maturity has decreased from 1.15 years in March 2017 to 0.80 years in March 2018. At the end of March 2018, 37.54% of the portfolio was invested in corporate debt. 90.24% of the portfolio was allocated to A1+/AAA rated securities at the end the end of March 2018, and the fund's Yield to Maturity (pre-expenses) stood at 7.45% at the end of the period.

Going forward, the fund will continue to be managed in line with its stated objective of managing volatility arising due to interest rate changes.

In accordance with SEBI's product categorization and rationalization requirements, effective June 4, 2018, Franklin India Savings Plus Fund has been renamed to Franklin India Savings Fund and changes has also been made to certain fundamental attributes of the scheme in accordance with addendum dated April 19, 2018

Franklin India Low Duration Fund

Franklin India Low Duration Fund (FILDF) is an open-end income fund that seeks to earn regular income for investors in the short term by focusing on low duration securities.

The fund's performance is summarized below:

Franklin India Low Duration Fund	**Last 1 Year**	**Since Inception***
FILDF - Growth	8.26%	9.43%
B: Crisil Short-Term Bond Fund Index #	6.17%	8.41%
AB: Crisil 1 year T-Bill Index	5.92%	6.93%
FILDF - Monthly Dividend	8.26%	7.97%
FILDF - Quarterly Dividend	8.26%	7.98%
B: Crisil Short-Term Bond Fund Index #	6.17%	N.A
AB: Crisil 1 year T-Bill Index	5.92%	6.40%
FILDF - Direct - Growth	8.65%	9.80%
B: Crisil Short-Term Bond Fund Index #	6.17%	8.55%
AB: Crisil 1 year T-Bill Index	5.92%	7.13%

*compounded and annualized returns. Inception date: July 26, 2010, FILDF - Monthly Dividend & FILDF - Quarterly Dividend: February 7, 2000, FILDF - Direct - Growth: January 1, 2013.
B: Benchmark, AB: Additional Benchmark. #Index adjusted for the period April 1, 2002 to November 29, 2010 with the performance of Crisil MIP Blended Index.

The fund outperformed its benchmark and the additional benchmark across 1 year and since inception period. Last 1 year outperformance was on account of the fund's higher yield to maturity and maintaining low portfolio duration.

The fund's average maturity has been increased from 1.18 years in March 2017 to 1.70 years in March 2018. At the end of March 2018, 25.90% of the portfolio was allocated to A1+/AAA securities, 39.10% of the portfolio to AA rated securities and 35.00% of the portfolio to A rated securities. Yield to Maturity (pre-expenses) stood at 8.75% at the end of March 2018.

Going forward, the fund will continue to be managed in line with its stated objective, with a focus on low duration securities.

In accordance with SEBI's product categorization and rationalization requirements, effective June 4, 2018, changes have been made to certain fundamental attributes of the scheme in accordance with addendum dated April 19, 2018.

Franklin India Banking and PSU Debt Fund

Franklin India Banking and PSU Debt Fund (FIBPDF) was launched on April 25, 2014, and is an open end income fund that 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).

The fund's performance is summarized below:

Franklin India Banking & PSU Debt Fund	Last 1 Year	Since Inception*
FIBPDF-Growth	6.60%	8.29%
B: Crisil Composite Bond Fund Index	5.10%	9.68%
AB: Crisil 10 Year Gilt Index	-0.42%	8.48%
FIBPDF - Direct - Growth	7.03%	8.82%
B: Crisil Composite Bond Fund Index	5.10%	9.68%
AB: Crisil 10 Year Gilt Index	-0.42%	8.48%

compounded and annualised return. Inception date for all plans is April 25, 2014. B: Benchmark, AB: Additional Benchmark.

FY2017-18 started with huge systemic liquidity surplus due to demonetisation effect. The RBI in its first bi-monthly monetary policy for FY18 announced measures to absorb extra liquidity by way of narrowing Liquidity Adjustment Facility (LAF) corridor in April 2017. This came as a surprise and led to spike in the bond yields. However, benign consumer price index (CPI) inflation in May and June appeased the market and led to softening of bond yields. In August, the RBI reduced interest rates by 25bps to 6%, lowest level since 2010. Post the rate cut, owning to various factors like higher HRA, concerns on rising crude oil prices, likelihood of a fiscal slippage, bank recapitalization and rising inflationary expectations of households the benchmark yield moved up. The 10-year yield moved up since August 2017 for seven straight month. In March, yields fell sharply following the announcement of a lower-than-expected borrowing plan for 1HFY19. Bond yields closed higher for the fiscal year.

The fund outperformed its benchmark and additional benchmark over last 1 year as it was able to capture rally at the shorter end of the yield curve. However since inception there is some underperformance when compared to benchmark and additional benchmark.

Based on the above and our views on the macro/market environment, we decreased the average maturity of the fund from 3.39 years in March 2017 to 2.47 years in March 2018. At the end of March 2018, 66.10% of the portfolio was allocated to A1+/AAA securities, 23.04% of the portfolio to AA rated securities and 10.86% of the portfolio to A rated securities.

RBI kept interest rates unchanged in its first bi- monetary policy review (for FY19) on April 5, 2018. It also continued with a neutral stance. The RBI lowered Apr-Sep retail inflation projection to 4.7-5.1% from 5.1-5.6% and Oct-Mar projection to 4.4% (earlier 4.5-4.6%) in a somewhat dovish turn. Other factors such as higher supply of State development loans, rising US treasury yields and continued absence of PSU banks from the market also put upward pressure on yields.

Going forward, movement of yields would be a function of, inter alia, pace of Fed rate hikes, movement of commodity prices especially crude, evolution of GST, monsoon situation and external sector developments. The fund managers will continue to actively monitor market developments and fine-tune the maturity profile of the fund in line with views on interest rate changes, within the stated investment mandate.

In accordance with SEBI's product categorization and rationalization requirements, effective June 4, 2018, changes have been made to certain fundamental attributes of the scheme in accordance with addendum dated April 19, 2018.

Franklin India Treasury Management Account

Franklin India Treasury Management Account (FITMA) is an open end liquid scheme that strives to strike an optimum balance between stable income and high liquidity by investing in a mix of short term debt and money market instruments. The scheme continues to be rated A1+mfs by ICRA. This represents the highest credit quality rating and lowest credit risk in the short term.

The fund's performance is summarized below:

Franklin India Treasury Management Account	Last 1 Year	Since Inception*
FITMA - Retail# - Growth	6.08%	7.32%
B: Crisil Liquid Fund Index	6.85%	N.A
AB: Crisil 1 year T-Bill Index	5.92%	6.58%
FITMA - Institutional# - Growth	6.34%	7.32%
B: Crisil Liquid Fund Index	6.85%	7.09%
AB: Crisil 1 year T-Bill Index	5.92%	6.04%
FITMA - Super Institutional - Growth	6.79%	7.86%
B: Crisil Liquid Fund Index	6.85%	7.35%
AB: Crisil 1 year T-Bill Index	5.92%	6.20%
FITMA - Super Institutional - Direct - Growth	6.86%	8.31%
B: Crisil Liquid Fund Index	6.85%	8.09%
AB: Crisil 1 year T-Bill Index	5.92%	7.14%
FITMA - Unclaimed Dividend Plan - Growth	6.46%	6.48%
FITMA - Unclaimed Redemption Plan - Growth	6.46%	6.48%
B: Crisil Liquid Fund Index	6.85%	6.82%
AB: Crisil 1 year T-Bill Index	5.92%	6.25%

*compounded and annualized returns. Inception date: FITMA - Regular - Growth: April 29, 1998, FITMA - Institutional - Growth: June 22, 2004, FITMA - Super Institutional - Growth: September 2, 2005, FITMA Unclaimed dividend plan and redemption plan – September 6, 2016. Inception date for all direct plan options is December 31, 2012. B: Benchmark, AB: Additional Benchmark. #These Plan(s) and all the Option(s) offered under the Plan(s) are suspended for further subscription.

The fund underperformed its benchmark in most of the plans as it was not able to fully capture the rally at the shorter end of the yield curve. However, it outperformed its additional benchmark due to yield spreads. The fund has performed better since inception compared to its benchmark and additional benchmark.

The scheme closed the fiscal year with an average maturity of 0.16 years and Yield to Maturity (pre-expenses) of 6.93% as of March 2018.

RBI kept interest rates unchanged in its first bi- monetary policy review (for FY19) on April 5, 2018. It also continued with a neutral stance. The RBI lowered Apr-Sep retail inflation projection to 4.7-5.1% from 5.1-5.6% and Oct-Mar projection to 4.4% (earlier 4.5-4.6%) in a somewhat dovish turn. Other factors such as higher supply of State development loans, rising US treasury yields and continued absence of PSU banks from the market also put upward pressure on yields.

Going forward, movement of yields would be a function of, inter alia, pace of Fed rate hikes, movement of commodity prices especially crude, evolution of GST, monsoon situation and external

sector developments. The fund managers will continue to manage the scheme in line with its investment objective of providing consistent income along with high liquidity.

Effective June 4, 2018, Franklin India Treasury Management Account has been renamed to Franklin India Liquid Fund

Franklin India Cash Management Account

The fund's performance since inception and during the last year is summarized below:

Franklin India Cash Management Account	**Last 1 Year**	**Since Inception***
FICMA -Growth	**5.97%**	**5.81%**
B: Crisil Liquid Fund Index	**6.85%**	**N.A**
AB: Crisil 1 year T-Bill Index	**5.92%**	**6.20%**
FICMA - Direct - Growth	**6.58%**	**7.25%**
B: Crisil Liquid Fund Index	**6.85%**	**8.09%**
AB: Crisil 1 year T-Bill Index	**5.92%**	**7.14%**

*compounded and annualized returns. Inception date: FICMA - Growth: April 23, 2001, FICMA - Direct -Growth: December 31, 2012. B: Benchmark, AB: Additional Benchmark.

The fund underperformed its benchmark across 1 year and since inception periods. The fund wasn't able to capture the rally at the shorter end of the yield curve, thus resulting in underperformance. However, it outperformed the additional benchmark for last 1 year and since inception (direct plan).

The scheme closed the fiscal year with an average maturity of 0.15 years and Yield to Maturity (pre-expenses) of 7.44% as of March 2018.

RBI kept interest rates unchanged in its first bi- monetary policy review (for FY19) on April 5, 2018. It also continued with a neutral stance. The RBI lowered Apr-Sep retail inflation projection to 4.7-5.1% from 5.1-5.6% and Oct-Mar projection to 4.4% (earlier 4.5-4.6%) in a somewhat dovish turn. Other factors such as higher supply of State development loans, rising US treasury yields and continued absence of PSU banks from the market also put upward pressure on yields.

Going forward, movement of yields would be a function of, inter alia, pace of Fed rate hikes, movement of commodity prices especially crude, evolution of GST, monsoon situation and external sector developments. The fund managers will continue to manage the scheme in line with its investment objective of providing consistent income along with high liquidity.

In accordance with SEBI's product categorization and rationalization requirements, effective June 4, 2018, Franklin India Cash Management Account has been renamed to Franklin India Floating Rate Fund and changes has also been made to certain fundamental attributes of the scheme in accordance with addendum dated April 19, 2018

Annexure IV

Scheme Investment Objectives & Risk Factors as on March 31, 2018

Franklin India Bluechip Fund (FIBCF) is an open end growth scheme with an objective to primarily provide medium to long term capital appreciation.

Franklin India Prima Fund (FIPF) is an open end growth scheme with an objective to provide medium to long term capital appreciation as a primary objective and income as a secondary objective.

Franklin India Prima Plus (FIPP) is an open end growth scheme with an objective to provide growth of capital plus regular dividend through a diversified portfolio of equities, fixed income securities and money market instruments.

Franklin India Technology Fund (FITF) is an open end growth scheme with an objective to provide long term capital appreciation by predominantly investing in equity and equity related securities of technology and technology related companies.

Franklin India Opportunities Fund (FIOF) is an open end diversified growth scheme with an objective to generate appreciation by capitalising on long - term growth opportunities in the Indian economy.

Franklin India Taxshield (FIT) is an open end equity linked savings scheme with an objective to provide medium to long term growth of capital along with income tax rebate.

Franklin India Income Builder Account (FIIBA) is an open end income scheme with an objective to provide investors regular income under the Dividend Plan and Capital appreciation under the Growth Plan.

Franklin India Balanced Fund (FIBF) is an open end balanced scheme with an objective to provide long-term growth of capital and current income by investing in equity and equity related securities and fixed income instruments.

Templeton India Growth Fund (TIGF) is an open end growth scheme with the objective to provide long-term capital growth to its unitholders.

Franklin India Dynamic Accrual Fund (FIDA) is an open end income scheme with the objective to generate a steady stream of income through investment in fixed income securities.

Franklin India Index Fund (FIIF) is an open end index linked growth scheme with the objective to invest in companies whose securities are included in the Nifty and subject to tracking errors, endeavouring to attain results commensurate with the Nifty 50 Index under NSE Nifty Plan.

Franklin India Low Duration Fund (FILDF) is an open-end income scheme having an objective to earn regular income for investors through investment primarily in highly rated debt securities.

Franklin India Cash Management Account (FICMA) is an open end liquid scheme with the objective of providing income and liquidity consistent with prudent risk from a portfolio comprising of money market and debt instruments.

Franklin India Government Securities Fund (FIGSF) is an open end dedicated Gilts scheme with the objective to generate credit risk-free return through investments in sovereign securities issued by the Central Government and/or State Government and/or any security unconditionally

guaranteed by the Central Government and/or State Government for repayment of Principal and Interest.

Franklin India Savings Plus Fund (FISPF) is an open end income scheme with the objective to provide income consistent with the prudent risk from a portfolio comprising substantially of floating rate debt instruments, fixed rate debt instruments swapped for floating rate returns, and also fixed rate instrument and money market instruments.

Franklin India Monthly Income Plan (FIMIP) is an open end income scheme (with no assured returns) with an objective to provide regular income from a portfolio that is invested in predominantly high quality fixed income securities with a maximum exposure of 20% to equities.

Franklin India Pension Plan (FIPEP) is an open end tax saving scheme whose objective is to provide investors regular income under the Dividend Plan and capital appreciation under the Growth Plan.

Franklin India Treasury Management Account (FITMA) is an open end liquid scheme with an objective to provide current income with high liquidity.

Franklin India Short Term Income Plan (FISTIP) is an open end income scheme with an objective to provide stable returns by investing in fixed income securities.

Franklin India Flexi Cap Fund (FIFCF) is an open end diversified equity fund that seeks to provide medium to long-term capital appreciation by investing in stocks across the entire market capitalisation range.

Templeton India Equity Income Fund (TIEIF) is an open end diversified equity fund to provide a combination of regular income and long-term capital appreciation by investing primarily in stocks that have current or potentially attractive dividend yield.

Franklin Asian Equity Fund (FAEF) is an open end diversified equity fund that seeks to provide medium to long term appreciation through investments primarily in Asian Companies / sectors (excluding Japan) with long term potential across market capitalisation.

Franklin India High Growth Companies Fund (FIHGCF) is an open-end diversified equity fund that seeks to achieve capital appreciation through investments in Indian companies/sectors with high growth rates or potential.

Franklin India Ultra Short Bond Fund (FIUBF) is an open-end income fund that seeks to provide a combination of regular income and high liquidity by investing primarily in a mix of short term debt and money market instruments.

Franklin Build India Fund (FBIF) is an open-end equity fund which seeks to achieve capital appreciation through investments in companies engaged either directly or indirectly in infrastructure-related activities.

Franklin India Income Opportunities Fund (FIIOF) is an open end income fund that seeks to provide regular income and capital appreciation by investing in fixed income securities across the yield curve.

Franklin India Smaller Companies Fund (FISCF) is an open end diversified equity fund that seeks to provide long-term capital appreciation by investing in mid and small cap companies.

Franklin India Feeder - Franklin U.S. Opportunities Fund (FIF-FUSOF) is an open-end fund of funds scheme investing overseas that seeks to provide capital appreciation by investing predominantly in units of Franklin U. S. Opportunities Fund, an overseas Franklin Templeton

mutual fund, which primarily invests in securities in the United States of America.

Franklin India Corporate Bond Opportunities Fund (FICBOF) is an open-end income fund which seeks to provide regular income and capital appreciation through a focus on corporate securities.

Franklin India Life Stage Fund of Funds (FILSF) is an open end fund of funds scheme seeking to generate superior risk adjusted returns to investors in line with their chosen asset allocation.

Franklin India Dynamic PE Ratio Fund of Funds (FIDPEF) is an open end fund of funds scheme seeking to provide long-term capital appreciation with relatively lower volatility through a dynamically balanced portfolio of equity and income funds. The equity funds allocation will be determined based on the month-end weighted average PE ratio of the Nifty 50 Index (NSE Nifty).

Franklin India Banking & PSU Debt Fund (FIBPDF) is an open-end income fund that 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).

Franklin India Feeder - Franklin European Growth Fund (FIF-FEGF) is an open ended fund of funds scheme investing overseas that seeks to provide capital appreciation by investing predominantly in units of Franklin European Growth Fund, an overseas equity fund which primarily invests in securities of issuers incorporated or having their principal business in European countries.

Franklin India Multi-Asset Solution Fund (FIMAS) is an open end fund of funds scheme that seeks to achieve capital appreciation and diversification through a mix of strategic and tactical allocation to various asset classes such as equity, debt, gold and cash by investing in funds investing in these asset classes.

Franklin India Fixed Maturity Plans – Series 1 (FIFMP-1)/ Franklin India Fixed Maturity Plans – Series 2 (FIFMP-2)/ Franklin India Fixed Maturity Plans – Series 3 (FIFMP-3) are close ended debt funds that seeks to generate income by investing in a portfolio of fixed income securities/ debt instruments maturing on or before the maturity of the Scheme. However, there can be no assurance that the investment objective of the Scheme will be realized.

RISK FACTORS AND DISCLAIMERS

i) General Risk Factors (common for all schemes/ plans):

Mutual Fund investments are subject to market risks, read all scheme related documents carefully. The NAV of the scheme may go up or down depending upon the factors and forces affecting the securities market including the fluctuations in the interest rates. The past performance of the mutual funds managed by the Franklin Templeton Group and its affiliates is not necessarily indicative of future performance of the scheme. The Mutual Fund is not guaranteeing or assuring any dividend distribution under the scheme and the same is subject to the availability and adequacy of distributable surplus. The investments made by the scheme are subject to external risks. Investors are requested to review the prospectus carefully and obtain expert professional advice with regard to specific legal, tax and financial implications of the investment/participation in the scheme.

ii) Additional scheme / plan specific Risk Factors:

FILSF, FIDPEF and FIMAS: The expenses of the Fund of Funds scheme will be over and above the expenses charged by the underlying schemes**.**

FIMIP: Income is not assured, and is subject to the availability of distributable surplus.

FIT: All investments in FIT are subject to a lock-in-period of 3 years from the date of respective allotment and the unitholders cannot redeem, transfer, assign or pledge the units during this period. The Trustee, AMC, their directors or their employees shall not be liable for any of the tax consequences that may arise, in the event that the Scheme is wound up before the completion of the lock-in period.

FIPEP: All investments in FIPEP are subject to a lock-in for a period of 3 full financial years. The Trustee, AMC, their directors or their employees shall not be liable for any of the tax consequences that may arise, in the event that the Scheme is wound up before the completion of the lock-in period.

FIIF: The existence, accuracy and performance of the Nifty 50 Index will directly affect the performance of Index schemes and tracking errors are inherent in any Index Fund.

FIBF: In the event that the investible funds of more than 65% of the total proceeds of the scheme (annual average) are not invested by way of equity shares of domestic companies, then the scheme may not qualify as equity oriented fund.

TIEIF: In the event that the investible funds of more than 65% of the total proceeds of the scheme (annual average) are not invested by way of equity shares of domestic companies, then the scheme may not qualify as equity oriented fund. Investments in overseas financial assets are subject to risks associated with currency movements, restrictions on repatriation, transaction procedures in overseas markets and country related risks.

FAEF: Investments in overseas financial assets are subject to risks associated with currency movements, restrictions on repatriation, transaction procedures in overseas markets and country related risks.

FIF - FUSOF & FIF - FEGF: The expenses of the Fund of Funds scheme will be over and above the expenses charged by the underlying schemes**.** Investments in overseas financial assets are subject to risks associated with currency movements, restrictions on repatriation, transaction procedures in overseas markets and country related risks.

FIFMP-1/FIFMP-2/FIFMP-3: Although Units of Plans under the Scheme are listed, there can be no assurance that an active secondary market will develop or be maintained.

Annexure V

Unclaimed Dividends and Redemptions as on March 31, 2018

Scheme Name	Unclaimed Redemption*		Unclaimed Dividend*	
	Amount (Rs.)	Count	Amount (Rs.)	Count
Franklin Asian Equity Fund	16102878.60	3700	4667149.71	3640
Franklin Build India Fund	870518.03	57	2857113.78	328
Franklin India Balanced Fund	3551861.90	85	10104825.95	2460
Franklin India Banking and PSU Debt Fund	1293.93	2	635.26	1
Franklin India Bluechip Fund	25113861.36	752	49856415.81	15691
Franklin India Cash Management Account	30118.58	7	0.00	0
Franklin India Corporate Bond Opportunities Fund	1072029.69	25	2134940.41	180
Franklin India Dynamic Accrual Fund	2018447.68	168	3495920.12	8941
Franklin India Dynamic PE Ratio Fund of Funds	1797833.78	40	1646095.57	872
Franklin India Feeder - Franklin European Growth Fund	49315.08	3	0.00	0
Franklin India Feeder - Franklin U.S. Opportunities Fund	176507.07	15	0.00	0
Franklin India Fixed Tenure Fund - Series XII - Plan C	5824845.40	18	535132.34	79
Franklin India Fixed Tenure Fund - Series XVI	1024227.76	4	47623.30	2
Franklin India Fixed Tenure Fund - Series XVII	1568930.23	3	42543.00	12
Franklin India Flexi Cap Fund	33299925.01	1095	38966324.93	13114
Franklin India Government Securities Fund - Composite Plan	662433.70	23	781199.35	1562
Franklin India Government Securities Fund - Long Term Plan	170113.96	7	302827.77	185
Franklin India High Growth Companies Fund	23341826.80	883	10601529.20	4807
Franklin India Income Builder Account	1246736.12	72	2555141.26	2844
Franklin India Income Opportunities Fund	582577.34	13	220645.07	64
Franklin India Index Fund Nifty Plan	701811.51	44	0.00	0
Franklin India INDEX TAX FUND	111558.36	7	0.00	0
Franklin India International Fund	238.66	2	0.00	0
Franklin India Life Stage Fund of Funds - 20's Plan	124869.80	2	405968.44	60
Franklin India Life Stage Fund of Funds - 30's Plan	11668.54	1	35421.10	24
Franklin India Life Stage Fund of Funds - 40's Plan	243187.37	4	14296.68	21
Franklin India Life Stage Fund of Funds - 50's Plus Floating Rate Plan	529844.37	36	621133.93	367
Franklin India Life Stage Fund of Funds - 50's Plus Plan	42787.41	3	41066.64	68
Franklin India Low Duration Fund	252874.44	9	1094984.52	3325

Scheme Name	Unclaimed Redemption*		Unclaimed Dividend*	
	Amount (Rs.)	Count	Amount (Rs.)	Count
Franklin India Monthly Income Plan	1193480.93	113	4942631.76	5668
Franklin India Multi-Asset Solution Fund	111611.77	5	0.00	0
Franklin India Opportunities Fund	12045191.57	383	30493854.99	12488
Franklin India Pension Plan	902876.85	38	1654172.68	748
Franklin India Prima Fund	12265640.04	388	17445119.44	5907
Franklin India Prima Plus	22484810.29	717	76882242.07	56165
Franklin India Savings Plus Fund Retail Option	1072454.29	74	422798.10	630
Franklin India Short Term Income Plan	790902.94	26	1762582.73	484
Franklin India SIP-PLAN A SHORT TERM SEP 24 02-GROWTH	0.00	0	1500.82	4
Franklin India Smaller Companies Fund	11557210.10	342	11579304.79	2817
FRANKLIN INDIA STRATEGIC INVESTMENT PLAN I PLAN A LONG TERM APRIL 25 2005	434081.68	3	0.00	0
Franklin India Taxshield	86177974.24	1756	84746788.31	45331
Franklin India Taxshield'98	855162.70	12	0.00	0
Franklin India Taxshield'99	1914812.79	58	4833.03	1
Franklin India Technology Fund	2065466.13	159	11605453.60	10556
Franklin India Treasury Management Account	358928.99	34	456.05	2
Franklin India Treasury Management Account- Unclaimed Dividend Plan	7983272.17	1177	669.33	1
Franklin India Treasury Management Account- Unclaimed Redemption Plan	3074973.97	211	632.09	2
Franklin India Ultra Short Bond Fund	775576.52	32	325201.74	107
Franklin Templeton Capital Protection Oriented Fund - 3 Years Plan	110470.51	3	193.17	1
Franklin Templeton Capital Protection Oriented Fund - 5 Years Plan	785321.25	23	39353.93	12
Franklin Templeton Capital Safety Fund - 3 Years Plan	8268885.85	290	381973.31	405
Franklin Templeton Capital Safety Fund - 5 Years Plan	8177159.39	288	1341864.65	436
Franklin Templeton Fixed Tenure Fund - Series XIV - Plan B	306215.66	9	13044.94	3
Franklin Templeton Fixed Tenure Fund Series I 60 Month Plan	143673.33	221	100786.83	24
Franklin Templeton Fixed Tenure Fund Series II 60 Month Plan	1680554.51	120	165449.96	29
Franklin Templeton Fixed Tenure Fund Series III 36 Month Plan	223109.25	9	24603.47	16
Franklin Templeton Fixed Tenure Fund Series IV 60 Month Plan	561009.34	56	67840.68	40
Franklin Templeton Fixed Tenure Fund - Series XV	250700.71	12	180395.45	6
Franklin Templeton Fixed Tenure Fund Series IX Plan A	38561.70	23	0.00	0

Scheme Name	Unclaimed Redemption*		Unclaimed Dividend*	
	Amount (Rs.)	Count	Amount (Rs.)	Count
Franklin Templeton Fixed Tenure Fund Series IX Plan B	27324.80	1	13738.46	6
Franklin Templeton Fixed Tenure Fund Series V 13 Months Plan	0.00	0	1437.57	1
Franklin Templeton Fixed Tenure Fund Series VI 60 Months Plan	1150878.43	31	190085.61	54
Franklin Templeton Fixed Tenure Fund Series VII 370 Days Plan	59632.32	1	0.00	0
Franklin Templeton Fixed Tenure Fund Series VIII 60 Months Plan A	181153.27	3	14135.54	6
Franklin Templeton Fixed Tenure Fund Series X - Plan A	98105.79	45	1282.00	2
Franklin Templeton Fixed Tenure Fund Series X - Plan B	51975.32	4	0.00	0
Franklin Templeton Fixed Tenure Fund Series X - Plan C	17334.54	1	4641.36	1
Franklin Templeton Fixed Tenure Fund Series XII - Plan A	391136.20	75	54629.90	17
Franklin Templeton Fixed Tenure Fund Series XII - Plan B	57064.18	3	160645.80	13
Franklin Templeton Fixed Tenure Fund Series XIII - Plan A	1596644.63	7	908741.94	76
Franklin Templeton Fixed Tenure Fund Series XIV - Plan A	54937.45	4	18455.56	7
FT India ASSET ALLOCATION FUND BALANCED GROWTH-DIVIDEND	82.57	1	0.00	0
FT India GILT INVESTMENT QUARTERLY DIVIDEND	0.00	0	8407.04	10
FT India INDEX FUND BSE SENSEX	3527.83	2	0.00	0
Templeton Fixed Horizon Fund - 3 Months Plan - Retail	0.00	0	1540.25	1
Templeton Fixed Horizon Fund Series I 13 Months Plan – Retail	13065.31	2	0.00	0
Templeton Fixed Horizon Fund Series I 15 Months Plan	459.43	1	0.00	0
Templeton Fixed Horizon Fund Series II - Plan A – Retail	20446.49	8	0.00	0
Templeton Fixed Horizon Fund Series II - Plan C – Retail	31.14	5	0.00	0
Templeton Fixed Horizon Fund Series IV - Plan A – Retail	66.31	1	0.00	0
Templeton Fixed Horizon Fund Series IX - Plan B	13007.32	2	0.00	0
Templeton Fixed Horizon Fund Series IX - Plan C	19513.44	1	0.00	0
Templeton Fixed Horizon Fund Series IX - Plan D	0.00	0	1143.75	1
Templeton Fixed Horizon Fund Series IX - Plan E	34267.80	55	0.00	0
Templeton Fixed Horizon Fund Series VII - Plan B – Retail	12533.35	3	0.00	0

Scheme Name	Unclaimed Redemption*		Unclaimed Dividend*	
	Amount (Rs.)	Count	Amount (Rs.)	Count
Templeton Fixed Horizon Fund Series VIII - Plan F	458.48	3	0.00	0
Templeton Fixed Horizon Fund Series X - Plan A	25895.79	1	0.00	0
Templeton Fixed Horizon Fund Series X - Plan B	0.00	0	5765.91	1
Templeton Fixed Horizon Fund Series X - Plan C	5521.78	1	3036.80	2
Templeton Fixed Horizon Fund Series X - Plan D	0.00	0	155.47	1
Templeton Fixed Horizon Fund Series XI - Plan A	9294.72	1	0.00	0
Templeton Fixed Horizon Fund Series XI - Plan G	39326.94	2	1840.12	1
Templeton Fixed Horizon Fund Series XI - Plan H	24758.81	1	0.00	0
Templeton Floating Rate INCOME FUND Short Term Plan Retail Option	410441.11	24	0.00	0
Templeton India CHILDREN's ASSET PLAN EDUCATION	23706.94	1	0.00	0
Templeton India CHILDREN's ASSET PLAN GIFT	66980.75	3	0.00	0
Templeton India Equity Income Fund	20503762.53	640	28127513.00	25088
Templeton India Growth Fund	3094842.39	132	9765058.41	3387
Templeton India Guaranteed Income Plan	18406.13	4	0.00	0
Templeton India MONEY MARKET ACCOUNT	67049.83	13	0.00	0
Templeton India TREASURY MANAGEMENT ACCOUNT LIQUID PLAN	67066.45	8	0.00	0
Templeton MONTHLY INCOME PLAN	448281.61	27	143671.46	145
Templeton Quarterly Interval Plan - Plan B - Retail	1154.73	1	294.76	3
Templeton Quarterly Interval Plan - Plan C - Retail	0.00	0	953.20	1
Details Not available#	5663953.41	528	1080117.34	941
Grand Total	**341409302.27**	**15308**	**415719973.34**	**230295**

This being historical data, details are unavailable.
*Includes demand drafts lying unclaimed with the banks which were cancelled and brought back in the respective scheme books.