

SCHEME INFORMATION DOCUMENT



FRANKLIN INDIA FLOATING RATE FUND

An open ended debt scheme predominantly investing in floating rate instruments (including fixed rate instruments converted to floating rate exposures using swaps/ derivatives).

A relatively high interest rate risk and moderate credit risk scheme.

| Fund Name | Product Labeling | | | |
|--|---|---|---|--|
| | This product is suitable for investors who are seeking* | | | |
| | Nature of scheme & indicative time horizon | Brief about the investment objective & kind of product | Level of risk (Based on portfolio as on September 30, 2023) | Level of risk of primary benchmark (Based on portfolio as on September 30, 2023) |
| Franklin India Floating Rate Fund (FIFRF) Primary Benchmark: CRISIL Low Duration Debt Index | Regular income for short term | A fund that invests primarily in floating rate and short term fixed rate debt instruments | Investors understand that their principal will be at Low to Moderate risk | Investors understand that their principal will be at Moderate risk |

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

Please refer to our website (<https://www.franklintempletonindia.com/downloadsServlet/pdf/product-labels-jg9o5k7l>) or latest Risk-o-meters of scheme and primary benchmark calculated in accordance with Para 5.16 and 17.4 of SEBI Master Circular on Mutual Funds dated May 19, 2023.

Potential Risk Class (PRC) Matrix for Franklin India Floating Rate Fund in accordance with Para 17.5 of SEBI Master Circular on Mutual Funds dated May 19, 2023.

| Max. Interest Rate Risk ↓ | Max. Credit Rate Risk → | | |
|------------------------------|-------------------------|--------------------------|--------------------|
| | POTENTIAL RISK CLASS | Relatively Low (Class A) | Moderate (Class B) |
| Relatively Low (Class I) | | | |
| Moderate (Class II) | | | |
| Relatively High (Class III) | | B-3 | |

Description of potential risk: Relatively high interest rate risk and moderate credit risk

Potential Risk Matrix contains Maximum Interest rate risk (calculated using Macaulay Duration of the scheme) and Maximum Credit Risk (calculated using the Credit Risk Value)

CONTINUOUS OFFER

Offer investor units on an ongoing basis at NAV based prices

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

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

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

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

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

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

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

This Scheme Information Document is dated October 31, 2023

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01. HIGHLIGHTS / SUMMARY OF THE SCHEME

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|--|--|
| Name of the Scheme | Franklin India Floating Rate Fund (FIRF) |
| Nature of the Scheme | An open ended debt scheme predominantly investing in floating rate instruments (including fixed rate instruments converted to floating rate exposures using swaps/ derivatives) |
| Scheme Code | FTMF/O/D/FLF/01/04/0015 |
| Investment Objective | The primary investment objective of the Scheme is to provide income and liquidity consistent with the prudent risk from a portfolio comprising of floating rate debt instruments, fixed rate debt instruments swapped for floating rate return, and also fixed rate instruments and money market instruments. |
| Plans & Options | <ul style="list-style-type: none"> • Growth Plan • IDCW Plan (with reinvestment only) • Direct – Growth Plan • Direct – IDCW Plan (with reinvestment only) <p>All the plans have a common portfolio. The face value of the Units is Rs.10 each.</p> <p>The investors must clearly indicate the plan/option (Growth, Direct – Growth, IDCW or Direct - IDCW) in the relevant space provided for in the Application Form. In the absence of such instruction, it will be assumed that the investor has opted for the Default Plan which shall be Direct Plan (for investments not routed through an AMFI registered mutual fund distributor) and Default Option, which is Growth in case Growth or IDCW is not indicated.</p> <p>Please refer to page 36 for details on Default Plan/Option. The Trustee / AMC reserve the right to alter / vary the default plan / option, after giving notice.</p> |
| Minimum Amount | Subscription / Redemption: Rs.1,000/- Systematic Investment Plan (SIP) – Rs. 500 and any amount in multiple of Re.1/- thereafter. |
| Pricing for on going subscription | Ongoing subscriptions / purchases will be at Applicable NAV |
| Redemption Price | Redemptions / repurchases will be done at the Applicable NAV, subject to applicable load |
| Load Structure* | Entry / Exit Load – Nil |
| Liquidity | The Scheme is open for repurchase/redemption on all Business Days. The redemption proceeds will be despatched to the unitholders within the regulatory time limit of 3 working days of the receipt of the valid redemption request at the Official Points of Acceptance of Transactions (OPAT) of the Mutual Fund. In case of exceptional situations, additional time for redemption payment may be taken. This shall be in line with AMFI letter dated January 16, 2023. |
| Benchmark | CRISIL Low Duration Debt Index |
| Transparency Disclosure | <ul style="list-style-type: none"> • The NAV will be calculated for every Business Day and can be viewed on www.franklintempletonindia.com and www.amfiindia.com. • NAV will be calculated up to four decimal places using standard rounding criteria. • The Fund would publish the half-yearly and annual results as per the SEBI Regulations. • The Mutual Fund shall disclose the scheme portfolios as on the last day of the month/ as on the last day of every half year ended March and September within 10 days from the close of each month / half-year respectively. Further, the Mutual Fund shall also disclose portfolio of the scheme on a fortnightly basis within 5 days from the end of the fortnight. The disclosure shall be on www.franklintempletonindia.com and www.amfiindia.com. The AMC shall send via email the fortnightly statement of scheme portfolio within 5 days from the close of each fortnight and the monthly and half-yearly statement of scheme portfolio within 10 days from the close of each month / half-year respectively. • In case NAV of Corporate Debt Market Development Fund ('CDMDF') units is not available by 9:30 p.m. of same Business Day, NAV |

| | |
|--|--|
| | declaration timing for Mutual Fund Schemes holding units of CDMDF shall be 10 a.m. on next business day instead of 11 p.m. on same Business Day. |
|--|--|

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

02. INTRODUCTION

A. RISK FACTORS

STANDARD RISK FACTORS

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

SCHEME SPECIFIC RISK FACTORS

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

perception or the credit worthiness of the issuer and general market liquidity, change in interest rate expectations and liquidity flows. This may expose the schemes to possible capital erosion.

6. **Reinvestment risk:** This risk refers to the interest rate levels at which cash flows received for the securities in the Scheme are reinvested. Investments in debt instruments are subject to reinvestment risks as interest rates prevailing on interest or maturity due dates may differ from the original coupon of the bond, which might result in the proceeds being invested at a lower rate. The additional risk from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.
7. **Liquidity or Marketability Risk:** This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is today characteristic of the Indian fixed income market.
8. Certain fixed income securities give an issuer the right to call its securities, before their maturity date, in periods of declining interest rates. The possibility of such pre-payment risk may force the fund to re-invest the proceeds of such investments in securities offering lower yields, thereby reducing the fund's interest income.
9. The scheme may invest in non-publicly offered debt securities. This may expose the scheme to liquidity risks.
10. Different types of securities in which the scheme would invest as given in the Scheme Information Document carry different levels and types of risks. Accordingly the scheme's risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher amount of risk than Government securities. Further even among corporate bonds, bonds which are AAA rated are comparatively less risky than bonds which are AA rated.
11. Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the scheme.

Risks associated with Securitised Debts

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

Risks associated with Securities Lending

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

Risks associated with Short-selling of Securities

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

Risks associated with derivatives

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

Risks associated with Imperfect Hedging using Interest Rate Futures (IRF)

22. **Basis risk** – While correlation between the underlying portfolio and IRF are tested, these are historical numbers and could diverge going forward. This could result in the hedge not working as desired.
23. **Yield curve slope risk** – The IRF hedge is done on a modified duration basis. This means that the maturity of the underlying instrument and the maturity of the IRF could be different. The hedge ratio is arrived at using the prescribed formula. This hedges the risk arising from a parallel shift in the yield curve. Any change in the slope of the yield curve (flattening/steepening) remains unhedged as residual risk.
24. **Spread risk** – The IRF is based on government securities and treasury bills. Imperfect hedging can be applied on portfolios comprised of corporate bonds as well. Corporate bond yield theoretically comprises of the risk free rate (systemic risk) and a credit spread (idiosyncratic risk). IRF would hedge out only the risk free rate. Any compression/expansion of credit spread of the underlying portfolio would not be hedged by the IRF.
25. **Liquidity/execution risk** – IRF are relatively new instruments traded on the exchanges and don't have as much liquidity as the OTC market in the underlying bond. This could expose the hedge to

liquidity (execution and wider bid-offer spread) risk and associated impact cost.

26. **Change in benchmark bond** – IRF of government bonds are based on the liquid, on the run securities. When the underlying security is phased out for issuance by Government of India, a new bond is typically issued. IRFs are subsequently issued on the new bond and the market liquidity shifts to the new bond and away from the older bond. This would also expose the hedge to liquidity risk and impact cost to shift from the older instrument to the newer instrument.
27. **Rollover risk** – IRF instruments are available upto a year in maturity, but typically the first few months are more liquid. If the holding period of the hedge exceeds the maturity of the IRF instrument's maturity, then the IRF would have to be rolled over at maturity. This could create rollover risk at maturity and associated costs.
28. **Unwinding risk**— An unexpected change in market conditions may require unwinding the derivative positions at disadvantageous prices during periods of heightened volatility e.g. if the yields slide lower due to a surprise RBI rate cut, participants with short Interest Rate Futures positions would seek to cut their losses and exit, leading to an increase in the price of the IRF, and negative price impact on the hedged portfolio there from.
29. **Correlation risk** – As per the extant regulation, the IRF has to have a 0.90 correlation coefficient with the underlying bond/portfolio, for the past 90 days, to be considered for imperfect hedging. If the correlation deteriorates going forward, the hedge may have to be removed with attendant impact costs.

Risks associated with participation in repo transactions in Corporate Debt Securities

30. **Counter-party risk** - Credit risk would arise if the counter-party fails to repurchase the security as contracted or if counterparty fails to return the security or interest received on due date. To mitigate such risks, the Schemes shall carry out repo transactions with only those counterparties, which has a credit rating of 'AA- and above'. In case of lending of funds as a repo buyer, minimum haircuts on the value of the collateral security have been stipulated, and we would receive the collateral security in the Scheme's account through an exchange settled matching process. Generally, we would have a limited number of counter-parties, comprising of Mutual Funds, Scheduled Commercial banks, Financial Institutions and Primary dealers etc. Similarly, in the event of the Scheme being unable to pay back the money to the counterparty as contracted, the counter-party may dispose off the assets (as they have sufficient margin) and the net proceeds may be refunded to the Scheme. Thus, the Scheme may suffer losses in such cases.
31. **Collateral Risk (as a repo buyer)** - Collateral risks arise due to fall in the value of the security (change in credit rating and/or interest rates) against which the money has been lent under the repo arrangement. To mitigate such risks, minimum haircuts have been stipulated on the value of the security. The Investment Manager may ask for a higher haircut depending upon the market conditions.

Risks associated with Investments in REITs and InvITs:

32. **Market Risk:** REITs and InvITs Investments are volatile and subject to price fluctuations on a daily basis owing to factors impacting the underlying assets. AMC/Fund Manager's will do the necessary due diligence but actual market movements may be at variance with the anticipated trends.
33. **Liquidity Risk:** As the liquidity of the investments made by the Scheme(s) could, at times, be restricted by trading volumes, settlement periods, dissolution of the trust, potential delisting of units on the exchange etc, the time taken by the Mutual Fund for liquidating the investments in the scheme may be high in the event of immediate redemption requirement. Investment in such securities may lead to increase in the scheme portfolio risk.
34. **Reinvestment Risk:** Investments in REITs & InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns.
35. **Regulatory/Legal Risk:** REITs and InvITs being new asset classes, rights of unit holders such as right to information etc may differ from existing capital market asset classes under Indian Law.

Risks associated with overseas investment

36. To the extent the assets of the scheme are invested in overseas financial assets, there may be risks associated with currency movements, restrictions on repatriation and transaction procedures in overseas market. Further, the repatriation of capital to India may also be hampered by changes in regulations or political circumstances as well as the application to it of other restrictions on investment. In addition, country risks would include events such as introduction of extraordinary exchange controls, economic deterioration, bi-lateral conflict leading to immobilisation of the overseas financial assets and the prevalent tax laws of the respective jurisdiction for execution of trades or otherwise.
37. **Currency Risk:** The fund may invest in overseas mutual fund / foreign securities as permitted by the

concerned regulatory authorities in India. Since the assets will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes/fluctuations in the value of the foreign currencies relative to the Indian Rupee.

Country Risk: The Country risk arises from the inability of a country, to meet its financial obligations. It is the risk encompassing economic, social and political conditions in a foreign country, which might adversely affect foreign investors' financial interests.

Risks of investing in floating rate debt instruments or fixed rate debt instruments swapped for floating rate return:

38. **Interest rate movement (Basis Risk):** As the fund will invest in floating rate instruments, these instruments' coupon will be reset periodically in line with the benchmark index movement. Normally, the interest rate risk of a floating rate instrument compared to a fixed rate instrument is limited. The changes in the prevailing rates of interest will likely affect the value of the Scheme's holdings until the next reset date and thus the value of the Scheme's Units. Increased rates of interest, which frequently accompany inflation and / or a growing economy, are likely to have a negative effect on the value of the Units. The value of securities held by the Scheme generally will vary inversely with changes in prevailing interest rates. The fund could be exposed to the interest rate risk (i) to the extent of time gap in resetting of the benchmark rates, and (ii) to the extent the benchmark index fails to capture the interest rate movement.
39. **Spread Movement (Spread Risk):** Though the basis (i.e. benchmark) gets readjusted on a regular basis, the spread (i.e. markup) over benchmark remains constant. This can result in some volatility to the holding period return of floating rate instruments.
40. **Settlement Risk (Counterparty Risk):** The floating rate assets may also be created by swapping a fixed return to a floating rate return. In such a swap, there may be an additional risk of counterparty who will pay floating rate return and receive fixed rate return.
41. **Risk factors associated with processing of transaction through Stock Exchange Mechanism**
The trading mechanism introduced by the stock exchange(s) is configured to accept and process transactions for mutual fund units in both Physical and Demat Form. The allotment and/or redemption of Units through NSE and/or BSE or any other recognised stock exchange(s), on any Business Day will depend upon the modalities of processing viz. collection of application form, order processing/settlement, etc. upon which the AMC has no control. Moreover, transactions conducted through the stock exchange mechanism shall be governed by the operating guidelines and directives issued by respective recognized stock exchange(s).
42. **Risk factors associated with investment in Tri-Party Repo**
All transactions of the mutual fund in government securities and in Tri-party Repo trades are settled centrally through the infrastructure and settlement systems provided by Clearing Corporation of India (CCIL). This reduces the settlement and counterparty risks considerably.
Mutual funds are member of securities segment and Triparty Repo trade settlement of CCIL. The members are required to contribute an amount from time to time to the default fund maintained by CCIL as a part of the default waterfall (a loss mitigating measure of CCIL in case of default by any member in settling transactions routed through CCIL). As per the waterfall mechanism, after the defaulter's margins and the defaulter's contribution to the default fund have been appropriated, CCIL's contribution is used to meet the losses. Post utilization of CCIL's contribution if there is a residual loss, it is appropriated from the default fund contributions of the non-defaulting members. Thus, the scheme is subject to risk of the initial margin and default fund contribution being invoked in the event of failure of any settlement obligations. Additionally, the fund contribution is allowed to meet the residual loss in case of default by the other clearing member (the defaulting member). CCIL maintains two separate Default Funds with respect to the Securities Segment. One with a view to meet losses arising out of any default by its members from outright and repo trades and the other for meeting losses arising out of any default by its members from Triparty Repo trades.
Therefore, mutual fund is exposed to the extent of its contribution to the default fund of CCIL, in the event that the contribution of the mutual fund is called upon to absorb settlement/default losses of another member by CCIL, as a result the scheme may lose an amount equivalent to its contribution to the default fund.

43. Backstop facility in form of investment in Corporate Debt Market Development Fund (CDMDF):

CDMDF is set up as a scheme of the Trust registered as an Alternative Investment Fund ('AIF') in accordance with the SEBI (Alternative Investment Funds) Regulations, 2012 ("AIF Regulations"). The objective of the CDMDF is to help to develop the corporate debt market by providing backstop facility to instill confidence amongst the market participants in the corporate debt/bond market during times of market dislocation and to enhance the secondary market liquidity. In times of market dislocation, CDMDF shall purchase and hold eligible corporate debt securities from the participating investors (i.e., specified debt-oriented MF schemes to begin with) and sell as markets recover. The CDMDF will thus act as a key enabler for facilitating liquidity in the corporate debt market and to respond quickly in times of market dislocation. The trigger and period for which the backstop facility will be open shall be as decided by SEBI. Thus, this backstop facility will help fund managers of the aforementioned Schemes to better generate liquidity during market dislocation to help the schemes fulfill liquidity obligations under stress situation.

In accordance with the requirement of regulation 43A of SEBI (Mutual Funds) Regulations, 1996 read with SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/129 dated July 27, 2023 on Investment by Mutual Fund Schemes in units of Corporate Debt Market Development Fund, the aforementioned schemes shall invest 25 bps of its AUM as on December 31, 2022 in the units of the Corporate Debt Market Development Fund ('CDMDF'). An incremental contribution to CDMDF shall be made every six months to ensure 25 bps of scheme AUM is invested in units of CDMDF. However, if AUM decreases there shall be no return or redemption from CDMDF. Contribution made to CDMDF, including the appreciations on the same, if any, shall be locked-in till winding up of the CDMDF.

Investments in CDMDF units shall not be considered as violation while considering maturity restriction as applicable for various purposes (including applicable Investment limits) and the calculations of Potential Risk Class (PRC) Matrix, Risk-o-meter, Stress testing and Duration for various purposes shall be done after excluding investments in units of CDMDF.

Risk Mitigation Factors:

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

Further, below is the synopsis through which we monitor and manage the liquidity risk:

| Liquidity Management tool | Description |
|--|--|
| Potential Risk Class Matrix and Risk-o-meter | The Potential Risk Class (PRC) matrix of the scheme is defined. The same is being monitored on a regular basis. Any change in the positioning of the scheme into a cell resulting in a risk (in terms of credit risk or duration risk) which is higher than the maximum risk specified for the chosen PRC cell, shall be considered as a fundamental attribute change of the scheme in terms of regulation 18(15A) of SEBI (Mutual Fund) Regulations, 1996. Risk-o-meter of the scheme is also reviewed on a monthly basis and latest risk-o-meter is published on website. |
| Liquidity Risk Management | All potential Liquidity Risk scenarios arising from the liability side is measured upto 99% confidence interval. The remedial measures are available for both for managing this risk on an ongoing basis (LRaR & LCRaR) as well as action plan in case there is a difference between actual outcome and projected outcome. |
| Stress Testing | The stress test is carried out on a monthly basis and if the market conditions require so, AMC may conduct more frequent stress test. This addresses the asset side risk from an Interest Rate, Credit and Liquidity Risk perspective at an aggregate portfolio level in terms of its impact on NAV of the scheme. |

| | |
|--------------------------------|---|
| Asset liability mismatch (ALM) | ALM requirement is monitored in accordance with Para 4.1 of SEBI Master Circular on Mutual Funds date May 19, 2023 which addresses potential Liquidity requirement over a 90-day period and required relevant asset side liquidity to be maintained. |
| Swing Pricing Framework | In case of severe liquidity stress on account of dysfunction at market level, the Swing Pricing guidelines get triggered which offers the contingency plan in case all else fails. The swing pricing framework will be made applicable only for scenarios related to net outflows from the schemes. |

B. REQUIREMENT OF MINIMUM NUMBER OF INVESTORS

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

C. SPECIAL CONSIDERATIONS

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

application form and payment to, for any transaction with the Fund. The Fund/Trustee or the AMC shall not be responsible for any acts done by the intermediaries representing or purportedly representing such investor.

- The AMC has obtained a certificate from SEBI to act as a Portfolio Manager under Securities and Exchange Board of India (Portfolio Managers) Rules and Regulations, 1993, vide registration No. INP00000464 and commenced the activity. The AMC has also obtained a No-Objection letter from SEBI under Regulation 24(2) of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 for commencing the Portfolio Managers activity. SEBI has accorded its no objection for providing non-binding investment advisory services to the group/ subsidiaries of the sponsor company for Franklin Templeton group, which are established outside India and invest in securities as FII or sub-accounts. The AMC has policies and systems in place to ensure that there is no conflict of interest between the aforesaid activities and to handle if any unavoidable conflict of interest, as envisaged in Regulation 24 of the SEBI (MF) Regulations, arises.

D. DEFINITIONS

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

| | |
|---|--|
| Applicable NAV | “Applicable NAV” is the Net Asset Value per unit applicable for the transaction (subscription / redemption / switch) based on the day and time on which the application is accepted at any ISC / Collection Centre, as evidenced by the electronic date / time stamp affixed at the ISC or Collection Centre. |
| Business Day | A day other than: (i) Saturday and Sunday; (ii) a day on which the banks in Mumbai and/or RBI are closed for business / clearing; (iii) a day on which the money markets are closed/not accessible; (iv) a day on which normal business could not be transacted due to storms, floods, bandhs, strikes or such other events as the AMC may specify from time to time; (v) a day on which sale and repurchase of units is suspended by the AMC; (vi) a day on which register of unitholders is closed; (vii) a day which is a holiday/non-working day at an ISC or a Collection Centre. However, it will be non business day for that location only. The AMC reserves the right to declare any day as a Business Day or otherwise at any or all ISCs or Collection Centres. |
| CDSC | Contingent Deferred Sales Charge |
| Entry / Sales Load | Load on subscriptions / purchases |
| Exit / Redemption Load | Load on redemption / repurchase other than CDSC |
| Franklin Templeton Investments/ Franklin Templeton | Franklin Templeton Mutual Fund, Franklin Resources Inc. and its subsidiary and associate entities including their employees, directors and key managerial persons. |
| ISC | Investor Service Centre of the Asset Management Company |
| Collection Centres | The location (other than ISC) that is declared as an official point of acceptance for all transactions but where no Investor or Distributor services are offered. These locations would only accept and acknowledge transactions as per SEBI guidelines. |
| Foreign Securities | Depository Receipts (DR) / Foreign Currency Convertible Bond (FCCB) issued by Indian companies, shares of different classes / stocks / warrants / DRs of overseas companies, foreign debt securities (short term as well as long term debt instruments – convertible or non-convertible), foreign government securities, units/securities issued by overseas mutual funds or unit trusts, overseas exchange traded funds (ETFs), foreign derivatives and such other overseas financial assets/instruments as may be permitted by SEBI/RBI/other regulatory authorities from time to time. |
| Franklin Templeton | Franklin Templeton Mutual Fund, Franklin Resources Inc. and its subsidiary |

| | |
|--|--|
| Investments/ Franklin Templeton | and associate entities including their employees, directors and key managerial persons. |
| Gilt / Government Securities | As defined under Section 2(b) of the Securities Contracts (Regulation) Act, 1956, Government Security means a security created and issued, whether before or after the commencement of this Act, by the Central Government or a State Government for the purpose of raising a public loan and having one of the forms specified in clause (2) of Section 2 of the Public Debt Act, 1944. With effect from December 1, 2007, Government Securities are regulated under Government Securities Act, 2006, as amended or re-enacted from time to time. This Act will apply to all Government securities created and issued even prior to December 1, 2007. |
| Money Market Instruments | Commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, usance bills, (repos / reverse repos), TREPs and any other like instruments as specified by the Reserve Bank of India from time to time |
| NAV | Net Asset Value of the Units of Franklin India Floating Rate Fund |
| SAI | Statement of Additional Information of Franklin Templeton Mutual Fund |
| Scheme Information Document | The document issued by Franklin Templeton Mutual Fund offering units of Franklin India Floating Rate Fund. |
| Repo / Reverse Repo | Sale/Purchase of Government Securities as may be allowed by RBI from time to time with simultaneous agreement to repurchase/resell them at a later date. |
| Scheme | Franklin India Floating Rate Fund (FIFRF) |
| Unit | The interest of an investor, which consists of, one undivided shares in the Net Assets of Franklin India Floating Rate Fund. |
| Unitholder | A person holding Units in Franklin India Floating Rate Fund. |

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

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

E. DUE DILIGENCE CERTIFICATE

It is confirmed that:

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

Sd/-
Saurabh Gangrade
Compliance Officer

Date: October 31, 2023
Place: Mumbai

03. INFORMATION ABOUT THE SCHEME

A. NAME & TYPE OF THE SCHEME

Franklin India Floating Rate Fund, an open ended debt scheme predominantly investing in floating rate instruments (including fixed rate instruments converted to floating rate exposures using swaps/ derivatives).

The Scheme was originally launched as 'Templeton India Liquid Plus' (TILP) and was renamed as 'Templeton India Cash Management Account' (TICMA) effective February 17, 2009 pursuant to Para 1.13 of SEBI Master Circular on Mutual Funds dated May 19, 2023, as Franklin India Cash Management Account' (TICMA) effective June 30, 2014 and as Franklin India Floating Rate Fund effective June 4, 2018.

B. INVESTMENT OBJECTIVES

The primary investment objective of the Scheme is to provide income and liquidity consistent with the prudent risk from a portfolio comprising of floating rate debt instruments, fixed rate debt instruments swapped for floating rate return, and also fixed rate instruments and money market instruments.

The investment policies of the scheme shall be as per SEBI (Mutual Funds) Regulations, 1996, and within the following guidelines in conformity with Investment Management Agreement and Trust Deed.

C. ASSET ALLOCATION PATTERN

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

| Instruments | As % of Net Assets# | Risk Profile |
|---|---------------------|---------------|
| | Min- Max | |
| Floating Rate debt instruments (including fixed rate instruments converted to floating rate exposures using swaps/ derivatives) | 65-100% | Low to Medium |
| Debt (other than floating rate instruments), Money market instruments and Real Estate Investment Trusts (REIT)/ Infrastructure Investment Trust (InvIT) | 0-35% | Low to Medium |

#The Scheme may have exposure in the following:

1. Securitised Debt up to 50% of net assets
2. Foreign securities as may be permitted by SEBI/RBI upto 50% of net assets
3. Derivatives up to a maximum of 65% of net assets. Investment in derivatives including imperfect hedging using Interest Rate Futures shall be in line with the guidelines prescribed by SEBI from time to time. The exposure limit per scrip/instrument shall be to the extent permitted by the SEBI Regulation for the time being in force. These limits will be reviewed by the AMC from time to time.
4. Repos in corporate debt securities
5. Short Selling
6. Securities Lending - A maximum of 40% of net assets may be deployed in securities lending and the maximum single party exposure may be restricted to 10%^ of net assets outstanding at any point of time.

^ Presently, Securities lending and borrowing (SLB) is an Exchange traded product. Counterparty is not known for transactions carried out under SLB segment and they are guaranteed by Clearing Corporations and hence do not carry any counter party risk. Accordingly, single party exposure limit will not apply to trades on Stock Exchange platform. Single party exposure limits can only apply in case of OTC (over the counter) trades where counterparty can be identified.

7. REITs and InvITs - A maximum of 10% of net assets may be deployed in REITs and InvITs and the maximum single issuer exposure may be restricted to 5% of net assets or upto the limits permitted by SEBI from time to time.

It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially (subject to and within the maximum limits prescribed above) depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unit holders. The asset allocation pattern described above may alter from time to time on a short-term basis on defensive considerations as per Para 2.9 of SEBI Master Circular on Mutual Funds

dated May 19, 2023, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors (i.e., for reasons other than downgrade in rating) and would, in such cases, shall be rebalanced within 30 calendar days from date of deviation. However, if the asset allocation pattern is to be altered for other reasons, as this is a fundamental attribute, the procedure outlined in the paragraph on fundamental attributes below, shall be followed.

In accordance with the requirement of regulation 43A of SEBI (Mutual Funds) Regulations, 1996 read with SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/129 dated July 27, 2023 on Investment by Mutual Fund Schemes and AMC's in units of Corporate Debt Market Development Fund, scheme shall invest 25 bps of its AUM as on December 31, 2022 in the units of the Corporate Debt Market Development Fund ('CDMDF') within 10 working days from the request of CDMDF. Further, an incremental contribution to CDMDF shall be made every six months within 10 working days from the end of half year starting from December 2023 to ensure 25 bps of scheme AUM is invested in units of CDMDF. However, if AUM decreases there shall be no return or redemption from CDMDF. Contribution made to CDMDF, including the appreciations on the same, if any, shall be locked-in till winding up of the CDMDF.

However, in case of winding up of contributing Scheme, inter-scheme transfers within the same Mutual Fund or across Mutual Funds may be undertaken.

Further, investments in CDMDF units shall not be considered as violation while considering maturity restriction as applicable for various purposes (including applicable Investment limits) and the calculations of Potential Risk Class (PRC) Matrix, Risk-o-meter, Stress testing and Duration for various purposes shall be done after excluding investments in units of CDMDF.

Portfolio Rebalancing

In the event of deviations the portfolio will be rebalanced as per Para 2.9 of SEBI Master Circular on Mutual Funds dated May 19, 2023. In the event of deviation from mandated asset allocation mentioned in the Scheme Information Document (SID) due to passive breaches (occurrence of instances not arising out of omission and commission of AMC's), rebalancing period shall be 30 Business Days. Where the portfolio is not rebalanced within 30 Business Days justification in writing, including details of efforts taken to rebalance the portfolio shall be placed before the Investment Committee. The Investment committee shall then decide on the course of action. The Investment Committee, if so desires, can extend the timelines up to sixty (60) business days from the date of completion of mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

All the reporting and disclosure requirements as mentioned in Para 2.9 of SEBI Master Circular on Mutual Funds dated May 19, 2023 shall be complied with. This includes disclosure to investors in case the AUM of deviated portfolio is more than 10% of the AUM of main portfolio of scheme.

In accordance with Para 4.6 of SEBI Master Circular on Mutual Funds dated May 19 2023, the scheme shall hold at least 10% of their net assets in liquid assets. For this purpose, 'liquid assets' shall include Cash, Government Securities, T-bills and Repo on Government Securities. Such investment shall not be included for determining the scheme characteristics as specified in Part IV of SEBI Master Circular on Mutual Funds dated May 19, 2023. In case, the exposure in such liquid assets / securities falls below the SEBI prescribed threshold, the AMC shall ensure compliance with the above requirement before making any further investments.

NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio.

D. WHERE WILL THE SCHEME INVEST

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

- (a) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills)
- (b) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government
- (c) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or

other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI / RBI from time to time

- (d) Domestic securitised debt, pass through obligations, various types of securitisation issuances including but not limited to Asset Backed Securitisation, Mortgage Backed Securitisation, single loan securitisation and other domestic securitisation instruments, and so on as may be permitted by SEBI from time to time.
- (e) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Reverse Repo, and other Money Market Instruments as may be permitted by SEBI / RBI from time to time.
- (f) Domestic derivatives including Interest Rate Futures, Interest rate swaps, imperfect hedging and other derivative instruments are permitted by SEBI from time to time
- (g) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time
- (h) Foreign Securities
- (i) Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)
- (j) Repo of corporate debt securities
- (k) Any other domestic debt and money market instruments that may be available from time to time.

Further, the scheme investing in Foreign Securities may invest in various types of instruments including, but not limited to, any of the following:

- (a) foreign debt securities (non-convertible) in the countries with fully convertible currencies
- (b) overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies
- (c) Overseas Money market instruments rated not below investment grade
- (d) Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme)
- (e) Foreign government securities where the countries are rated not below investment grade
- (f) Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities)
- (g) Short term deposits with banks overseas where the issuer is rated not below investment grade
- (h) Overseas Exchange Traded Funds (ETFs)
- (i) units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets).
- (j) Units of Corporate Debt Market Development Fund
- (k) Any other permitted overseas securities / instruments that may be available from time to time.

Investment in Foreign Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.

OVERVIEW OF DEBT MARKET

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

The bond markets are developing fast with the rapid introduction of new instruments including derivatives. Foreign Institutional Investors are also allowed to invest in Indian debt markets now. Currently the daily average trading volume in the market ranges between Rs.50,000 crores to Rs.60,000 crores, of which about 90% comprises the government securities.

The various debt instruments currently available for investments are:

| Instruments | Current Yields* | Liquidity |
|---|-----------------|---------------|
| Central/State Government securities | 6.50% to 7.90% | Very high |
| PSU Bonds/Corporate debentures | 6.85% to 15.00% | Medium – High |
| Commercial Papers/Certificate of deposits | 6.80% to 9.00% | High |
| Call/Notice Money | 6.25% to 6.85% | Very high |

| Instruments | Current Yields* | Liquidity |
|--------------|-----------------|-----------|
| Repo / TREPS | 6.00% to 6.90% | Very high |

*Yields as of 11th Oct.2023

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

INVESTMENT IN FOREIGN SECURITIES

The Scheme may invest in permitted Foreign Securities and any other overseas instruments as may be permitted by SEBI/RBI/other regulatory authorities from time to time.

As per Para 12.19 of SEBI Master Circular on Mutual Funds dated May 19, 2023 has issued guidelines pertaining to investments in overseas financial assets. Accordingly, the investments in Foreign Securities shall be made in compliance with the said circular.

The Fund has appointed a dedicated fund manager for the purpose of investment in overseas financial assets (except for investment in units/securities of overseas mutual funds/unit trusts/ETFs and such other securities/instruments as may be permitted by SEBI from time to time) as prescribed in the aforesaid SEBI circular. Service of custodian and other intermediaries/advisors of international repute will be used for managing and administering such investments. The appointment of such intermediaries shall be in accordance with the applicable requirements of SEBI and within the permissible ceilings of expenses. The fees and expenses would include, besides the investments management fees, custody fees and costs, fees of appointed advisors and sub-managers, transaction costs and overseas regulatory costs.

Offshore investment will be made subject to any/ all approvals/conditions thereof as may be stipulated by SEBI/ RBI/ other regulatory authorities. Boards of asset management companies (AMCs) and trustees shall exercise due diligence in making investment decisions as required under Regulation 25(2). They shall make a detailed analysis of risks and returns of investment in foreign securities and how these investments would be in the interest of investors. Investment must be made in liquid actively traded securities/instruments and such other types of securities/instruments as may be permitted by SEBI from time to time. Boards of AMCs and trustees may prescribe detailed parameters for making such investments, which may include identification of countries, country rating, country limits, etc. They shall satisfy themselves that the AMC has experienced key personnel, research facilities and infrastructure for making such investments. Other specialised agencies and service providers associated with such investments e.g. custodian, bank, advisors, etc should also have adequate expertise and infrastructure facilities. Their past track record of performance and regulatory compliance record, if they are registered with foreign regulators, may also be considered. Necessary agreements may be entered into with them as considered necessary. All investment decisions shall be recorded in accordance with para 12.19.3.2.a of SEBI Master Circular on Mutual Funds dated May 19, 2023. Such investments shall be disclosed while disclosing half-yearly portfolios in the prescribed format by making a separate heading "Foreign Securities/overseas ETFs." Scheme-wise percentage of investments made in such securities shall be disclosed while publishing half-yearly results in the prescribed format, as a footnote.

It is the investment manager's belief that overseas securities offer new investment and portfolio diversification opportunities into multi-market and multi-currency products. However, such investments also entail additional risks.

Investment in derivatives traded on recognised stock exchanges overseas shall be made only for hedging and portfolio balancing with underlying as securities. The schemes shall not invest in foreign securitised debts.

As advised by SEBI, in order to avoid breach of industry-wide overseas investment limits as allowed by RBI and as per Para 12.19.1.3.b and 12.19.1.3.c of SEBI Master Circular of Mutual Funds dated May 19, 2023, the total investment in overseas funds or securities across all schemes of FTMF is capped at the level as of February 1, 2022. The aforesaid capping is temporary in nature and will continue only till further enhancement of limit by Regulators in this regard.

INVESTMENTS IN DERIVATIVE INSTRUMENTS

Brief note on investment in derivative instruments

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

On the fixed income side, an interest rate swap agreement from fixed rate to floating rate is an example of how derivatives can be an effective hedge for the portfolio in a rising interest rate environment.

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

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

Position Limits:

The scheme may enter into derivative transactions in line with the guidelines prescribed by SEBI from time to time. The exposure limit per scrip/instrument shall be to the extent permitted by the SEBI Regulation for the time being in force. These limits will be reviewed by the AMC from time to time.

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

The cumulative gross exposure through equity, debt and derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time) should not exceed 100% of the net assets of the scheme. Exposure due to hedging positions may not be included in the above-mentioned limit subject to the following:

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

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

Pursuant to SEBI letter dated November 03, 2022, Cash or cash equivalents shall consist of following securities having residual maturity of less than 91 days:

- 1) Government Securities
- 2) T-Bills
- 3) Repo on Government Securities

Purpose of investment:

- Trading in derivatives by the scheme shall be restricted to hedging and portfolio balancing purposes.
- The scheme shall fully cover its positions in the derivatives market by holding underlying securities/cash or cash equivalents/option and/or obligation for acquiring underlying assets to honour the obligations contracted in the derivatives market.
- Separate records shall be maintained for holding the cash and cash equivalents/securities for this purpose.

- The securities held shall be marked to market by the AMC to ensure full coverage of investments made in derivative products at all time.

Valuation:

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

Interest Rate Swaps (IRS):

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

The Scheme may enter into plain vanilla Interest Rate Swaps (IRS) for hedging purposes. The value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme.

In case of participation in IRS is through over the counter transactions, the counter party has to be an entity recognized as a market maker by RBI and exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme. However, if Scheme is transacting in IRS through an electronic trading platform offered by the Clearing Corporation of India Ltd. (CCIL) and CCIL is the central counterparty for such transactions guaranteeing settlement, the single counterparty limit of 10% shall not be applicable

The scheme shall use derivative position for hedging the portfolio risk on a non-leverage basis. The scheme shall fully cover their positions in the derivatives market by holding underlying securities / cash or cash equivalents / option and / or obligation for acquiring underlying assets to honour the obligations contracted in the derivatives market.

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

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

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

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

On December 1, they will calculate as explained below:

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

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

Forward Rate Agreement (FRA)

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

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

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

Risks:

Interest rate swaps and Forward Rate Agreement require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that the derivative adds to the portfolio and the ability to forecast failure of another party (usually referred to as the “counter-party”) to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mis-pricing or improper valuation of derivatives, the credit risk where the danger is that of a counter-party failing to honour its commitment, liquidity risk where the danger is that the derivative cannot be sold at prices that reflect the underlying assets, rates and indices, and price risk where the market price may move in adverse fashion.

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

Interest Rate Futures and Imperfect Hedging

An Interest Rate Futures (‘IRF’) contract is “an agreement to buy or sell a debt instrument at a specified future date at a price that is fixed today.” The underlying security for Interest Rate Futures is either Government Bond or T-Bill. Interest Rate Futures are Exchange traded and standardized contracts based on 6 year, 10 year and 13 year Government of India Security and 91-day Government of India Treasury Bill (91DTB). These future contracts are cash settled. These instruments can be used for hedging the underlying cash positions.

Numerical Example –

When the underlying asset being hedged and the IRF contract are based on the same instrument, the hedge is known as a perfect hedge.

Imperfect hedging is when the underlying asset being hedged and the IRF contract has a 90 day correlation of closing prices of more than 90%. If such a correlation does not exist at any time, the derivative position shall be counted as exposure. Maximum permissible imperfect hedging is 20%. For example, assume a portfolio comprising the following structure:

| Security | Amount (crs) | Price (INR) |
|----------------|--------------|-------------|
| IGB 6.79% 2027 | 50 | 94.6 |
| IGB 6.68% 2031 | 25 | 91 |
| IGB 7.17% 2028 | 15 | 98 |
| Cash | 10 | - |
| Total | 100 | |

Assuming the fund manager intends to hedge the portfolio using IRF and uses contracts on IGB 6.79% 2027 as it is most liquid. Maximum permissible imperfect hedging is 20%. For the above fund is 100*20% = INR 20 crores. Maximum perfect hedging using 6.79% 2027 is INR 50 crores. Total hedge the fund can enter into is INR 50 crores + INR 20 crores = INR 70 crores. Assuming the 90 day historical correlation between the instruments in the portfolio are as follows:

| 90 day historical correlation | IGB 6.79% 2027 | IGB 6.68% 2031 | IGB 7.17% 2028 |
|-------------------------------|----------------|----------------|----------------|
| | | | |

| | | | |
|-----------------------|------|------|------|
| IGB 6.79% 2027 | 1 | 0.95 | 0.85 |
| IGB 6.68% 2031 | 0.95 | 1 | 0.80 |
| IGB 7.17% 2028 | 0.85 | 0.80 | 1 |

Given that we are using IRF on 6.79% 2027, we can hedge 6.68% 2031 using IRFs as correlation is more than 90% upto INR 20 crores (based on the 20% limit of imperfect hedging). Since one contract of IRF has a notional value of INR 2 lakhs, in this example the fund manager may sell (INR 70 crores/2 lakhs) 3500 contracts, to hedge his position.

Scenario 1: When the bonds close higher than at the time the hedge was entered into:

| Security | Amount (crs) | Price before hedging (INR) | Price on maturity of hedge (INR) | Gain/Loss | Net Gain (INR lakhs) |
|------------------------------------|--------------|----------------------------|----------------------------------|-----------|----------------------|
| IGB 6.79% 2027 | 50 | 94.6 | 94.7 | 0.1 | 5 |
| IGB 6.68% 2031 | 25 | 91 | 91.15 | 0.15 | 3.75 |
| IGB 7.17% 2028 | 15 | 98 | 98.05 | 0.05 | 0.75 |
| Cash | 10 | | | | |
| Without IRF | | | | | 9.5 |
| IRF based on IGB 6.79% 2027 | 70 | 94.5 | 94.65 | -0.15 | -10.5 |
| Total with IRF | 100 | | | | -1 |

Scenario 2: When the bonds close lower than at the time the hedge was entered into:

| Security | Amount (crs) | Price before hedging (INR) | Price on maturity of hedge (INR) | Gain/Loss | Net Gain (INR lakhs) |
|------------------------------------|--------------|----------------------------|----------------------------------|-----------|----------------------|
| IGB 6.79% 2027 | 50 | 94.6 | 94.5 | -0.1 | -5 |
| IGB 6.68% 2031 | 25 | 92 | 91.85 | -0.15 | -3.75 |
| IGB 7.17% 2028 | 15 | 100 | 99.95 | -0.05 | -0.75 |
| Cash | 10 | | | | - |
| Without IRF | | | | | -9.5 |
| IRF based on IGB 6.79% 2027 | 70 | 98.5 | 98.45 | 0.05 | 3.5 |
| Total with IRF | 100 | | | | -6 |

As can be seen in the cases above, IRFs help in reducing the volatility of the loss/gain to the fund in case of yield movements.

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

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

SECURITIES LENDING

If permitted by SEBI under extant regulations/guidelines, the Scheme may also engage in scrip lending as provided under Securities Lending Scheme 1997, as per Para 12.11 of SEBI Master Circular on Mutual Funds dated May 19, 2023, and other applicable guidelines/regulations, as amended from time to time. Scrip lending means lending a security to another person or entity for a fixed period of time, at a negotiated compensation. The security lent will be returned by the borrower on or before the expiry of the stipulated period.

The AMC will comply with the required reporting obligations and the Trustee will carry out the reviews required under SEBI/RBI guidelines. Further a maximum of 40% of net assets will be deployed in securities lending and the maximum single party exposure will be restricted to 10%# of net assets outstanding at any point of time.

Presently, Securities lending and borrowing (SLB) is an Exchange traded product. Counterparty is not known for transactions carried out under SLB segment and they are guaranteed by Clearing Corporations and hence do not carry any counter party risk. Accordingly, single party exposure limit will not apply to trades on Stock Exchange platform. Single party exposure limits can only apply in case of OTC (over the counter) trades where counterparty can be identified.

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

SHORT SELLING OF SECURITIES

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

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

INVESTMENT IN SECURITISED DEBT

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

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

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

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

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

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

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

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

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

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

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

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

- Credit risk at the asset/originator/portfolio/pool level
 - The quality of the pool is a crucial element in assessing credit risk. In the Indian context, generally, pools are 'cherry-picked' using positive selection criteria. To protect the investor from adverse selection of pool contracts, the rating agencies normally take into consideration pool characteristics such as pool seasoning (seasoning represents the number of instalments paid by borrower till date: higher seasoning represents better quality), over dues at the time of selection and Loan to Value (LTV). To assess its risk profile vis-à-vis the overall portfolio, the pool is analysed with regard to geographical location, borrower profile, LTV, and tenure.
- Counterparty risk
 - This includes Servicer Risk, co-mingling risk etc. The rating agencies generally mitigate such risks through the usage of stringent counterparty selection and replacement criteria to reduce the risk of failure.
- Bankruptcy risk
 - Of the Originator –
 - Normally, specific care is taken in structuring the securitization transaction so as to minimize the risk of the sale to the trust not being construed as a 'true sale'. It is also in the Interest of the originator to demonstrate the transaction as a true sell to get the necessary revenue recognition and tax benefits.
 - Of the Investors' agent
 - All possible care is normally taken in structuring the transaction and drafting the underlying documents so as to provide that the assets/receivables if and when held by Investor's Agent is held as agent and in Trust for the Investors and shall not form part of the personal assets of Investor's Agent.
- Legal risks
 - The rating agency normally conducts a detailed study of the legal documents to ensure that the investors' interest is not compromised and relevant protection and safeguards are built into the transaction.
 - Various market risks like interest rate risk, macro-economic risks
 - Assessment of risks related to business for example outlook for the economy, outlook for the industry and factors specific to the issuer/originator.

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

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

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

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

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

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

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

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

Critical Evaluation Criteria

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

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

Further, investments in securitized debt will be done in accordance with the investment restrictions specified under the SEBI Regulations/ this Scheme Information Document which would help in mitigating certain risks. Currently, as per the Regulations, the Scheme cannot invest more than 10% of its net assets in debt instruments (irrespective of residual maturity) issued by a single issuer which are rated not below investment grade by a credit rating agency authorized to carry out such activity under the Act. Such investment limit may be extended to 12% of the net assets of the Scheme with the prior approval of the Board of Trustees and the Board of the AMC.

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

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

| Characteristics/ Type of Pool | Mortgage Loan | Commercial Vehicle and Construction Equipment | CAR | 2 wheelers | Micro Finance Pools | Person al Loans | Single Sell down \$ | Others |
|---|-------------------------|--|---------------------------|---------------------|---------------------------|-------------------------|------------------------------|---|
| Approximate Average maturity (in Months) | Upto 10 years | Upto 5 years | Upto 5 years | Upto 48 months | Upto 80 weeks | Upto 3 years | Case by case basis | As and when new asset classes of securi zed debt are introdu ced, the invest ments in such instrum ents will be |
| Collateral margin (including cash, guarantees, excess interest spread, subordinate tranche) | In excess of 3% | In excess of 4% | In exce ss of 4% | In excess of 4% | In excess of 5% | In excess of 5% | Case by case basis | |
| Average Loan to Value Ratio | 95% or lower | 100% or lower ** | 95% or lower | 95% or lower | Unsecur ed | Unsecur ed | Case by case basis | |
| Average seasoning of the Pool | Minimu m 2 months | Minimum 2 months | Mini mum 2 mont | Minimum 2 months | Minimum 2 weeks | Minimu m 2 months | Case by case basis | |

| Characteristics/ Type of Pool | Mortgage Loan | Commercial Vehicle and Construction Equipment | CAR | 2 wheelers | Micro Finance Pools | Person al Loans | Single Sell down \$ | Others |
|---|------------------|--|------------------------|---------------------|--------------------------------------|------------------------|------------------------------|---|
| | | | hs | | | | | evaluated on a case by case basis |
| Maximum single exposure range * | < 5% | < 5% | NA (retail pool) | NA (retail pool) | NA (Very Small retail pool) | NA (retail pool) | Not applica ble | |
| Average single exposure range % * | < 5% | < 5% | < 2% | < 1% | < 1% | < 1% | Not applica ble | |

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

** LTV Based on chassis value

\$ Broad evaluation criteria as per point 3 above

Notes:

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

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

- Size of the loan - the size of each loan is generally analysed on a sample basis and an analysis of the static pool of the originator is undertaken to ensure that the same matches with the static pool characteristics. It also indicates whether there is high reliance on very small ticket size borrower which could result in delayed and expensive recoveries.
- Average original maturity of the pool of underlying assets
- The analysis of average maturity of the pool is undertaken to evaluate whether the tenor of the loans are generally in line with the average loans in the respective industry and repayment capacity of the borrower.
- Loan to value ratio, average seasoning of the pool of underlying assets - these parameters would be evaluated based on the asset class as mentioned in the table above.
- Default rate distribution - the Fixed Income team generally ensures that all the contracts in the pool are current to ensure zero default rate distribution.
- Geographical distribution - the analysis of geographical distribution of the pool is undertaken to ensure prevention of concentration risk.
- Credit enhancement facility - credit enhancement facilities in the form of cash collateral, such as fixed deposits, bank guarantee etc could be obtained as a risk mitigation measure.
- Liquidity facility - these parameters will be evaluated based on the asset class as mentioned in the table above.
- Structure of the pool of underlying assets - The structure of the pool of underlying assets would be either single asset class or combination of various asset classes as mentioned in the table above. We could add new asset class depending upon the securitization structure and changes in market acceptability of asset classes.

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

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

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

Same as point 5 above.

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

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

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

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

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

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

INVESTMENT IN CORPORATE DEBT MARKET DEVELOPMENT FUND (CDMDF)-

In accordance with the requirement of regulation 43A of SEBI (Mutual Funds) Regulations, 1996 read with SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/129 dated July 27, 2023 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, scheme shall invest 25 bps of its AUM.

CDMDF Framework-

CDMDF shall comply with the Guarantee Scheme for Corporate Debt (GSCD) as notified by Ministry of Finance vide notification no. G.S.R. 559(E) dated July 26, 2023 and SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/128 dated July 27, 2023 and circulars / guidelines/ Letters issued by SEBI and AMFI from time to time, which includes the framework for corporate debt market development fund. The framework will inclusive of following points-

- a) The CDMDF shall deal only in following securities during normal times:
 - Low duration Government Securities
 - Treasury bills
 - Tri-party Repo on G-sec
 - Guaranteed corporate bond repo with maturity not exceeding 7 days
- b) The fees and expenses of CDMDF shall be as follows:
 - During Normal times: (0.15% + tax) of the Portfolio Value charged on daily pro-rata basis.
 - During Market stress: (0.20% + tax) of the Portfolio Value charged on daily pro-rata basis.
 - “Portfolio Value” means the aggregate amount of portfolio of investments including cash balance without netting off of leverage undertaken by the CDMDF.
- c) Corporate debt securities to be bought by CDMDF during market dislocation include listed money market instruments. The long term rating of issuers shall be considered for the money market instruments. However, if there is no long term rating available for the same issuer, then based on credit rating mapping of CRAs between short term and long term ratings, the most conservative long term rating shall be taken for a given short term rating.

- d) CDMDF shall follow the Fair Pricing document, while purchase of corporate debt securities during market dislocation as specified in SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/128 dated July 27, 2023 and circulars / guidelines/ Letters issued by SEBI and AMFI from time to time.
- e) CDMDF shall follow the loss waterfall accounting and guidelines w.r.t. purchase allocation and trade settlement of corporate debt securities bought by CDMDF, specified in SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/128 dated July 27, 2023 and circulars / guidelines/ Letters issued by SEBI and AMFI from time to time.

Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs):

In accordance with Para 12.21 of SEBI Master Circular on Mutual Funds dated May 19, 2023 and amendments thereto from time to time, the Scheme may invest in units of Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs) within the stipulated investment limits.

Investments in repo of corporate debt securities:

➤ **Guidelines for participation in repo of corporate debt securities**

As per Para 12.18 of SEBI Master Circular on Mutual Funds dated May 19, 2023 enabled mutual funds to participate in repos in corporate debt securities as per the guidelines issued by Reserve Bank of India (RBI) from time to time and subject to few conditions listed in the said SEBI circular.

Applicable conditions are as follows:

- The gross exposure of any mutual fund scheme to repo transactions in corporate debt securities shall not be more than 10 % of the net assets of the concerned scheme.
- The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt and derivatives shall not exceed 100% of the net assets of the concerned scheme.
- Para 12.18 of SEBI Master Circular on Mutual Funds dated May 19, 2023 allows Mutual funds to participate in repos in corporate bond securities.
- In terms of Regulation 44 (2) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, mutual funds shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.

Other guidelines are as follows:

- **Category of counter party & Credit rating of counter party**
All entities eligible for transacting in corporate bond repos as defined by SEBI and RBI shall be considered for repo investments with the caveat that the credit rating of the counterparty should be equal to or higher than AA- (long term rating).
- **Tenor of Repo**
Tenor of repo shall be capped to 3 months as against maximum permissible tenor of 6 months. Any repo for a tenor beyond 3 months shall require prior approval from investment committee of the fund. There shall be no restriction / limitation on the tenor of collateral.
- **Applicable haircut**
As per the RBI circular RBI/2012-13/365 IDMD.PCD.09/14.03.02/2012-13, the minimum haircut applicable on the market value of the corporate debt securities prevailing on the date of trade of 1st leg, would be as under:

| Rating | AAA | AA+ | AA |
|-----------------|------|------|-----|
| Minimum Haircut | 7.5% | 8.5% | 10% |

As per the SEBI guidelines, Mutual Funds may undertake repo in only AA and above rated corporate bond securities. Also, the Fund Manager may ask for a higher haircut (while lending) or give a higher haircut (while borrowing) depending on the prevailing market situation.

SEBI has recommended for setting up a Limited Purpose Clearing Corporation (LPCC) for clearing and settling repo transactions in corporate debt securities by contributing an amount of INR 150 crore at the industry level. The AMC shall contribute INR 150 Cr. towards share capital of LPCC in proportion to the Asset Under Management (AUM) of open ended debt oriented mutual fund schemes (excluding overnight, gilt fund and gilt fund with 10 year constant duration but including conservative hybrid schemes) managed by them.

The investment restrictions applicable to scheme's participation in corporate bond repos will also be as prescribed or varied by SEBI or by the Board of Trustee and AMC (subject to SEBI restrictions) from time

to time.

E. INVESTMENT STRATEGY

Invests in floating rate instruments and other debt & money market instruments with an aim to minimise the risk arising from interest rate fluctuations.

F. FUNDAMENTAL ATTRIBUTES

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

- **Type of scheme** – An open ended debt scheme predominantly investing in floating rate instruments (including fixed rate instruments converted to floating rate exposures using swaps/ derivatives)
- **Investment objective** – The Fund seeks to provide income and liquidity consistent with the prudent risk from a portfolio comprising of floating rate debt instruments, fixed rate debt instruments swapped for floating rate return, and also fixed rate instruments and money market instruments.
- **Investment pattern, minimum and maximum asset allocation.** - Please refer to the section “Asset Allocation Pattern”. The fund retains the option to alter the asset allocation on a short-term basis in the interest of unitholders on defensive considerations.
- **Liquidity provisions such as repurchase or redemption** – Please refer to the section ‘Units and Offer’.
- **Aggregate fees and expenses charged to the scheme** - Please refer to the section ‘Fees and Expenses of the Scheme’.
- **Any Safety Net of Guarantee provided** – None.

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

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

G. BENCHMARK

The Scheme has identified CRISIL Low Duration Debt Index as the benchmark.

The fund is positioned in the Floating rate category. The proposed index closely reflects the current investment strategy of the fund. The AMC / Trustee reserve the right to change / modify the benchmark by issuing an addendum.

H. WHO MANAGES THE SCHEME

| Fund Manager | Tenure of managing the scheme (upto March 31, 2023) |
|--|---|
| Pallab Roy | 17.16 years |
| Umesh Sharma | 13.25 years |
| Sandeep Manam (dedicated for foreign securities) | 1.95 years |

| Name | Qualifications | Functions & Experience | Schemes Managed |
|--|-------------------------------|---|---|
| Pallab Roy Age: 48 years Total Experience: 22 Years | MBA (Fin.), M.Com., DBF | Assistant Vice President and Portfolio Manager - Fixed Income (based at Mumbai). Prior assignments: • Franklin Templeton Asset Management (India) Pvt. Ltd. (June 2001 – till date). Previous roles included Bond/Money market security | <ul style="list-style-type: none"> • Franklin India Floating Rate Fund • Franklin India Liquid Fund • Franklin India Savings Fund • Franklin India Overnight Fund |

| Name | Qualifications | Functions & Experience | Schemes Managed |
|---|--|--|--|
| | | trading along with responsibility for Liquidity Management & Portfolio MIS – Fixed Income funds. | |
| Umesh Sharma Age: 46 years Total Experience: 23 years | B.Com., C.A., C.S., Cleared Level III of CFA institute, USA. | Vice President & Portfolio Manager - Fixed Income (based at Mumbai). Prior assignments: <ul style="list-style-type: none"> • Portfolio Manager - Fixed Income, Religare Mutual Fund (2008-2010), responsible for managing fixed income bond portfolios • Portfolio Manager- Fixed Income, Lotus India Mutual Fund (2006-2008), responsible for managing fixed income bond portfolios. • Chief Manager, ICICI Bank (2005-2006), undertook analysing of investment opportunities in international USD bonds. • Manager – Fixed Income, JM Financial Mutual Fund (2003-2005), undertook macro research in order to gauge interest rate trends & credit research. • Primary Dealer, UTI Mutual Fund (2000-2003), involved in analyzing and recommending investments in debt and equity. | <ul style="list-style-type: none"> • Franklin Government Securities Fund* • Franklin India Banking & PSU Debt Fund • Franklin India Floating Rate Fund • Franklin India Overnight Fund • Franklin India Corporate Debt Fund* • Franklin India Liquid Fund • Franklin India Savings Fund • Franklin India Equity Savings Fund (Debt portion) • Franklin India Equity Hybrid Fund (Debt Portion) • Franklin India Pension Plan (Debt Portion) • Franklin India Balanced Advantage Fund *Ceased to be fund manager of this scheme w.e.f. October 6, 2023 |
| Sandeep Manam Age: 36 years Total Experience: 13 years | PGDM- IIM-Ahmedabad B.Tech (Electronics & Communication Engg.)- National Institute of Technology Calicut | Sr. Manager / Research Analyst, Emerging Markets India (based at Chennai) He is responsible for researching on investment opportunities in automotive and airline sectors. <i>Prior Assignments:</i> Cognizant Technology Solutions (April 2014- July 2015) He was supporting UBS lead analyst in covering Indian Auto, Auto component sectors. Also supported coverage of Indian Pharma companies. Shapoorji Pallonji & Company Private Limited (April 2011- March 2014) He was responsible for supporting the Group's Head (Strategy) in driving strategy at group and company level. | Dedicated Fund Manager for investment in Foreign Securities for Franklin Equity Team and also the fund manager of Franklin India Feeder – Franklin U.S Opportunities Fund and Franklin India Feeder – Templeton European Opportunities Fund |

I. INVESTMENT RESTRICTIONS

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

1. Investment in securities from the scheme's corpus would be only in transferable securities in accordance with Regulation 43 of Chapter VI of SEBI [Mutual Funds] Regulations, 1996.
2. The Scheme shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities; provided that the Scheme may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI; provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.
3. The Mutual Fund shall, get the securities purchased or transferred in the name of the mutual fund on account of the concerned scheme, wherever investments are intended to be of long term nature.
4. No investment shall be made in any Fund of Funds scheme.
5. The mutual fund shall not advance any loans for any purpose.
6. The Scheme may invest in any other scheme without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund.
7. The Scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer, which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the SEBI Act, 1992. Such investment limit may be extended to 12% of the NAV with prior approval of the Board of Trustees and Board of the AMC, provided that such limit shall not be applicable for investment in government securities, treasury bills and triparty repo on Government securities or treasury bills. Further, investment within such limit can be made in mortgage backed securitised debt which are rated not below investment grade by a credit rating agency registered with SEBI.
Effective November 29, 2022, the scheme shall not make any new investment in money market instrument more than:
 - a. 10% of its NAV in debt and money market securities rated AAA; or
 - b. 8% of its NAV in debt and money market securities rated AA; or
 - c. 6% of its NAV in debt and money market securities rated A and below issued by a single issuer.The above investment limits may be extended by up to 2% of the NAV of the scheme with prior approval of the Board of Trustees and Board of Directors of the AMC, subject to compliance with the overall 12% limit specified in clause 1 of Seventh Schedule of MF Regulation.
8. Investment in unlisted debt instruments:
 - 8.1. The scheme shall not invest in unlisted debt instruments including commercial papers (CPs), other than (a) government securities, (b) other money market instruments and (c) derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. which are used for hedging.
However, the scheme may invest in unlisted Non-Convertible Debentures (NCDs) not exceeding 10% of the debt portfolio of the scheme subject to the condition that such unlisted NCDs have a simple structure (i.e. with fixed and uniform coupon, fixed maturity period, without any options, fully paid up upfront, without any credit enhancements or structured obligations) and are rated and secured with coupon payment frequency on monthly basis.
 - 8.2. The implementation of the provisions mentioned above would be subject to the following:
 - a) The existing investments of the scheme as on October 1, 2019 in unlisted debt instruments, including NCDs, may be grandfathered till maturity date of such instruments. The grandfathering of the identified NCDs is applicable across the mutual fund industry. Accordingly, mutual funds can transact in such identified NCDs and the criteria as specified in point 8.1 is not applicable
 - b) With effect from October 1, 2019, all fresh investments in unlisted NCDs shall be made only in NCDs satisfying the conditions mentioned in 8.1 above.
 - c) Extension of maturity or rolling over of existing investments in unlisted NCDs shall be subject to the prescribed limits mentioned in point 8.2(a) and the requirements mentioned at 8.1 above.
 - d) For mutual fund schemes whose existing investments in unlisted NCDs are more than the threshold limit as on the timeline mentioned at 8.2(a), all fresh investments in NCDs by mutual fund schemes, shall only be in listed NCDs till they comply with the requirements mentioned in 8.1 above.

- e) For the purpose of the provisions of point 8, listed debt instruments shall include listed and to be listed debt instruments.
 - f) With effect from January 01, 2020, all fresh investments by the scheme in CPs would be made only in CPs which are listed or to be listed.
9. Investment in unrated debt and money market instruments, other than government securities, treasury bills, derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. by the scheme shall be subject to the following:
- a) Investments should only be made in such instruments, including bills rediscounting, usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI (Mutual Fund) Regulations, 1996 and various circulars issued thereunder.
 - b) Exposure of the scheme in such instruments, shall not exceed 5% of the net assets of the scheme.
 - c) All such investments shall be made with the prior approval of the Board of AMC and the Board of Trustees.
 - d) The investments of the schemes in such instruments as on October 1, 2019 in excess of the aforesaid limit of 5% may be grandfathered till maturity date of such instruments.
 - e) The Scheme may enter into plain vanilla Interest Rate Swaps (IRS) for hedging purposes. The value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme.
- In case of participation in IRS is through over the counter transactions, the counter party has to be an entity recognized as a market maker by RBI and exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme. However, if Scheme is transacting in IRS through an electronic trading platform offered by the Clearing Corporation of India Ltd. (CCIL) and CCIL is the central counterparty for such transactions guaranteeing settlement, the single counterparty limit of 10% shall not be applicable.

10. a. Sector exposure

The exposure in a particular sector (excluding investments in Bank CDs, TREPs, G-Secs, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) under the portfolio will not exceed 20% of the net assets on account of purchase.

An additional exposure to financial services sector (over and above the limit of 20%) not exceeding 10% of the net assets of the scheme on account of purchase shall be allowed by way of increase in exposure to Housing Finance Companies (HFCs) only. Further, an additional exposure of 5% of the net assets of the scheme shall be allowed for investments in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio.

Provided that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total investment/ exposure in HFCs shall not exceed 20% of the net assets of the scheme on account of purchase.

b. Group exposure -

The total exposure of Scheme in a Group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks) will not exceed 20% of the net assets of the Scheme. Such investment limit may be extended to 25% of the net assets of the Scheme with the prior approval of the Board of Trustees.

Investments by the Scheme in debt and money market instruments of group companies of both the sponsor and the asset management company shall not exceed 10% of the net assets of the scheme. Such investment limit may be extended to 15% of the net assets of the Scheme with the prior approval of the Board of Trustees. The investments of the scheme in debt and money market instruments of group companies of both the sponsor and the asset management company of the mutual fund in excess of these limits, made on or before October 1, 2019 may be grandfathered till maturity date of such instruments. The maturity date of such instruments shall be as applicable on October 1, 2019

For this purpose, a group means a Group as defined under regulation 2 (mm) of SEBI (Mutual Funds) Regulations, 1996 (Regulations) and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates.

- 11. Debentures, irrespective of any residual maturity period (above or below one year), shall attract the investment restrictions as applicable for debt instruments as specified under Clause 1 and 1A of Seventh Schedule to SEBI Regulations.
- 12. As per Para 12.19 of SEBI Master Circular on Mutual Funds dated May 19, 2023 each mutual fund is currently permitted to invest up to US\$1 billion in Foreign Securities irrespective of the size of the assets. The ceiling for investment in overseas ETFs that invest in securities is US\$ 300 million per

mutual fund.

Additionally, an investment headroom of 20% of the average AUM in Overseas securities / Overseas ETFs of the previous three calendar months would be available to the Mutual Fund for that month to invest in Overseas securities / Overseas ETFs subject to maximum limits as specified above.

Currently, the mutual funds can invest in ADRs/GDRs issued by Indian or foreign companies, equity of overseas companies listed on recognised stock exchanges overseas, Initial and follow on public offerings for listing at recognized stock exchanges overseas, foreign debt securities in the countries with fully convertible currencies, short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies, Money market instruments rated not below investment grade, Repos in the form of investment, where the counterparty is rated not below investment grade (repos should not however, involve any borrowing of funds by mutual funds), Government securities where the countries are rated not below investment grade, Derivatives traded on recognized stock exchanges overseas only for hedging and portfolio balancing with underlying as securities, Short term deposits with banks overseas where the issuer is rated not below investment grade and Overseas Exchange Traded Funds (ETFs) that invest in securities. The mutual funds can also invest in the units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in (a) aforesaid securities, (b) Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or (c) unlisted overseas securities (not exceeding 10% of their net assets). The restriction on the investments in mutual fund units up to 5% of net assets and prohibition on charging of fees shall not be applicable to investments in mutual funds in foreign countries made in accordance with SEBI Guidelines. However, the management fees and other expenses charged by the mutual fund in foreign countries along with the management fee and recurring expenses charged to the domestic mutual fund scheme shall not exceed the total limits on expenses as prescribed under Regulations. Where the scheme is investing only a part of the net assets in the foreign mutual fund(s), the same principle shall be applicable for that part of investment.

13. Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)

The Scheme may invest in the units of REITs and InvITs subject to SEBI prescribed limits from time to time. Currently following limits are prescribed by SEBI:

(a) Franklin Templeton Mutual Fund under all its schemes shall own not more than 10% of units issued by a single issuer of InvITs and REITs; and

(b) The Scheme shall not invest:

i. more than 10% of its net assets in the units of REITs and InvITs; and

ii. more than 5% of its net assets in the units of REITs and InvITs issued by a single issuer.

14. Repo transactions in corporate debt securities

- The gross exposure of any mutual fund scheme to repo transactions in corporate debt securities shall not be more than 10 % of the net assets of the concerned scheme.
 - The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt and derivatives shall not exceed 100% of the net assets of the concerned scheme.
15. Transfers of investments from one Franklin Templeton Mutual Fund scheme to another will be done in conformity as per Para 12.30 of SEBI Master Circular on Mutual Funds dated May 19, 2023 and Interscheme Transfer policy of FTMF
16. No investment shall be made in
- any unlisted security of an associate or group company of the sponsor; or
 - any security issued by way of private placement by an associate or group company of the sponsor; or
 - the listed securities of group companies of the sponsor which is in excess of 25% of the net assets.
17. Pending deployment of funds in securities in terms of investment objectives of the Scheme, the Mutual Fund can invest the funds of the scheme in short term deposits of scheduled commercial banks Para 4.5 of SEBI Master Circular on Mutual Funds dated May 19, 2023 The Scheme shall abide by the following guidelines for parking of funds in short term deposits:
- “Short Term” for such parking of funds by mutual funds shall be treated as a period not exceeding 91 days.
 - Such short term deposits shall be held in the name of the scheme.
 - The scheme shall not park more than 15% of the net assets in Short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustees.
 - Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the mutual fund in short term deposits.
 - The scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.

- The Scheme shall not park funds in short-term deposit of a bank, which has invested in the Scheme. The bank in which the scheme has short-term deposit shall not be permitted to invest in the said scheme until the scheme has short-term deposit with such bank.
- AMC shall not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks. The aforesaid limits are not applicable to term deposits placed as margins for trading in cash and derivatives market.

18. Restrictions on Investment in debt instruments having Structured Obligations / Credit Enhancements:

- Investment of the scheme in the following instruments shall not exceed 10% of the debt portfolio of the scheme and the Group exposure in such instruments shall not exceed 5% of the debt portfolio of the scheme:
 - a) Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade.; and
 - b) Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade.

For this purpose, a group means a Group as defined under regulation 2 (mm) of SEBI (Mutual Funds) Regulations, 1996 (Regulations) and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates.

- These investment limits mentioned above shall not be applicable on investments in securitized debt instruments, as defined in SEBI (Public Offer and Listing of Securitized Debt Instruments) Regulations 2008.
- Investment in debt instruments, having credit enhancements backed by equity shares directly or indirectly, shall have a minimum cover of 4 times considering the market value of such shares. AMC may ensure that the investment in debt instruments having credit enhancements are sufficiently covered to address the market volatility and reduce the inefficiencies of invoking of the pledge or cover, whenever required, without impacting the interest of the investors. In case of fall in the value of the cover below the specified limit, AMC shall initiate necessary steps to ensure protection of the interest of the investors.
- The existing investments by the scheme as on October 1, 2019 in debt instruments that are not in terms of the provisions of point herewith may be grandfathered till maturity date of such debt instruments.

19. The scheme may invest in certain debt instruments with special features viz. subordination to equity (absorbs losses before equity capital) and /or convertible to equity upon trigger of a pre-specified event for loss absorption (For eg. Additional Tier I bonds and Tier 2 bonds issued under Basel III framework) subject to the following:

- a) Franklin Templeton Mutual Fund, under all its schemes shall not own more than 10% of such instruments issued by a single issuer
- b) A Mutual Fund scheme shall not invest:
 - a. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and
 - b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer.

The above investment limit for a mutual fund scheme shall be within the overall limit for debt instruments issued by a single issuer, as specified at clause 1 of the Seventh Schedule of SEBI (Mutual Fund) Regulations, 1996, and other prudential limits with respect to the debt instruments.

The investments of mutual fund schemes in such instruments in excess of the limits specified above as on March 10, 2021 may be grandfathered and such mutual fund schemes shall not make any fresh investment in such instruments until the investment comes below the specified limits.

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

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

The investment restrictions specified as a percentage of net assets will be computed at the time of making the investment and it is clarified that changes need not be effected, merely by reason of appreciation or depreciation in value or by reason of factors beyond the control of the scheme (such as receipt of any corporate or capital benefits or amalgamations). In case the limits are exceeded due

to reasons beyond its control, the AMC shall adopt necessary measures of prudence to reset the situation having regard to the interest of the investors.

J. HOW HAS THE SCHEME PERFORMED

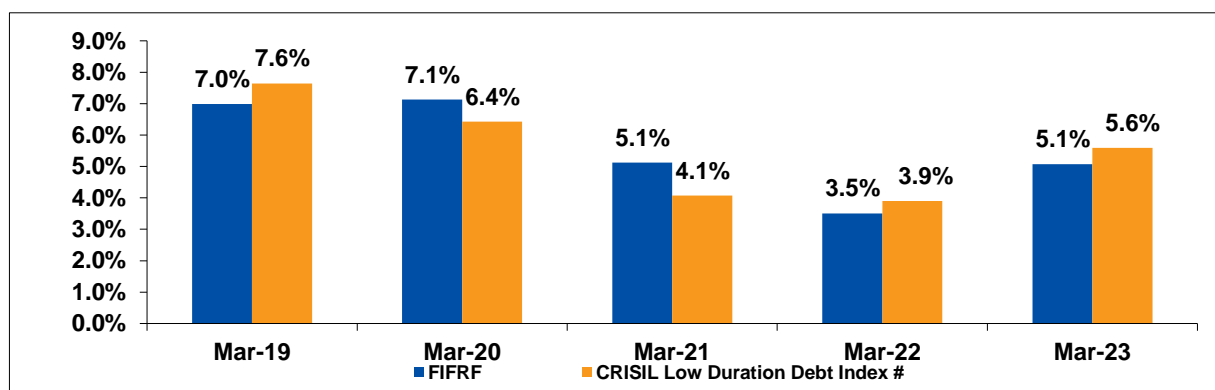
FIFRF

| Compounded annualised returns | 1 Year | 3 Years | 5 Years | Since Inception |
|---------------------------------|--------|---------|---------|-----------------|
| FIFRF | 7.39% | 4.92% | 5.72% | 5.81% |
| CRISIL Low Duration Debt Index# | 7.48% | 5.05% | 5.54% | N.A |

Returns based on Growth Plan NAV of September 29, 2023. Inception date: April 23, 2001. NA – As the scheme was launched before the launch of the benchmark index, benchmark index figures since inception are not available.

Index is adjusted for the period March 30, 2002 to December 1, 2021 with the performance of CRISIL Liquid Fund Index. CRISIL Low Duration Debt Index is the benchmark for FIFRF effective Dec 1, 2021

Absolute Returns for last 5 financial years:



Past performance may or may not be sustained in future.

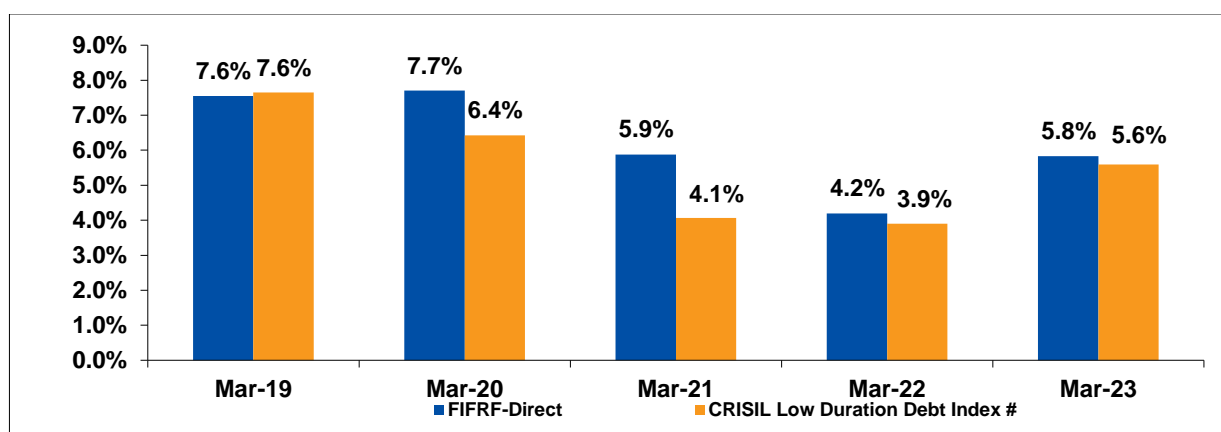
FIFRF – Direct

| Compounded annualised returns | 1 Year | 3 Years | 5 Years | Since Inception |
|---------------------------------|--------|---------|---------|-----------------|
| FIFRF- Direct | 8.19% | 5.65% | 6.41% | 6.85% |
| CRISIL Low Duration Debt Index# | 7.48% | 5.05% | 5.54% | 6.86% |

Returns based on Growth Plan NAV of September 29, 2023. Inception date: December 31, 2012.

Index is adjusted for the period March 30, 2002 to December 1, 2021 with the performance of CRISIL Liquid Fund Index. CRISIL Low Duration Debt Index is the benchmark for FIFRF effective Dec 1, 2021

Absolute Returns for last 5 financial years:



Past performance may or may not be sustained in future.

Top 10 portfolio holdings and fund allocation towards various sectors as on September 30, 2023:

| Top 10 Holding- Issuer Wise* | % To NAV |
|-------------------------------------|----------|
| Government Of India | 69.13% |
| Toyota Financial Services India Ltd | 6.82% |
| HDFC Bank Ltd | 6.81% |
| JM Financial Credit Solutions Ltd | 2.80% |
| Government Of India | 69.13% |

* Excludes Call, Cash and Other Current Assets.

| Sector Allocation - Total Assets | % of Assets |
|------------------------------------|-------------|
| SOVEREIGN | 69.13% |
| FINANCIAL SERVICES | 16.43% |
| Call, cash and other current asset | 14.44% |

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

Scheme's latest monthly portfolio holding can be viewed on
<https://www.franklintempletonindia.com/investor/fund-details/fund-resources/franklin-india-floating-rate-fund-erstwhile-franklin-india-cash-management-account-2651>

PORTFOLIO TURNOVER

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

Portfolio Turnover Ratio – 52.20%

INVESTMENT BY AMC IN THE SCHEME

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

Pursuant to regulation 43A of SEBI (Mutual Funds) Regulations, 1996 and SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/129 dated July 27, 2023 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, AMC shall make a one-time contribution equivalent to 2 bps of the AUM of the specified debt oriented schemes as on December 31, 2022 in the units of the Corporate Debt Market Development Fund ('CDMDF') within 10 working days of request from CDMDF. Contribution made to CDMDF, including the appreciations on the same, if any, shall be locked-in till winding up of the CDMDF.

In case of delay in contribution by the Scheme and AMC, the AMC shall be liable to pay interest at fifteen percent (15%) per annum for the period of delay.

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

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

| Particulars | Aggregate amount invested in the Scheme (As on September 30, 2023) (Rs.) |
|--------------------------------|--|
| AMC's Board of Directors | 73,441.88 |
| Scheme's Fund Manager(s) | 278,433.09 |
| Other key managerial personnel | 706,135.22 |

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

04. UNITS AND OFFER

PLAN AND OPTIONS

The scheme offers four Plans – **Growth Plan***, **Direct – Growth Plan**, **Income Distribution cum capital withdrawal (IDCW) Plan** (with Reinvestment option only)* and **Direct – Income Distribution cum capital withdrawal Plan** (with Reinvestment option only).

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

Growth Plan / Direct – Growth Plan

Under the Growth Plan / Direct – Growth Plan, the returns to investors will be available in the form of capital appreciation. There will be no IDCW declaration under this option. Instead the growth in NAV will reflect the appreciation of the value of investment.

IDCW Plan / Direct – IDCW Plan

Under the IDCW Plan / Direct – IDCW Plan, it is proposed to distribute the returns to the investors in the form of IDCWs out of distributable surplus (including Equalization Reserve). The AMC/Trustee may, at their discretion, approve the distribution out of distributable surplus to unit holders in the IDCW Plan / Direct – IDCW Plan whose names appear in the Register of Unit holders on the record date. Investors have the option of reinvesting the distribution (Reinvestment of Income Distribution cum capital withdrawal option) or receiving cash payouts (Payout of Income Distribution cum capital withdrawal option).

Payout of Income Distribution cum capital withdrawal Option:

A Unitholder opting for the IDCW Option / Direct – IDCW Option may choose to receive cash payouts of the IDCW amount. Please note that where the Unitholder has opted for Payout of Income Distribution cum capital withdrawal option and in case the amount of IDCW payable to the Unitholder is Rs.20/- or less, the same will be **compulsorily reinvested** in the Scheme.

Reinvestment of Income Distribution cum capital withdrawal Option:

A Unitholder opting for the IDCW Option / Direct – IDCW Option may choose to reinvest the IDCW to be received in additional units of the scheme. The distribution due and payable to the unit holder will be automatically reinvested at the NAV of the immediately following Business Day. The distribution so reinvested shall be construed as payment to the unit holder and construed as receipt of the same amount from each unit holder for reinvestment in units.

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

Direct investments

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

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

In cases where the distributor's ARN or 'Direct' is not mentioned on the application, the same will be processed as Direct (i.e. Direct Plan shall be the default plan).

DEFAULT PLAN/OPTION

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

- **Growth** in case Growth or IDCW is not indicated.
- Regular Plan or Direct Plan as follows:

| Scenario | Broker Code mentioned by the investor | Plan mentioned by the investor | Default Plan to be captured |
|-----------------|--|---------------------------------------|------------------------------------|
| 1 | Not mentioned | Not mentioned | Direct |
| 2 | Not mentioned | Direct | Direct |
| 3 | Not mentioned | Regular | Direct |
| 4 | Mentioned | Direct | Direct |
| 5 | Direct | Not Mentioned | Direct |
| 6 | Direct | Regular | Direct |
| 7 | Mentioned | Regular | Regular |
| 8 | Mentioned | Not Mentioned | Regular |

In cases of fresh purchase/additional purchase/switch/SIP & STP Registration requests received from investors with unempanelled/ incomplete ARN codes mentioned on the application form, the application shall be processed under Direct Plan.

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

INCOME DISTRIBUTION CUM CAPITAL WITHDRAWAL POLICY

The Trustee may, at its sole discretion distribute income under IDCW option/plan in the fund at any time and at such frequency (such as daily, weekly, monthly, quarterly, half-yearly, annually etc.) as it deems appropriate. Although there is every intention to distribute income, there is no assurance or guarantee as to the frequency or quantum of such distribution nor that the distributions be regularly paid. Income Distribution cum capital withdrawal (IDCW) is based on the availability of adequate distributable surplus in the scheme. Distributions can be made out of available distributable surplus (including Equalization Reserve, which is part of sale price that represents realized gains). Such distributions are payable to the Unitholders in the IDCW Plan, whose names appear on the Unitholders' register on the record date. The Trustee may not distribute income at all in the event of inadequacy of distributable income.

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

The amount of distribution will be distributed within 7 working days from the record date.

IDCWs will be paid through electronic mode or by cheque (in exceptional circumstances only), as per the payment mode opted for, net of taxes as may be applicable, and payments will be in favour of the first-named registered in the folio. To safeguard the interest of Unitholders from loss or theft of IDCW cheques, it is mandatory for investors to provide the details of their bank account in the Application Form. IDCW cheques or electronic payments will be sent in accordance with such information.

Record dates for declaration of IDCW

The procedure of declaring IDCW and fixing of record dates will be in accordance with Chapter 11 of SEBI Master Circular on Mutual Funds dated May 19, 2023.

ONGOING OFFER DETAILS

The Scheme is perpetually open for subscription & redemption on an ongoing basis with announcements of NAV for every Business Day, except during the period when there is a book closure. The Units can be purchased and redeemed at the Applicable NAV, subject to applicable load. Transfer of unit(s) shall be subject to payment of applicable stamp duty by the unitholder(s) and applicable laws. Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase transactions (including switch-in, Systematic investments, IDCW reinvestment, etc) to the unitholders would be reduced to that extent. The Trustee also reserves its right to limit the redemptions as laid down under the section '**Suspension of redemption of units**'.

Who Can Invest

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

1. Adult individuals, either singly or jointly (not exceeding three), resident in India.
2. Parents/Guardian on behalf of minors.
3. Companies/ Domestic Corporate Bodies/ Public Sector Undertakings registered in India.
4. Charitable, Religious or other Trusts authorised to invest in units of mutual funds.
5. Banks, Financial Institutions and Investment Institutions.
6. Non-Resident Indians (NRIs) and Overseas Citizen of India (OCI) (including erstwhile Person of Indian Origin card holders) Persons of Indian Origin residing abroad (PIO) and Overseas Citizen of India (OCI) on full repatriation basis and on non-repatriation basis but not (a) United States Persons within the meaning of Regulation 'S' under the United States Securities Act of 1933 or as defined by the U.S. Commodity Futures Trading Commission, as amended from time to time or (b) persons resident of Canada.
7. Foreign institutional investors and their sub accounts on full repatriation basis/ Foreign Portfolio Investors (subject to RBI approval) and such other entities as may be permitted under SEBI (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time.
8. Hindu Undivided Family (HUF).
9. Wakf Boards or Endowments / Societies / Co-operative societies / Association of Persons or Body of individuals (whether incorporated or not), Trusts and clubs authorised to invest in units of mutual funds.
10. Sole Proprietorship, Partnership Firms, Limited Liability Partnerships (LLPs).
11. An association of persons or body of individuals whether incorporated or not.
12. Army/Air Force/Navy/Para-military funds and other eligible institutions.
13. Scientific and/or industrial research organizations.
14. Other Associations, Institutions, Bodies etc. authorized to invest in the units of mutual funds.
15. Such other individuals/institutions/body corporate etc., as may be decided by the AMC from time to time, so long as wherever applicable they are in conformity with SEBI Regulations.
16. Mutual fund Schemes/ Alternative Investment Funds can also invest in the Scheme, subject to SEBI Regulations applicable from time to time.

Units of the schemes of Franklin Templeton Mutual Fund is an eligible investment for charitable and religious trusts under the provisions of Section 11(5)(xii) of the Income Tax Act, 1961, read with Rule 17C of the Income Tax Rules, 1962.

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

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

AVAILABILITY OF FORMS

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

Where can you submit the filled up Application Form

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

The addresses of the ISC and Collection Centres are given at the end of this Scheme Information Document.

How to apply

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

Email based non-commercial transactions (NCT) facility

In order to help investors transact freely during the COVID 19 pandemic situation, we will now accept specified non-commercial transactions (NCT) on email as attachments on nonfintransaction@franklintempleton.com will be dedicated for receiving specified non-commercial transaction requests.

The list of Non-commercial Transactions that are eligible for this facility and Terms & Conditions applicable to the NCT requests received through email mode for the same is available on our website www.franklintempletonindia.com

Official Points of Acceptance of Transaction

As per Para 16.2.2 and 16.6 of SEBI Master Circular on Mutual Funds dated May 19, 2023, FTMF hereby declare following as the Official Points of Acceptance of Transactions (“OPAT”):

- all its branch offices [Investor Service Centres (ISC)];
- Servers of FTAMIL/FTMF for transactions through online/electronic modes like FTMF’s website (www.franklintempletonindia.com), FT Mobile app or through any other electronic mode introduced from time to time. Additionally, this will also cover transactions submitted in electronic mode by specified banks, financial institutions, distributors etc., on behalf of investors, with whom FTAMIL has entered or may enter into specific arrangements;
- the designated branch offices of **Computer Age Management Services Limited (CAMS)** (termed as **Collection Centre**);
- the **MF Utilities India Private Limited (MFUI)** website www.mfuonline.com and authorised MFUI Points of Service as updated on www.mfuindia.com;
- The Secured internet site/server hosted or managed by CAMS will also be OPAT in respect of the transactions routed through the distributors who have registered for this facility (in accordance with the terms and conditions, as may be prescribed from time to time).
- in case of transactions done through the stock exchange infrastructure, all the Eligible Stock Brokers, Eligible Clearing Members and Eligible Mutual Fund Distributors will be considered as the OPAT for the transactions done under this facility.
- MFCentral – A digital platform for Mutual Fund investors - <https://mfcentral.com/>

The “cut off time” mentioned in the Scheme Information Document shall be reckoned at these official points. All transaction (purchase/redemption/switch) applications must be demonstrably received by the Mutual Fund at these OPAT.

MANDATORY INFORMATION

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

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

As per Para 14.11 of SEBI Master Circular on Mutual Funds dated May 19, 2023, **Permanent Account Number (PAN) would be the sole identification number for all participants transacting in the**

securities market, irrespective of the amount of transaction, except (a) investors residing in the state of Sikkim; (b) Central Government, State Government, and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government) and (c) investors participating only in micro-pension. SEBI, in its subsequent letter dated July 24, 2012 has conveyed that investments in mutual fund schemes [including investments through Systematic Investment Plan (SIP)] of up to Rs.50,000/- per year per investor shall be exempted from the requirement of PAN.

Accordingly, where the aggregate of lump sum investment (fresh purchase and additional purchase) and SIP instalments by an investor in a financial year i.e., April to March does not exceed Rs.50,000/- (referred to as "Micro investment"), it shall be exempt from the requirement of PAN. Such investors are required to provide alternate proof of identity in lieu of PAN for KYC purposes and are allotted PAN-exempt KYC Reference Number (PEKRN). E-PAN issued by CBDT can also be provided by FPI.

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

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

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

Under the provisions of Income tax Act 1961, every person who has been allotted a PAN and is eligible to obtain Aadhaar Number is required to intimate his Aadhaar Number to the prescribed authority on or before 31st March, 2023. On failure to do so, his/her PAN shall become inoperative and he/she shall be liable to all the consequences under the Income Tax Act, 1961 for not furnishing, intimating or quoting the PAN. Therefore, it is mandatory for investors to link PAN with Aadhaar.

With reference to this, SEBI in its letter SEBI/HO/OW/IMD/PoD/P/2022/ 48112 /1 dated September 12, 2022, SEBI has advised that:

1. No investments (Systematic transaction, lumpsum, redemption) shall be permitted in such folios wherein PAN/ PEKRN details are not available.
2. Non-compliant, Non-PAN and Non-PEKRN folios will be liable to be frozen from April 01, 2023.
3. Non-investor-initiated transactions such as dividend pay-out, if any, declared by the Mutual Fund schemes shall also be disallowed
4. Unitholders whose folio(s) has/have been frozen due to the above requirement shall be able to (permitted to) lodge grievance or avail service request only after furnishing the above details.

All financial transactions with Franklin Templeton Mutual Fund need to comply with the PAN and KYC requirements as stated above, failing which the applications are liable to be rejected. It is clarified that all categories of investors seeking exemption from PAN still need to complete the KYC requirements stipulated by the AMC/Trustee from time to time, irrespective the amount of investment. If there is any change in the Client Due Diligence/KYC information provided by the investor, the same is required to be updated within 30 days of such change.

Investors are instructed not to make cash payments. No outstation cheques or post-dated cheques will be accepted. Applications with outstation cheques/post dated cheques may be rejected.

Minimum Application Amount

Purchases by a new applicant can be made for a minimum amount of Rs.1,000/- or any amount in multiple of Re.1/- thereafter. Additional purchases of Units by existing unitholders can be made for a minimum of Rs.1,000/- or any amount in multiple of Re.1/- thereafter.

There is no upper limit. The Trustee / AMC reserves the right to vary these limits from time to time, in the interest of investors.

ARRANGEMENTS PROPOSED WITH BANKS FOR ACCEPTING APPLICATIONS FOR SUBSCRIPTION AND REDEMPTION

It is our endeavour to substantially improve upon the existing levels of investor service. With a view to achieve this, in addition to the acceptance of the application at ISC Mumbai, the AMC intends to tie up with banks for acceptance of applications for subscriptions and redemptions through banking channels. In order to provide enhanced convenience and high liquidity to the investor, he/she may be allowed to subscribe the units by giving direct instructions to the banker to transfer the funds from his/her bank account into the bank account of the scheme or to redeem the units by giving direct instructions to the banker to redeem the amount from the scheme and deposit the proceeds into the bank account of the investor. Further, the investor may also be allowed to subscribe or redeem through the facility of giving such instructions through Automated Teller Machines (ATM) of the bank (See the section on Process / Limitations and Restrictions on dealing through ATMs). As a result, the investor may have the facility of subscribing or redeeming the units of FIFRF at any time during the day or night through ATMs. This will give the investor faster and more convenient service and will vastly improve upon the existing service standards.

Franklin Templeton Asset Management (India) Private Limited (AMC) may tie up with various banks ("Specified Banks") for making Franklin India Floating Rate Fund (FIFRF) available to their banking and all other prospective clients subject to the terms and conditions prescribed in the Scheme Information Document and subject to other guidelines and Regulations as may be laid down by Securities and Exchange Board of India (SEBI) from time to time. Following would be the general process for the operations:

1. The scheme would be available for investors approaching the fund either directly through the ISC of the AMC or through the branches of the Specified banks.
2. AMC will open current account through which all subscriptions and redemptions would be routed.
3. The scheme would be open to all the customers of the specified banks and all other prospective customers subject to the terms and conditions prescribed in the offer document and subject to other guidelines and Regulations as may be laid down by SEBI from time to time. An option will be given to the customer of the bank to open a FIFRF account.
4. The prospective investor has the option to give an instruction to the bank to transfer a specified sum from his/her current/savings/fixed deposit account to FIFRF as subscription. This will be treated as subscription of the investor into FIFRF and the units will be allotted accordingly. Similarly, for redemptions, the investor has an option to give instruction to the bank to redeem a specified sum from FIFRF.
5. The investor may also give a standing instruction to the bank by way of a letter of instruction to transfer any amount in excess of the specified limit from the current/saving account into FIFRF or redeem the amount from FIFRF if the amount in the bank account falls below the specified limit on any single day. The shortfall in the bank account of the investor will be replenished by redeeming the requisite amount from FIFRF, provided such an amount is available in the investor's FIFRF account.

The final process will vary from bank to bank depending on their technological and other operational capabilities.

Process / Limitations and Restrictions on dealing through ATMs

It is proposed to provide extended convenience to the investor to subscribe/ redeem units through the ATMs of the bank. The list of ATMs with the addresses permissible for subscriptions and redemptions would be intimated to the investors by the concerned bank from time to time.

The investor may be able to subscribe by giving instructions to the banker to transfer the funds in his/ her bank account into the account of the scheme through ATMs. Such instructions received for investments would be sent to the concerned bank branch the next business day and would be processed as per Applicable NAV.

The investor may be allowed to redeem through the facility of ATMs. The maximum amount redeemable would be subject to the arrangements made by the AMC with the banks.

Sale Price for ongoing purchases

For on-going subscriptions, sale price is calculated based on the "Applicable NAV". All the applications will be processed at the Applicable NAV based on the date and time of their receipt at the ISC / Collection Centre, as evidenced by the electronic date / time stamp affixed at the ISC or Collection Centre.

In simple words, Sale Price = Applicable NAV.

Transaction Charges

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

(i) First time investor in mutual funds:

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

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

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

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

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

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

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

CUT OFF TIMING FOR SUBSCRIPTIONS

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

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

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

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

Investors are encouraged to avail electronic payment modes to transfer funds to the bank account of the Scheme to expedite unit allotment.

For determining the availability of funds for utilisation, the funds for the entire amount of subscription/purchase (including switch-in) as per the application should be credited to the bank account

of the scheme before the cut-off time and the funds are available for utilisation before the cut-off time without availing any credit facility whether intra-day or otherwise, by the respective scheme.

For investments through systematic investment routes such as Systematic Investment Plans (SIP), Systematic Transfer Plans (STP), Transfer of Income Distribution cum capital withdrawal plan (TIDCW) etc. the units will be allotted as per the closing NAV of the day on which the funds are available for utilization by the destination Scheme irrespective of the instalment date of the SIP, STP or record date of IDCW etc.

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

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

Allotment of Units / Refund

Full allotment will be made to all valid applications received during continuous offer period. Refund of subscription money will be made to applicants without any return, in case applications are invalid or are rejected. An Account Statement containing the number of Units allotted will be issued within 5 business days from the date of allotment.

The allotment of units is subject to realisation of the payment instrument/receipt of credit.

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

Fractional Units

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

Option to receive allotment and hold units in demat form:

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

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

However, this facility is not available for investment under Daily IDCW and Weekly IDCW options of the schemes, Switch facility, Systematic Transfer Plan (STP) and Transfer of Income Distribution cum capital withdrawal plan (TIDCW).

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

LISTING

Being an open-end scheme, the units of the scheme are not listed at any stock exchange. However,

subject to the Regulations, the Trustee may decide to list the units of the scheme on any recognised stock exchange.

How to Redeem Units

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

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

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

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

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

Redemption Price

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

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

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

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

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

CUT OFF TIMING FOR REDEMPTIONS

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

In respect of valid applications received up to the cut-off time by the Mutual Fund, same day's closing NAV shall be applicable. In respect of valid applications received after the cut off time by the Mutual Fund, the closing NAV of the next business day shall be applicable.

Minimum redemption amount

Rs.1,000/- or any amount thereafter in multiples of Re.1/-.

Since the redemption request for units held in dematerialized mode can be given only in 'number of units' with Depository Participants or on Stock exchange Platform, the provision pertaining to 'Minimum redemption amount' shall not be applicable to such investors.

The Trustee / AMC reserve the right to vary this limit from time to time, in the interest of investors.

Unitholder may request the redemption of a certain specified Rupee amount or of a certain number of Units. If a redemption request is for both a specified Rupee amount and a specified number of Units, the specified number of Units will be considered the definitive request. In the case where a Rupee amount is specified or deemed to be specified for redemption, the number of Units redeemed will be the amount redeemed divided by the applicable NAV. Redemption requests will be honoured to the extent permitted by the credit balance in the Unitholder's account. The number of Units so redeemed will be subtracted from the Unitholder's account and a statement to this effect will be issued to the Unitholder. If the redemption request exceeds the Balance in the account then the account would be closed and balance sent to the investors. To pay the investor the redemption amount requested for (in Rupees), Franklin Templeton will redeem that many units as would give the investor the net redemption amount requested for, after deducting exit load as applicable from time to time.

Non applicability Minimum Application Amount (Lump-sum) and Minimum Redemption amount

As per Para 6.10 of SEBI Master Circular on Mutual Funds dated May 19, 2023 Alignment of interest of Designated Employees of Asset Management Companies (AMCs) with the Unitholders of the Mutual Fund Schemes has, *inter alia* mandated that a minimum of 20% of gross annual CTC net of income tax and any statutory contributions of the Designated Employees of the AMCs shall be invested in units of the scheme(s) of the Fund in which they have a role/oversight The said guidelines came into effect from the October 1, 2021.

In accordance with the regulatory requirement, the minimum application amount and minimum redemption amount will not be applicable for investment made in schemes of the Fund in compliance with the aforesaid circular(s).

The above-mentioned provisions shall override the conflicting provisions, if any.

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

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

Suspension of sale of units

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

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

Suspension of redemption of units

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

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

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

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

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

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

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

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

Note:

Subsequent to the launch of Direct Plans with effect from January 1, 2013, irrespective of whether the investments were originally routed through an AMFI registered mutual fund distributor or not, the treatment of existing investments as on December 31, 2012 will be as follows:

| Particulars | Treatment |
|--|--|
| Existing investments in the schemes as on December 31, 2012 | These will continue in the same existing plan/option in which they are currently invested. |
| Reinvestment of Income Distribution cum capital withdrawal option and issue of bonus units on existing investments | Units will be allotted in the existing plan as that of the original investment. |
| Existing registrations under Systematic Investment Plan (SIP): <ul style="list-style-type: none"> • SIP applications which were made directly (made without a Distributor code) | <ul style="list-style-type: none"> • SIP instalments processed on or after January 01, 2013 will be automatically allotted under Direct for the balance tenure of the SIP in the interest of the investors. The investors, however, may request the Mutual Fund in writing to continue allotting units in the existing plan instead of Direct in case they desire to do so. |

| Particulars | Treatment |
|--|--|
| <ul style="list-style-type: none"> SIP applications made under a Distributor code | <ul style="list-style-type: none"> Units will continue to be allotted in the existing plan. |
| Existing registrations under Systematic Transfer Plan (STP): <ul style="list-style-type: none"> STP applications which were made directly (made without a Distributor code) | <ul style="list-style-type: none"> STP instalments processed on or after January 01, 2013 will be automatically allotted under Direct for the balance tenure of the STP in the interest of the investors. The investors, however, may request the Mutual Fund in writing to continue allotting units in the existing plan instead of Direct in case they desire to do so. |
| <ul style="list-style-type: none"> STP applications made under a Distributor code | <ul style="list-style-type: none"> Units will continue to be allotted in the existing plan. |
| Existing registrations under Transfer of Income Distribution cum capital withdrawal plan (TIDCW) | Units will be allotted in the existing Destination Plan/Option as per the TIDCW registration. |

Swing Pricing Framework

As per Para 4.10 of SEBI Master Circular on Mutual Funds dated May 19, 2023 introduced “Swing Pricing framework for open ended debt mutual fund schemes” (except Overnight Funds, Gilt Funds, Gilt with 10-year maturity funds). The swing pricing framework will be made applicable only for scenarios related to net outflows from the schemes. The framework shall be a hybrid framework with:

- a partial swing during normal times in line with framework prescribed by AMFI; and
- a mandatory full swing during market dislocation times for high risk open ended debt schemes.

A partial swing pricing framework for normal period may be implemented after incorporating relevant clauses in the SIDs and after following the procedure for change in Fundamental Attribute of the schemes, in terms of regulation 18(15A) of SEBI (Mutual Fund) Regulations, 1996. Unitholders shall be notified about such change, in case partial swing during normal times are introduced in schemes of FTMF.

Definition:

Swing factor – A swing factor is the amount (normally expressed as a percentage or in basis points) by which the NAV is adjusted.

Swung NAV (net asset value) – The NAV after applying the adjustment or swing factor i.e. a certain percentage in the Unswung NAV of the scheme with net outflows. Once swing pricing is enforced, all unitholders redeeming (more than Rs. 2 lacs, identified at PAN level) or subscribing in the scheme can transact only at the swung NAV — which is lower than the Unswung NAV in case of net outflows.

Mandatory Swing pricing during market dislocation

- SEBI will determine ‘market dislocation’ either based on AMFI’s recommendation or suo moto. Once market dislocation is declared, it will be notified by SEBI that swing pricing will be applicable for a specified period.
- Subsequent to the announcement of market dislocation, the swing pricing framework shall be mandated for the scheme, if:
 - The risk-o-meter (as of the most recent period at the time of declaration of market dislocation) is either High or Very High; and
 - The scheme is classified in either of the cells A-III, B-II, B-III, C-I, C-II and C-III of Potential Risk Class (PRC) Matrix
- A minimum swing factor, as under shall be made applicable to the schemes and the NAV will be adjusted for swing factor:

| Minimum swing factor for open ended debt schemes* | | | |
|--|---------------------|--------------------|-------------------|
| Max Credit Risk of scheme → | Class A(CRV** >=12) | Class B (CRV >=10) | Class C (CRV <10) |
| Max Interest Rate Risk of the scheme ↓ | | | |
| Class I: (MD<=1 year) | Nil | Nil | 1.5% |
| Class II: (MD<=3 years) | Nil | 1.25% | 1.75% |
| Class III: Any Macaulay duration | 1% | 1.5% | 2% |
| *Scheme can levy higher swing factor, based on pre-defined parameters, redemption pressure and current portfolio of the scheme subject to a cap on swing factor to be decided by Franklin Templeton Asset Management (India) Private Limited (FTAMIL). **CRV: Credit Risk Value | | | |

However, swing factor higher than as specified in above table shall be considered as Fundamental Attribute Change of the scheme in terms of regulation 18(15A) of SEBI (Mutual Fund) Regulations, 1996 and the procedure outlined in the paragraph on fundamental attributes in Scheme Information Document, shall be followed.

Other Features:

- When swing pricing framework is triggered and swing factor is made applicable, both the incoming and outgoing investors shall get NAV adjusted for swing factor.
- Swing pricing shall be made applicable to all unitholders at PAN level with an exemption for redemptions upto Rs. 2 lacs in the scheme.
- The scheme performance shall be computed based on unswung NAV.

Illustration:

Once market dislocation is declared by SEBI, NAVs would be swung for schemes where swing pricing provisions are applicable as mentioned above. NAV of the schemes shall be calculated as per regulations and swing factor shall be applied on such NAV calculated.

NAV of Scheme: Rs 20 per unit

If Swing factor is 1%, in case of net outflows, the NAV of the scheme shall be adjusted downward to Rs. 19.80 (20-(20*1%).

Segregation of Portfolio

Definitions

- 'Segregated portfolio' shall mean a portfolio, comprising of debt or money market instruments affected by a credit event, that has been segregated in a mutual fund scheme.
- 'Main portfolio' shall mean the scheme portfolio excluding the segregated portfolio.
- 'Total portfolio' shall mean the scheme portfolio including the securities affected by the credit event. For sake of clarity, total portfolio is Main Portfolio plus Segregated Portfolio.

AMC may create segregated portfolio in a mutual fund scheme subject to the following:

- Segregated portfolio may be created, in case of a credit event at issuer level i.e. downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA), as under:
 - Downgrade of a debt or money market instrument to 'below investment grade', or
 - Subsequent downgrades of the said instruments from 'below investment grade', or
 - Similar such downgrades of a loan rating.
- In case of difference in rating by multiple CRAs, the most conservative rating shall be considered. Creation of segregated portfolio shall be based on issuer level credit events and implemented at the ISIN level.

3. Creation of segregated portfolio shall be optional and at the discretion of the Franklin Templeton Asset Management (India) Pvt. Ltd (FTAMIL/AMC).

Creation of segregated portfolio of unrated debt or money market instruments by mutual fund schemes of an issuer that does not have any outstanding rated debt or money market instruments, subject to the following:

- a. Segregated portfolio of such unrated debt or money market instruments may be created only in case of actual default of either the interest or principal amount.
- b. Asset Management Companies are required to inform AMFI immediately about the actual default by the issuer. Upon being informed about the default, AMFI shall immediately inform the same to all AMCs. Pursuant to dissemination of information by AMFI about actual default by the issuer, FTAMIL may segregate the portfolio.

Portfolio of the scheme shall be segregated in accordance with requirements as prescribed by SEBI from time to time.

Process for creation of segregated portfolio

- 1) AMC shall decide on creation of segregated portfolio on the day of credit event/receipt of information about actual default of unrated debt or money market instruments/ the date of proposal for restructuring of debt received by AMCs (credit event). Once AMC decides to segregate portfolio, following process shall be followed to implement the decision to segregate portfolio:
 - i. immediately issue a press release disclosing the intention to segregate such debt and money market instrument and its impact on the investors. The mutual fund should also disclose that the segregation shall be subject to Trustee approval. Additionally, the said press release shall be prominently disclosed on the website of FTMF/ FTAMIL.
 - ii. seek approval of Board of AMC and Franklin Templeton Trustee Services Private Limited (Trustee) prior to creation of the segregated portfolio.
 - iii. ensure that till the time the AMC and Trustee approval is received, which in no case shall exceed 1 business day from the day of credit event, the subscription and redemption in the scheme shall be suspended for processing with respect to creation of units and payment on redemptions.
- 2) If the Trustee approval is received by FTAMIL,
 - i. Segregated portfolio shall be effective from the day of credit event.
 - ii. FTAMIL shall issue a press release immediately with all relevant information pertaining to the segregated portfolio. The said information shall also be submitted to SEBI.
 - iii. An e-mail or SMS should be sent to all unit holders of the concerned scheme.
 - iv. The NAV of both segregated and main portfolio shall be disclosed from the day of the credit event.
 - v. All existing investors in the scheme as on the day of the credit event shall be allotted equal number of units in the segregated portfolio as held in the main portfolio.
 - vi. No redemption and subscription shall be allowed in the segregated portfolio. However, in order to facilitate exit to unit holders in segregated portfolio, AMC shall enable listing of units of segregated portfolio on the recognized stock exchange within 10 working days of creation of segregated portfolio and also enable transfer of such units on receipt of transfer requests.
- 3) If the Trustees do not approve the proposal to segregate portfolio, AMC shall issue a press release immediately informing investors of the same and the scheme shall re-open for subscription and redemption.

Valuation and processing of subscriptions and redemptions

a. Notwithstanding the decision to segregate the debt and money market instrument, the valuation as per the methodologies mentioned in the Valuation Policy should take into account the credit event and the portfolio shall be valued based on the principles of fair valuation (i.e. realizable value of the assets) in terms of the relevant provisions of SEBI (Mutual Funds) Regulations, 1996 and Circular(s) issued thereunder.

b. All subscription and redemption requests for which NAV of the day of credit event or subsequent day is applicable will be processed as per the existing circular on applicability of NAV as under:

- i. Upon trustees' approval to create a segregated portfolio -
 - Investors redeeming their units will get redemption proceeds based on the NAV of main portfolio and will continue to hold the units of segregated portfolio.
 - Investors subscribing to the scheme will be allotted units only in the main portfolio based on its NAV.
- ii. In case trustees do not approve the proposal of segregated portfolio, subscription and redemption applications will be processed based on the NAV of total portfolio.

Disclosures

In order to enable the existing as well as the prospective investors to take informed decision, the following shall be adhered to:

1. A statement of holding indicating the units held by the investors in the segregated portfolio along with the NAV of both segregated portfolio and main portfolio as on the day of the credit event shall be communicated to the investors within 5 working days of creation of the segregated portfolio.
2. Adequate disclosure of the segregated portfolio shall appear in all scheme related documents, in monthly and half-yearly portfolio disclosures and in the annual report of the mutual fund and the scheme.
3. The Net Asset Value (NAV) of the segregated portfolio shall be declared on daily basis.
4. The information regarding number of segregated portfolios created in a scheme shall appear prominently under the name of the scheme at all relevant places such as SID, KIM-cum-Application Form, advertisement, AMC and AMFI websites, etc.
5. The scheme performance required to be disclosed at various places shall include the impact of creation of segregated portfolio. The scheme performance should clearly reflect the fall in NAV to the extent of the portfolio segregated due to the credit event and the said fall in NAV along with recovery(ies), if any, shall be disclosed as a footnote to the scheme performance.
6. The disclosures at point 4 and 5 above regarding the segregated portfolio shall be carried out for a period of at least 3 years after the investments in segregated portfolio are fully recovered/ written-off.
7. The investors of the segregated portfolio shall be duly informed of the recovery proceedings of the investments of the segregated portfolio. Status update may be provided to the investors at the time of recovery and also at the time of writing-off of the segregated securities.

TER for the Segregated Portfolio

- a. No investment and advisory fees on the segregated portfolio shall be charged. However, TER (excluding the investment and advisory fees) can be charged, on a pro-rata basis only upon recovery of the investments in segregated portfolio.
- b. The TER so levied shall not exceed the simple average of such expenses (excluding the investment and advisory fees) charged on daily basis on the main portfolio (in % terms) during the period for which the segregated portfolio was in existence.
- c. The legal charges related to recovery of the investments of the segregated portfolio may be charged to the segregated portfolio in proportion to the amount of recovery. However, the same shall be within the maximum TER limit as referred in Regulation 52(6) of SEBI (Mutual Funds) Regulations, 1996 as applicable to the main portfolio. The legal charges in excess of the TER limits, if any, shall be borne by the FTAMIL.
- d. The costs related to segregated portfolio shall in no case be charged to the main portfolio.

Monitoring by Trustees

- a. In order to ensure timely recovery of investments of the segregated portfolio, trustees shall ensure that:
 - i. The AMC puts in sincere efforts to recover the investments of the segregated portfolio.
 - ii. Upon recovery of money, whether partial or full, it shall be immediately distributed to the investors in proportion to their holding in the segregated portfolio. Any recovery of amount of the security in the segregated portfolio even after the write off shall be distributed to the investors of the segregated portfolio.
 - iii. An Action Taken Report (ATR) on the efforts made by the AMC to recover the investments of the segregated portfolio is placed in every trustee meeting till the investments are fully recovered/ written-off.
 - iv. The Trustees shall monitor the compliance of SEBI requirements and disclosure in this respect shall be made in half-yearly trustee reports filed with SEBI.

In order to avoid mis-use of segregated portfolio, the Trustees have ensured to have a mechanism in place to negatively impact the performance incentives of Fund Managers, Chief Investment Officers (CIOs), etc. involved in the investment process of securities under the segregated portfolio, mirroring the existing mechanism for performance incentives of the AMC, including claw back of such amount to the segregated portfolio of the scheme.

Risks associated with segregated portfolio

Liquidity risk

- Investor holding units of a segregated portfolio may not be able to liquidate their holding till the recovery of dues from the issuer.
- Listing of units of segregated portfolio in a recognized stock exchange does not necessarily guarantee its liquidity. There may not be active trading of units in the stock market. Further trading price of units in the stock market may be significantly lower than the prevailing NAV.

Credit risk

- Security which is part of a segregated portfolio may not realize any value.

Illustration of Segregated Portfolio

Portfolio Date: 30-April-19

Downgrade Event Date: 30-April-19

Downgrade Security: 8.00% A Ltd from A- to C

Valuation Marked Down 50%

Portfolio on the date of credit event

| Security | Rating | Type of Security | Qty | Price per Unit (INR) | Market Value (INR lakhs) |
|-----------------------------|------------|------------------|--------|----------------------|--------------------------|
| 8.00% A Ltd* | CRISIL A- | NCD | 25,000 | 49.552 | 12.38 |
| 7.80% B Ltd | CRISIL AAA | NCD | 25,000 | 101.021 | 25.25 |
| 7.65% C Ltd | CRISIL AAA | NCD | 21,000 | 100.022 | 21.00 |
| 8.10% D Ltd | CRISIL A- | NCD | 30,000 | 99.548 | 29.86 |
| Cash & Cash Equivalent | | | | | 11.50 |
| Net Assets (in lakhs) | | | | | 100.01 |
| Unit Capital (no. of units) | | | | | 10,000 |
| NAV per unit (INR) | | | | | 1000.12 |

Main Portfolio as on 30th April 2019

| Security | Rating | Type of Security | Qty | Price per Unit (INR) | Market Value (INR lakhs) |
|-----------------------------|------------|------------------|--------|----------------------|--------------------------|
| 7.80% B Ltd | CRISIL AAA | NCD | 25,000 | 101.021 | 25.25 |
| 7.65% C Ltd | CRISIL AAA | NCD | 21,000 | 100.022 | 21.00 |
| 8.10% D Ltd | CRISIL A- | NCD | 30,000 | 99.548 | 29.86 |
| Cash & Cash Equivalent | | | | | 11.50 |
| Net Assets (in lakhs) | | | | | 87.62 |
| Unit Capital (no. of units) | | | | | 10,000 |
| NAV per unit (INR) | | | | | 876.24 |

Segregated Portfolio as on 30th April 2019

| Security | Rating | Type of Security | Qty | Price per Unit (INR) | Market Value (INR lakhs) |
|-----------------------------|----------|------------------|--------|----------------------|--------------------------|
| 8.00% A Ltd* | CRISIL C | NCD | 25,000 | 49.552 | 12.38 |
| Net Assets (in lakhs) | | | | | 12.38 |
| Unit Capital (no. of units) | | | | | 10,000 |
| NAV per unit (INR) | | | | | 123.88 |

* Marked down by 50% on the date of credit event. Before marked down the security was valued at INR.99.105 per unit on the date of credit event i.e on 30th April 2019, NCD of 8.00% A Ltd will be moved to a segregated portfolio.

Total Portfolio value after creation of segregated portfolio

| Particulars | Main Portfolio | Segregated Portfolio | Total Value (INR lakhs) |
|----------------------------|----------------|----------------------|-------------------------|
| Number of Units | 10,000 | 10,000 | - |
| NAV per unit | 876.24 | 123.88 | 1000.12 |
| Total Value (in INR lakhs) | 87.63 | 12.38 | 100.01 |

SPECIAL PRODUCTS AVAILABLE**Exchanges / Switch**

Investors can, subject to any applicable restriction (such as lien/lock-in) exchange / switch investments from one scheme of Franklin Templeton Mutual Fund to another (e.g. Franklin India Bluechip Fund to Templeton India Value Fund), and from one plan to another of the same scheme (i.e. from IDCW plan to

Growth plan) at the applicable NAV (subject to applicable load) provided that

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

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

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

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

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

Systematic Investment Plan

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

By investing a fixed amount of Rupees at regular intervals, investors can take advantage of the benefits of Rupee Cost Averaging, at the same time, saving a fixed amount each month.

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

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

Highlights

- The provision for minimum application amount shall not be applicable to SIP investments, which have different minimum installment amount.
- Frequency:** Currently, Franklin Templeton Mutual Fund offers four frequencies of SIP viz. Daily, Weekly, Monthly and Quarterly. Daily frequency is not available for Franklin India Taxshield (FIT) and Franklin India Pension Plan (FIPEP).
- The minimum amount and minimum number of installments for SIP are as under:

| SIP Frequency | Minimum Amount (Rs.)* | Minimum number of installments |
|---------------------------------------|------------------------------|---|
| Daily (Not available for FIT & FIPEP) | 100 | If Rs. 100 – 499: 20 installments If Rs. 500 – 999: 12 installments If Rs. 1000 and above: 6 installments |
| Weekly, Monthly & Quarterly | 500 | If Rs. 500 – 999: 12 installments If Rs. 1000 and above: 6 installments |

* and in multiples of Re.1/- thereafter except for Franklin India Taxshield which requires investments in multiples of Rs. 500/-.

There is no maximum duration for SIP enrolment.

- In case of applications for registration of Systematic Investment Plan (SIP), the mode of payment of SIP instalments should be Direct Debit or NACH or any other mode of payment accepted by the AMC from time to time. Post dated cheques will not be accepted.
- Daily SIPs shall be processed on all Business Days. In case of weekly frequency, investor can select any Business Day between Monday to Friday. In case of Monthly and Quarterly, all the SIP instalments (except the first one) must be uniformly dated for the month / quarter. In case the SIP Debit date is not indicated, 10th shall be treated as the Default date. In case of weekly frequency, default day is Wednesday.
- Load: For all SIP purchase transactions during ongoing sale, the entry and exit load as applicable for

normal purchases shall be applicable [Normal purchases are purchases at the minimum subscription amount specified for each respective scheme, other than purchases through SIP, STP(in), TIDCW(in) or Exchange/Switch(in)].

- In case the specified date or default date/day of SIP instalment falls on a Non-Business day for the scheme or on a day which is not available in a particular month, the SIP will be processed as follows:
 - For Weekly, Monthly and Quarterly SIP frequencies: Immediately next Business day for that scheme.
 - For Daily SIP frequency: The respective SIP instalment will be skipped.
- Transactions Charges shall be deducted from SIP installments, if applicable..
- Time taken for Registration of SIP:
 - For investors having an existing active payment mandate, first installment for daily/weekly frequency can commence atleast after 7 days for online registration and atleast after 15 days for offline registration post receipt of the application.
 - For all SIP frequencies with new payment mandate, offline SIP registration can commence atleast after 30 days and online SIP registration can commence immediately post receipt of the application.
- If during the currency of a Daily & Weekly SIP frequency, the unitholder changes the plan or option in which he/she had invested, the same would be treated as termination of existing SIP and re-registration of a new SIP and all the terms and conditions of the SIP such as minimum term/amount etc. shall apply in both plans/options. For Monthly and Quarterly frequency, Freedom SIP features are being provided.
- Investors will have the right to discontinue the SIP facility at any time by sending a written request to any of the Official Point(s) of Acceptance. Notice of such discontinuance should be received at least 15 days prior to the due date of the next installment. On receipt of such request, the SIP facility will be terminated.
- The SIP registration will be discontinued in cases where six (6) consecutive installments are not honored.
- The AMC / Trustee reserves the right to discontinue the SIP in case of rejection of Direct Debit/NACH by the bank for any reason, and debit the return / rejection charges to the investors' account.
- The AMC / Trustee shall not be responsible for any delay/non-processing of Direct Debit/NACH transaction where it is attributable to any incorrect/incomplete information provided by the investor.
- The AMC / Trustee shall not be responsible and liable for any damages/compensation for any loss, damage etc., incurred by the investor. The investor assumes the entire risk of using the Direct Debit/NACH facility and takes full responsibility for the same.
- Investor will not hold AMC / Trustee and its service providers responsible if the transaction is delayed or not effected by the investor Bank or if debited in advance or after the specific SIP date due to various reasons.
- The AMC / Trustee reserves the right to modify or discontinue the SIP facility at any time in future on a prospective basis.

Investors may note that facilities under Freedom SIP would not be available for Daily and weekly SIP frequency.

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

Here is an illustration using hypothetical figures to show how a Systematic Investment Plan can benefit an investor. Let us assume that Mr. ABC would like to invest Rs.2,000/- as a monthly investment for a period of six months, i.e. a total of Rs.12,000/-.

| Quarter | Amount Invested (Rs.) | Net Asset Value (NAV) (Rs.) | No. of Units purchased |
|--------------|-----------------------|-----------------------------|------------------------|
| 1 | 2000 | 10 | 200.000 |
| 2 | 2000 | 10.5 | 190.476 |
| 3 | 2000 | 11 | 181.818 |
| 4 | 2000 | 10.8 | 185.185 |
| 5 | 2000 | 11.5 | 173.913 |
| 6 | 2000 | 12 | 166.667 |
| TOTAL | 12000 | 65.8 | 1098.059 |

Average price (per unit) per month = Rs.10.9667 (i.e. Rs. 65.8/6).

Average cost per unit = Rs.10.9284 (i.e. Rs. 12000/1098.059 units).

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

However, an investor should note that the market value of the Scheme's units is subject to fluctuations. **Before undertaking any plan for Systematic Investment, the investor should keep in mind that such a program does not assure a profit or protect against a loss.**

Systematic Investment Plan (SIP) Variants facility

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

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

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

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

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

I. Step Up SIP facility

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

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

Step Up SIP facility shall be governed by following conditions:

- All the terms applicable to SIP facility shall also apply to Step up SIP.
- For registering a new SIP with Step Up feature, the minimum tenure of new SIP shall be at least 2 years.
- For an existing SIP, minimum 3 monthly installments or 1 Quarterly installment should be remaining to register a Step Up.
- Step-up SIP is applicable only for AMC initiated debit feeds i.e. NACH/Direct Debit, etc.
- Investor will need to provide an alternate mandate in case the existing mandate cannot be utilized for the Step Up and the alternate mandate shall be utilized to debit money for all future SIP installments. The existing mandate will still be active and the investor may choose to use the same if required at a later point of time.
- For existing SIPs, Investor can decide if the step up facility should apply on the first possible instalment or after the rolling cycle. If the first possible cycle is chosen, the rolling year will change for that investor.

- Note: Rolling year is defined as the period from the 1st instalment of the SIP to the 12th calendar month from the said 1st instalment.
- A Step Up SIP or a Step up cancellation request shall be submitted at least 20 days before instalment due date for it to be effective.
 - Step up Rejection and Cancellation will not cancel the SIP registered by the investor. Receipt of a subsequent Step Up request will override the initial request. The new request will apply to the current value of the already Stepped Up SIP.
- For Family Solutions, Step Up facility can be requested at goal level.
 - Step up facility will not be activated automatically to any new SIPs enrolled to a particular goal. Investor would need to specifically request in writing for applying the Step Up facility to the new SIPs.
 - The stepped up amount shall be allocated to all the underlying schemes of a particular goal as per the instructions of the investor subject to rounding off to the nearest ₹100.

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

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

II. Pause SIP facility

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

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

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

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

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

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

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

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

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

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

IV. SIP Amount Change facility

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

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

V. Flexi SIP facility

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

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

Other terms governing the SIP Variants facility

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

delayed or not effected by the investor's Bank or if debited in advance or after the specific SIP date due to various reasons.

- The AMC / Trustee reserves the right to modify or discontinue the SIP Variants facility at any time in future on a prospective basis.

SYSTEMATIC TRANSFER PLAN (STP)

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

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

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

Highlights:

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

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

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

* Except in Franklin India Liquid Fund, Franklin India Ultra Short Bond Fund, Franklin India Floating Rate Fund and Franklin India Savings Fund where the same should be Rs. 10 Lakhs for all frequencies.

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

| Transfer of Funds | Fixed Amount Option | Capital Appreciation Option |
|-------------------|--|-----------------------------|
| Daily STP | A fixed amount can be transferred to the specified Destination Scheme. | Not Applicable |

| | | |
|---------------------------------------|---|---|
| Weekly STP | A fixed amount can be transferred on a pre-specified day* (Mon, Tue, Wed, Thu, Fri - to be chosen by the investor) of every week to the specified Destination Scheme. | The capital appreciation as on the immediately preceding business day for the Source Scheme can be transferred to the specified Destination Scheme, on a pre-specified day* (Mon, Tue, Wed, Thu, Fri - to be chosen by the investor) of every week as chosen by the investor. |
| Monthly STP/ Quarterly STP | A fixed amount can be transferred on a pre-specified date (to be chosen by the investor) of every month/every quarter to the specified Destination Scheme | The capital appreciation as on the last business day of every month/quarter can be transferred to the specified Destination Scheme |

* In case the chosen day of the week falls on non-business day, STP will be processed on the next Business Day.

8) In case the specified date is a non-business day for either the Source Scheme or the Destination Scheme, the STP will be processed on the following business day for both the schemes. The STP will be applicable subject to the terms of the destination scheme.

9) Minimum Amount and Term:

(a) Under the Fixed amount option

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

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

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

11) At least 5 Calendar days' prior intimation should be given to the Mutual Fund for commencement of a fresh STP or cancellation/termination of an existing STP.

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

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

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

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

14) This facility is not available for investments under lock-in period or on which any lien or encumbrance is marked.

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

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

| STP Frequency | Period in which no sufficient balance is available in Source Scheme to process an STP instalment | No. of STP instalments during the specified period |
|---------------|--|--|
|---------------|--|--|

| | | |
|-----------|----------|---------|
| Daily | 1 month | 30 days |
| Weekly | 1 month | 4 |
| Monthly | 2 months | 2 |
| Quarterly | 3 months | 1 |

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

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

Illustration – 1

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

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

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

Illustration – 2

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

Date of STP Registration – August 12

NAV on August 12 – 10.5000

Date of first STP transaction – August 31

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

Calculation of Capital Appreciation amount

| STP date | STP date NAV | Registration date NAV/ Previous STP NAV/ Additional Purchase NAV | NAV Appreciation per unit | Unit Balance in Source Scheme | Capital Appreciation/ STP Amount (Rs) |
|--------------|--------------|--|---|-------------------------------|--|
| | (a) | (b) | c = a-b | (d) | e = c*d |
| August 31 | 12.0000 | 10.5000 | 1.5000 | 10000.000 | 15000.00 |
| September 30 | 13.0000 | 12.0000 | 1.0000 | 8750.000 | 8750.00 |
| October 31 | 16.2000 | 13.0000 (for 8076.923 units) and 15.0000 (for 66.667 units) | 3.2 (for 8076.923 units) and 1.2 (for 66.667 units) | 8143.59 | (3.2 * 8076.923) + (1.2 * 66.667) = 25926.15 |

Note:

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

Perpetual tenure option under Systematic Transfer Plan

Investors looking for Systematic Transfer Plan (STP) with long gestation period can select the "Till Further Instructions" option in weekly, monthly and quarterly frequencies whereby, the STP will continue for as long as the investor maintains sufficient balance in the Source Scheme or the investor provides further instructions on cancellation of the STP mandate. In case the investor doesn't specify the end date for a STP or doesn't select the "Till Further Instructions" option, then the default STP period will be capped at 5 years.

FLEX SYSTEMATIC TRANSFER PLAN

Under this facility unit holder(s) holding units in non-demat form can opt to transfer variable amount(s) linked to value of investments under Flex STP on the date of transfer at pre-determined intervals from designated open-ended Scheme(s) of Franklin Templeton Mutual Fund [referred to as Source Scheme(s)] to the Growth option of designated open-ended Scheme(s) of Franklin Templeton Mutual Fund [referred to as Target Scheme(s)].

Salient features of the facility:

- a. Flex STP is available at Weekly, Monthly and Quarterly Intervals.

| Particulars | Frequency |
|----------------------------|-----------------------------|
| Weekly option | Any day* (Monday to Friday) |
| Monthly & Quarterly option | Any date* |

*In case the date chosen for STP falls on a non-business day or on a day which is not available in a particular month, the STP will be processed on the immediate next business day.

- b. At the time of registration, the minimum amount under this facility is as follows:

| Frequency | Minimum Amount of Transfer (Rs.) |
|-----------------------------|----------------------------------|
| Weekly, Monthly & Quarterly | 1,000/- and in multiples of Re.1 |

The following schemes/plans/options are not available as Source and Target schemes:

- Franklin India Pension Plan
- Franklin India Taxshield

- c. Under Flex STP, the amount sought to be transferred shall be calculated as follows: Fixed Amount to be transferred per Instalment or the amount as determined by the following formula [(fixed amount to be transferred per instalment X number of instalments including the current instalment) - market value of the investments through Flex STP in the Target Scheme on the date of transfer] whichever is higher.

- d. There should be a minimum of 6 instalments for enrolment under Weekly and Monthly Flex STP and 4 instalments for Quarterly Flex STP. The minimum balance in unit holder's account or minimum amount of application at the time of enrolment for Flex STP should be Rs. 12,000/-.
- e. In case the amount (as calculated basis above) to be transferred is not available in the Source Scheme in the unit holder's account, the residual amount will be transferred to the Target Scheme and Flex STP will be closed.
- f. Flex STP with Weekly, Monthly and Quarterly Frequency shall commence if the application is submitted at least 5 calendar days prior to the applicable date.
- g. The first Flex STP instalment will be processed basis the fixed instalment amount specified by the unit holder at the time of enrolment. Flex STP shall be applicable from second instalment onwards.
- h. The total Flex STP amount invested in the Target Scheme shall not exceed the total enrolment amount i.e. amount per instalment X number of instalments.
- i. The amount transferred under the Flex STP from the Source Scheme to the Target Scheme shall be effected by redeeming units of Source Scheme at Applicable NAV, after payment of Exit Load, if any, and subscribing to the units of the Target Scheme at Applicable NAV in respect of each Flex STP investment. Exit Load, if any, prevailing on the date of enrolment shall be levied in the Target Scheme. The redemption / switch-out of units allotted in the Target Scheme shall be processed on First In First Out (FIFO) basis. In case there is a redemption / switch-out of any units allotted under Flex STP, the balance instalments under Flex STP will be processed for the fixed instalment amount specified by the unitholder at the time of enrolment.
- j. If the Flex STP Date and/or Frequency has not been indicated or multiple frequencies are selected, Monthly frequency shall be treated as Default frequency and last business day of the month shall be treated as Default Date.
- k. In case of lesser-than-required balance in the Source scheme, the available balance will be transferred to Target scheme under Flex STP and subsequently the Flex STP will cease to be active. In case of nil balance in the Source Scheme, Flex STP for that particular due date will not be processed. Flex STP will cease to be active upon unsuccessful transaction or if all units are pledged or upon receipt of intimation of death of Unit holder.
- l. In case no end date is mentioned in the form at the time of registration of Flex STP, the default time period taken will be 5 years.
- m. In order to discontinue the facility, a written request must be submitted at least 7 business days prior to the next applicable transfer date for Weekly/Monthly/Quarterly frequency.
- n. The provision of "Minimum Redemption Amount" specified in the SID(s) of the respective designated Source Schemes and "Minimum Application Amount" applicable to the Scheme as specified in this document will not be applicable for Flex STP.
- o. Unit holders may opt for either Value STP or Flex STP registration in a particular target scheme in a folio. Further, multiple Value STPs or multiple Flex STP registrations in the same target scheme in a folio will also not be allowed.

The AMC / Trustee reserves the right to change / modify load structure and other terms and conditions under Flex STP or withdraw the facility prospectively at a future date.

VALUE SYSTEMATIC TRANSFER PLAN

Under this facility unit holder(s) holding units in non-demat form can opt to transfer an amount at regular intervals from designated open-ended Scheme(s) of Franklin Templeton Mutual Fund ("Source Scheme") to the Growth Option of designated open-ended Scheme(s) of Franklin Templeton Mutual Fund ("Target Scheme") including a feature of Reverse Transfer from Target Scheme into the Source Scheme, in order to achieve the Target Market Value on each transfer date in the Target Scheme.

Salient features of this facility are as follows:

a. Scheme details:

| Source Schemes | Target Scheme |
|---|--|
| <ul style="list-style-type: none"> • Franklin India Overnight Fund • Franklin India Liquid Fund • Franklin India Savings Fund • Franklin India Floating Rate Fund • Franklin India Corporate Debt Fund • Franklin India Banking and PSU Debt Fund | <ul style="list-style-type: none"> • Franklin India Bluechip Fund • Franklin India Flexi Cap Fund • Franklin India Equity Advantage Fund • Franklin India Focused Equity Fund • Templeton India Value Fund • Templeton India Equity Income Fund • Franklin India Prima Fund |

| | |
|--|---|
| <ul style="list-style-type: none"> • Franklin India Government Securities Fund • Franklin India Debt Hybrid Fund • Franklin India Equity Hybrid Fund • Franklin India Equity Savings Fund • Franklin India Balanced Advantage Fund • Franklin India Dynamic Asset Allocation Fund of Funds • Franklin India Multi-Asset Solutions Fund of Funds | <ul style="list-style-type: none"> • Franklin India Smaller Companies Fund • Franklin Build India Fund • Franklin India Opportunities Fund • Franklin India Technology Fund • Franklin Asian Equity Fund • Franklin India Feeder – Franklin U.S. Opportunities Fund • Franklin India Feeder – Templeton European Opportunities Fund • Franklin India Index Fund – NSE Nifty 50 Index Plan |
|--|---|

b. Value STP offers transfer facility at weekly, monthly and quarterly intervals.

c. The minimum amount per Value STP instalment shall be as follows:

| Frequency | Minimum Amount of Transfer (Rs.) | Minimum instalments |
|------------|--|--|
| Weekly | Rs. 500 and in multiples of Re 1 thereafter | 12 instalments where instalment amount is less than Rs. 1,000/- and a minimum of 6 instalments where instalment amount is equal to or greater than Rs. 1,000/- |
| Monthly | Rs. 1000 and in multiples of Re 1 thereafter | 6 instalments of Minimum Rs.1000 |
| Quarterly* | Rs. 3000 and in multiples of Re 1 thereafter | 2 instalments of Minimum Rs.3000 |

*Beginning of quarter could be any month.

- d. There is no maximum duration for Value STP enrolment provided the end date is mentioned in the form. In case no end date is mentioned, the default time period taken will be 5 years.
- e. The minimum unit holder's account balance or a minimum amount of application at the time of Value STP enrolment in the Source Scheme should be Rs. 12,000.
- f. The provision of 'Minimum Redemption Amount' as specified in the Scheme Information Document(s) of the respective designated Source Scheme(s) (Target Scheme(s) in case of Reverse Transfer) and 'Minimum Application Amount' specified in the Scheme Information Document(s) of the respective designated Target Scheme(s) (Source Scheme(s) in case of Reverse Transfer) will not be applicable for Value STP.
- g. The objective of Value STP is to achieve the Total Target Market Value in the Target Scheme by transferring an amount from the Source Scheme at regular intervals in such a way so as to increase the Target Market Value of units in the Target Scheme systematically by a fixed amount (i.e. the first instalment amount specified by the Unitholder) on the date of each transfer till the tenure of the Value STP. The amount to be transferred under Value STP from Source Scheme to Target Scheme shall be calculated as follows:
- The first Value STP instalment will be processed for the first instalment amount specified by the Unitholder at the time of enrolment.
 - From the second Value STP instalment onwards, the transfer amount may be higher/lower than the first instalment amount, as derived by the formula stated below: (First instalment amount X Number of instalments including the current instalment) - Market Value of the investments through Value STP in the Target Scheme on the date of transfer.
- h. In case the amounts (as specified above) to be transferred are not available in the Source Scheme in the unit holder's account, the residual amount will be transferred to the Target Scheme and Value STP will be closed.
- i. Value STP with Weekly, Monthly and Quarterly Frequency shall commence if the application is submitted at least 5 calendar days prior to the applicable date.
- j. Reverse Transfer: On the date of transfer, if the Market Value of the investments in the Target Scheme through Value STP is higher than the first instalment amount X number of instalments (including the current instalment), then a Reverse Transfer will be effected from the Target Scheme to the Source Scheme to the extent of the difference in the amount, in order to arrive at the Target Market Value.

- k. The total amount invested through Value STP over its tenure in the Target Scheme, may be higher or lower than the Total Target Market Value of the investment (i.e. the first instalment amount X total number of instalments specified by the Unitholder). This may be on account of fluctuations in the Market Value of the Target Scheme.
- l. The redemption/ switch-out of units allotted in the Target Scheme shall be processed on First In First Out (FIFO) basis.
- m. In case there is a redemption/ switch-out of any units allotted under Value STP in the Target Scheme by the Unit holder, the balance instalments under Value STP will be processed as a regular STP for the remaining instalments by investing the amount indicated as first instalment amount, on the date of each transfer over the balance tenure of the Value STP, subject to availability of unit balance in the Source Scheme.
- n. In case of lesser-than-required balance in the source scheme, the available balance will be transferred to Target scheme under Value STP and subsequently the Value STP will cease to be active. Value STP will be automatically terminated if all units are liquidated or withdrawn from the Source Scheme or pledged or upon receipt of intimation of death of the unit holder.
- o. Unit holders will have the right to discontinue the Value STP facility at any time by sending a written request to the OPAT. On receipt of such request, the Value STP facility will be terminated within 15 days.
- p. The amount transferred under the Value STP from the Source Scheme to the Target Scheme shall be effected by redeeming units of Source Scheme at the Applicable NAV, after payment of Exit Load, if any, and subscribing to the units of the Target Scheme at Applicable NAV. Exit Load, if any, prevailing on the date of enrolment shall be levied in the Target Scheme and Source Scheme (for units purchased through Reverse Transfer)
- q. Unit holders may opt for either Value STP or Flex STP registration in a particular target scheme in a folio. Further, multiple Value STPs or multiple Flex STP registrations in the same target scheme in a folio will also not be allowed.

The AMC / Trustee reserves the right to change / modify load structure and other terms and conditions under the Value STP or withdraw the facility prospectively at a future date.

ACCOUNTS STATEMENTS

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

A) Consolidated Account Statement

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

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

1. Unitholders who hold Demat Account

The Account Statement containing details relating to all financial transactions (purchase, redemption, switch, systematic investment plan, systematic transfer plan, systematic withdrawal plan, Transfer of Income Distribution cum capital withdrawal plan, Payout of Income Distribution cum capital withdrawal option, Reinvestment of Income Distribution cum capital withdrawal option and bonus transactions) made by the unitholder across all mutual funds and transaction in dematerialised securities across demat accounts of the Unitholder will be sent by the Depositories, for each calendar month within 15th day of the succeeding month to the unitholders in whose folios transactions have taken place during that month.

CAS shall be sent every half yearly (September/ March), on or before 21st day of succeeding month, detailing holding at the end of the six month, to all such Unitholders in whose folios and demat accounts there have been no transactions during that period.

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

depositories.

2. Unitholders who do not hold Demat Account

The Account Statement containing details relating to all financial transactions (purchase, redemption, switch, systematic investment plan, systematic transfer plan, systematic withdrawal plan, Transfer of Income Distribution cum capital withdrawal plan, Payout of Income Distribution cum capital withdrawal option, Reinvestment of Income Distribution cum capital withdrawal option and bonus transactions) made by the unitholder across all mutual funds where PAN of the investor is registered and holding at the end of the month including transaction charges, if any, paid to the distributor, will be sent for each calendar month within 15th day of the succeeding month to the unitholders in whose folios transactions have taken place during that month.

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

The CAS detailing holding across all schemes of all mutual funds where PAN of the investor is registered, shall be sent at the end of every six months (i.e. September/ March), on or before 21st day of succeeding month to all mutual fund investors, excluding those investors who do not have any holdings in mutual fund schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period. Such CAS shall reflect the closing balance and value of the Units as at the end of the month, the amount of actual commission paid by AMC to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme and scheme's average Total Expense Ratio (in percentage terms) for the half-year period, of both direct plan and regular plan.

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

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

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

For normal transactions during ongoing sales and repurchase:

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

For SIP / STP/ Reinvestment of Income Distribution cum capital withdrawal option:

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

Half-yearly Statement:

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

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

ISC.

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

Income Distribution cum capital withdrawal

The IDCW warrants shall be dispatched or the IDCWs would be otherwise distributed to the unitholders within 7 working days from the record date.

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

Redemption

The redemption or repurchase proceeds shall be dispatched to the unitholders within 3 working days from the date of redemption or repurchase. In case of exceptional situations, additional time for redemption payment may be taken. This shall be in line with AMFI letter dated January 16, 2023.

Delay in payment of redemption / repurchase proceeds/ IDCW

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

C. PERIODIC DISCLOSURES

Net Asset Value (NAV)

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

The NAV will be calculated for every Business Day and

The Mutual Fund are required to declare the NAV of the Scheme on every Business Day on AMFI's website www.amfiindia.com by 11.00 p.m. (current time limit for uploading NAV as per the SEBI guidelines) and also on our website www.franklintempletonindia.com.

In order to provide the facilities to the investor of investing through banks / ATMs, the business hours will be extended well beyond the normal business hours. The banks normally process all their business transactions (including the above distributed mutual fund units) during the midnight and therefore the information relating to the earlier business day for subscriptions and redemptions would be available late in the night.

As a result of the extended business hours and a unique type of sweep product, the fund may need to calculate the NAV late in the night. In any event, the same will be updated on the AMFI website before the beginning of the next business day at 10.00 am. See the section "NET ASSET VALUE CALCULATION".

In case NAV of Corporate Debt Market Development Fund ('CDMDF') units is not available by 9:30 p.m. of same Business Day, NAV declaration timing for Mutual Fund Schemes holding units of CDMDF shall be 10 a.m. on next business day instead of 11 p.m. on same Business Day.'

The disclosure of NAV as outlined above is as per the prevailing SEBI Regulations and is subject to change from time to time.

Redemption and Sale Prices

While determining the price of the units, the mutual fund shall ensure that the repurchase price is not lower than 95 per cent of the Net Asset Value.

PORTFOLIO / FINANCIAL RESULTS DISCLOSURE

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

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

The Mutual Fund shall disclose portfolio as on the last day of the month / half-year for all their schemes on its website and on the website of AMFI within 10 days from the close of each month/ half-year respectively. In case of unitholders whose e-mail addresses are registered, the Mutual Fund/ AMC shall send via email both the monthly and half-yearly statement of scheme portfolio within 10 days from the close of each month/ half-year respectively.

Further, the mutual fund shall also disclose the debt and money market securities transacted (including inter scheme transfers) in schemes portfolio on daily basis with a time lag of 15 days.

The Mutual Fund shall disclose the scheme portfolios as on the last day of the month/ as on the last day of every half year ended March and September within 10 days from the close of each month / half-year respectively. Further, the Mutual Fund shall also disclose portfolio of the scheme on a fortnightly basis within 5 days from the end of the fortnight. The disclosure shall be on www.franklintempletonindia.com and www.amfiindia.com. The AMC shall send via email the fortnightly statement of scheme portfolio within 5 days from the close of each fortnight and the monthly and half-yearly statement of scheme portfolio within 10 days from the close of each month / half-year respectively.

ANNUAL REPORT

As required by the SEBI Regulations, the Fund will mail the scheme wise annual report or an abridged summary thereof to all the unitholders as soon as practical after 31st March each year but not later than four months thereafter, as the Trustee may decide. In case of unitholders whose e-mail addresses are available with the Mutual Fund, the annual report or the abridged summary, as the case may be, would only be sent by email and no physical copies would be mailed to such unitholders. However, those unitholders who still wish to receive physical copies of the annual report/abridged summary notwithstanding their registration of e-mail addresses with the Fund, may indicate their option to the AMC in writing and AMC shall provide the same at nominal price. For the rest of the investors, i.e. whose email addresses are not available with the mutual fund, the AMC shall send physical copies of scheme annual reports or abridged summary to those unitholders who have 'opted-in' to receive physical copies. The AMC shall display the link of the scheme annual reports or abridged summary prominently on the Fund's website and AMFI website and make the physical copies available to the investors at its registered office at all times.

Associate Transactions

Please refer to Statement of Additional Information (SAI)

Taxation

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

The following summary outlines the key tax implications applicable to unit holders based on the relevant provisions under the Income-tax Act, 1961 ('Act').

A) Tax implications to unitholders under Income Tax Act:

Category of this Scheme: Not an 'equity oriented fund' or 'liquid fund' or 'money market mutual fund', as currently defined under the Act

As per section 50AA of the Act, this scheme is a **Specified Mutual Fund**

Definitions under the Act

“*Equity oriented fund*” is defined to mean a fund set up under a scheme of a mutual fund specified under clause 23(D) of section 10 and

In case where the fund invests in the units of another fund which is traded on a recognised stock exchange–

- a minimum of 90% of the total proceeds of such fund is invested in the units of such other fund; and
- such other fund also invests a minimum of 90% of its total proceeds in the equity shares of domestic companies listed on a recognized stock exchange; and

In any other case, a minimum of 65% of the total proceeds of such fund is invested in the equity shares of domestic companies listed on a recognised stock exchange

Provided that the percentage of equity shareholding or unit held in respect of the fund, as the case may be, shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.

“*Money market mutual fund*” is defined to mean a money market mutual fund as defined in sub-clause (p) of clause (2) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

“*Liquid fund*” is defined to mean a scheme or plan of a mutual fund which is classified by the Securities and Exchange Board of India as a liquid fund in accordance with the guidelines issued by it in this behalf under the Securities and Exchange Board of India Act, 1992 (15 of 1992) or regulations made thereunder.

“Specified mutual fund” means a mutual fund by whatever name called, where not more than 35%¹ of its total proceeds is invested in the equity shares of domestic companies.

Tax on income on units:

Currently, dividend is taxable in the hands of the unitholders at the applicable tax slab rates (Refer **Note 1** for tax rates) and also, subject to withholding of taxes at source by the Mutual Fund at following rates:

| Particulars | Tax Implications in income from units received by unit holders | Withholding of Taxes by Mutual Fund |
|---|---|--|
| Resident (Individuals / Non-corporates / Corporates) | Taxed in the hands of unitholders at applicable rate under the provisions of the Act | 10% under section 194K of the Act * |
| Non-residents (Individuals / Non-corporates / Corporates)** | Taxed in the hands of unitholders at the rate of 20% under section 115A of the Act. (plus applicable surcharge and cess). | 20% (plus applicable surcharge and cess) u/s 196A/ 196D of the Act |

*As per provision of section 194K of the Act, where the amount of income credited or paid in a financial year, in aggregate, does not exceed Rs. 5,000, no withholding is required to be carried out. However, the scheme shall be withholding tax when the aggregate amount in financial year at Permanent Account Number (PAN) level exceeds Rs. 4,000.

¹ To be computed with reference to the annual average of the daily closing figures.

Further, where any person furnishes a NIL/ lower withholding certificate obtained under section 197 of the Act/ certificate in Form 15G/ Form 15H of the IT Act, the same can be considered for withholding tax purposes.

** Taxability in the hands of non-resident Individuals / non- resident non-corporates / non-resident corporates shall be subject to Double Taxation Avoidance Agreement (“DTAA” or “tax treaty”) benefits which can be claimed in the return of income to be filed by such investors. Further, such DTAA benefit may also be claimed at the time of withholding of taxes (subject to requisite documents for claiming DTAA benefit made available by investor to the Mutual Fund). The investors should obtain specific advice from their tax advisors regarding the availability of the tax treaty benefits.

Further, unitholders can claim deduction of interest expense incurred if any, against income from units and such deduction shall not exceed 20% of income from units under section 57 of the Act.

Provisions regarding Bonus stripping in certain circumstances

In case of units purchased within a period of 3 months prior to the record date, (for entitlement of bonus) and sold/transferred (including redeemed) within 9 months after such date, the loss arising on transfer of all or any such units shall be ignored for the purpose of computing the income chargeable to tax. The loss so ignored shall be treated as cost of acquisition of such bonus units.

Tax on income on sale/redemption of units:

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

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

Separately, as per section 50AA of the Act, introduced by the Finance Act 2023 (‘FA 2023’), gains arising on transfer, redemption or maturity of specified mutual funds acquired on or after 1 April 2023 will deemed to be ‘short-term capital gains’ (regardless of the period of holding) and taxable at the short term capital gain rates mentioned below for Specified Mutual Fund.

However, gains arising on transfer, redemption or maturity of specified mutual funds which were acquired before 1 April 2023 and are held for a period of more than 36 months shall be taxable as long-term capital gains.

The rates of capital gains tax are as follows (applicable to all investors including NRI / PIO/ FPI):

Schemes other than equity-oriented fund/ specified mutual funds:

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

* plus surcharge and health and education cess as may be applicable (Refer **Note 2**).

Segregation of mutual fund schemes

As per Para 4.4 of SEBI Master Circular on Mutual Funds dated May 19, 2023, permitted creation of segregated portfolio of debt and money market instruments by Mutual Fund schemes. As per the SEBI circular, all the existing unit holders in the affected scheme as on the day of the credit event shall be allotted equal number of units in the segregated portfolio as held in the main portfolio. Accordingly, on segregation, the unit holders hold same number of units in two schemes –the main scheme and segregated scheme.

Explanation 1 to Section 2(42A) of the Act relating to the period of holding has been amended to provide that the period of holding of the units of the segregated scheme shall include the period for which the units in the main scheme were held by the assessee.

Similarly, section 49(2AG) of the Act provides that the cost of acquisition of a unit or units in the segregated portfolio shall be the amount which bears to the cost of acquisition of a unit or units held by the assessee in the total portfolio, the same proportion as the net asset value of the asset transferred to the segregated portfolio bears to the net asset value of the total portfolio immediately before the segregation of portfolios.

Also, section 49(2AH) of the Act provides that the cost of the acquisition of the original units held by the unit holder in the main portfolio shall be deemed to have been reduced by the amount so arrived at under section 49(2AG) of the Act.

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

Schemes other than equity oriented fund/ specified mutual fund:

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

* plus surcharge and health and education cess as may be applicable. (Refer **Note 2**)

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

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

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

As per Rule 37BC of the Income-tax Rules, 1961 (Rules), the provisions of section 206AA shall not apply to non-resident, not being a foreign company, or a foreign company in respect of payments made to them in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset, if the non-resident provides the following details to the payer:

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

is identified by the Government of that country or the specified territory of which he claims to be a resident.

B) Securities Transaction Tax (STT)

No STT is payable on sale (redemption) of units of a fund other than an 'equity oriented fund'.

C) TDS for non-filers of return of income at higher rates

Section 206AB of the Act provides higher rates of withholding tax where the recipient (being a specified person):

- has not filed the return of income for the assessment year ("AY") relevant to the previous year immediately prior to the financial year in which tax is required to be deducted,
- has an aggregate of tax deducted at source and tax collected at source of INR 50,000 or more in the said previous year; and
- for whom the time limit of filing return of income under Section 139(1) of the Act has expired.

Where the recipient qualifies as a specified person under section 206AB, withholding shall be higher of the following:

- twice the rate specified in the relevant provision of the Act; or
- twice the rate or rates in force; or
- the rate of 5%

Further, where provisions of section 206AA of the Act is applicable to a specified person, in addition to the provision of section 206AB of the Act, the tax shall be deducted at higher of the two rates provided in section 206AB of the Act and in section 206AA of the Act.

However, specified person shall not include:

- non-residents who do not have a permanent establishment in India, or
- a person who is not required to furnish the return of income for the assessment year and is notified by the Central Government in the Official Gazette in this behalf

D) PAN becoming inoperative

Rule 114AAA of the Rules provides that where an individual does not link his PAN with his Aadhaar number, then PAN of such a taxpayer shall become inoperative and consequences for not furnishing, intimating or quoting of PAN under the Act shall be applicable. The consequences of an inoperative PAN, with effect from 1 July 2023, shall be as under:

- (i) refund of any amount of tax or part thereof, due under the provisions of the Act shall not be made;
- (ii) interest shall not be payable on such refund for the period, beginning with the date specified under sub-rule (4) and ending with the date on which it becomes operative;
- (iii) where tax is deductible under Chapter XVIIIB in case of such person, such tax shall be deducted at higher rate, in accordance with provisions of section 206AA;
- (iv) where tax is collectible at source under Chapter XVII-BB in case of such person, such tax shall be collected at higher rate, in accordance with provisions of section 206CC:

Also, Rule 114AAA of the Rules provides that once PAN (which has become inoperative) and Aadhaar are linked, the same shall become operative within thirty days from the date of intimation of Aadhaar number. A fee of Rs.1,000 for failure to link PAN with Aadhaar continues to apply.

Separately, Central Board of Direct Taxes (CBDT) vide Notification No. 37/2017, F. No. 370133/6/2017-TPL, dated 11 May 2017 has clarified that provisions of section 139AA of the Act shall not apply to an individual who does not possess the Aadhaar number or the Enrolment ID and is a non-resident as per the Act. Given that provisions of section 139AA of the Act does not apply to a non-resident, consequently, the provisions of Rule 114AAA of Rules shall also not apply.

Note 1:

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

following rates as per old tax regime:

| Slab | Tax rate * |
|---|---|
| Total income upto Rs.250,000 [#] | Nil |
| More than Rs.250,000 [#] but upto Rs.500,000 | 5 percent of excess over Rs 250,000 |
| More than Rs.500,000 but upto Rs.1,000,000 | 20 percent of excess over Rs. 500,000 + Rs.12,500 [§] |
| Exceeding Rs.1,000,000 | 30 percent of excess over Rs 1,000,000 + Rs.1,12,500 [§] |

* plus surcharge, if applicable and health and education cess (Refer **Note 2**)

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

[§] Similarly for resident senior citizens of sixty years of age and above but below eighty years of age, Rs. 12,500 has to be read as 10,000 and Rs.1,12,500 has to be read as Rs. 1,10,000. And for resident senior citizens of eighty years of age and above Rs. 12,500 has to be read as Nil and Rs.1,12,500 has to be read as Rs. 100,000

A resident individual (whose total income does not exceed Rs.500,000) can avail rebate under section 87A. It is deductible from income tax before calculating health and education cess. The amount of rebate available would be 100% of income-tax chargeable on his total income or Rs.12,500, whichever is less.

Section 115BAC of the Act provides individuals and HUFs anew tax regime² in respect of their total income at the following rates:

| Slab | Tax rate* |
|---|---|
| Total income up to Rs.300,000@ | Nil |
| More than Rs.300,000 but up to Rs.600,000@ | 5 percent of excess over Rs.300,000 |
| More than Rs.600,000 but up to Rs.900,000@ | 10 percent of excess over Rs.600,000 + Rs.15,000 |
| More than Rs.900,000 but up to Rs.1,200,000 | 15 percent of excess over Rs.900,000 + Rs.45,000 |
| More than Rs.1,200,000 but up to Rs.1,500,000 | 20 percent of excess over Rs. 1,200,000 + Rs.90,000 |
| Exceeding Rs.1,500,000 | 30 percent of excess over Rs 1,500,000 + Rs.150,000 |

* plus surcharge and health and education cess as may be applicable (Refer **Note 2**)

@A resident individual (whose total income does not exceed Rs.700,000) can avail rebate under section 87A. It is deductible from income tax before calculating health and education cess. The amount of rebate available would be 100% of income-tax chargeable on his total income or Rs.25,000, whichever is less.” Further, marginal relief is available to the extent incremental income tax liability exceeds incremental income in excess of Rs.7,00,000 if the resident individual has opted for new tax-regime.

The above tax regime shall be subject to conditions and other proviso laid down under the section 115BAC of the Act.

As per sub-section (5) to section 115JC of the Act, the provisions of AMT shall not be applicable in case of any person who has exercised the option to be taxed as per the provisions of section 115BAC of the Act.

²New tax regime will become the default regime and accordingly, taxpayer needs to specifically opt for old tax regime (if proposed to be opted)

Indian Companies

The tax rates applicable would be 30 percent (plus surcharge and health and education cess as may be applicable (Refer **Note 2**) .

In case of a domestic company, where the total turnover or gross receipts of such company for financial year 2021-22 does not exceed Rs 400 crores, the rate of tax shall be 25 percent (plus surcharge as applicable, if applicable – see **Note 2**).

Section 115BAA of the Act provides that domestic companies shall have an option to pay income tax at the concessional rate of 22 percent (plus surcharge of 10 percent and an additional surcharge by way of health and education cess of 4 percent on the amount of tax plus surcharge) subject to the following conditions:

- no profit or investment linked deduction shall be availed under section 10AA, 32(1)(ia), 32AD, 33AB, 33ABA, 35(1)(ii), 35(1)(ia), 35(1)(iii), 35(2AA), 35(2AB), 35CCC, 35CCD or provisions of Chapter VI-A other than the provisions of section 80JJAA or section 80M;
- no set off of brought forward loss of any earlier assessment years, if such loss is attributable to any of the deductions referred to in above condition. Such losses are deemed to have been given effect to and no further deduction shall be allowed; and
- shall claim the depreciation under section 32, if any, except additional depreciation under section 32(1)(ia), determined in such manner as may be prescribed.

Certain additional points to be considered before opting for the provisions of the new section 115BAA of the Act are as below:

- Concessional rate of 22 percent shall not be applicable on incomes which are taxable at special rates.
- Provisions in relation to MAT under section 115JB of the Act shall not be applicable
- Such option shall be exercised on or before the due date of filing the return of income under section 139(1) of the Act.
- Such option once exercised, cannot be subsequently withdrawn.

Further, section 115BAB of the Act, provides that, domestic companies engaged solely in the business of manufacture/ production of any article/thing as the case may be, its related research or distribution and setup and registered on or after 1 October 2019 and who commences manufacturing or production up to 31 March 2024, will have an option to avail a lower tax rate of 15 percent (plus surcharge of 10 percent and an additional surcharge by way of health and education cess of 4 percent on the amount of tax plus surcharge) subject to the following conditions:

- It is not formed by splitting-up/ reconstruction of a business already in existence;
- It should not use the following assets:
 - Any plant or machinery previously used in India in value exceeding 20% of total value of plant or machinery;
 - Any building previously used as a hotel/ convention centre in respect of which deduction under section 80ID of the IT Act has been claimed and allowed
- no profit or investment linked deduction shall be availed under section 10AA, 32(1)(ia), 32AD, 33AB, 33ABA, 35(1)(ii), 35(1)(ia), 35(1)(iii), 35(2AA), 35(2AB), 35CCC, 35CCD or provisions of Chapter VI-A other than the provisions of section 80JJAA or section 80M;
- no set off of any carried forward losses and unabsorbed depreciation available under section 72A of the Act by virtue of amalgamation/demerger or any other restructuring where such loss/depreciation is attributable to any of the deduction referred above ; and

- shall claim the depreciation under section 32, if any, except additional depreciation under section 32(1)(iia), determined in such manner as may be prescribed.

Certain additional points to be considered before opting for the provisions of the new section 115BAB of the Act are as below:

- Concessional rate of 15 percent shall not be applicable on incomes which are taxable at special rates.
- Provisions in relation to MAT under section 115JB of the Act shall not be applicable
- Such option shall be exercised on or before the due date of filing the return of income under section 139(1) of the Act
- Such option once exercised, cannot be subsequently withdrawn.
- Income-tax payable in respect of income from short-term capital gains from transfer of capital asset on which no depreciation is allowable under the Act shall be computed at the rate of 22 percent (plus surcharge as applicable, see **Note 2** and an additional surcharge by way of health and education cess of 4 percent on the amount of tax plus surcharge).

Foreign Companies

The tax rate applicable to foreign companies is 40 per cent [plus applicable surcharge and health and education cess – Refer **Note 2**].

Partnership Firms & LLP's

The tax rates applicable would be 30 percent (plus surcharge and health and education cess as may be applicable (Refer **Note 2**) **Note 2: Surcharge (as applicable to the tax charged on income)**

| Assessee | Rate of surcharge applicable* |
|---|---|
| Non-corporate taxpayers (other than firms and co-operative societies), when income does not exceed Rs 5,000,000 and Non-corporate taxpayers being firms and co-operative societies, when income does not exceed Rs 10,000,000 | No basic surcharge. |
| Non-corporate taxpayers (other than firms and co-operative societies), when income [including dividends [#] and capital gains under section 111A, section 112A, section 112 and section 115AD(1)(b) of the IT Act] exceeds Rs 5,000,000 but does not exceed Rs 10,000,000 | 10 percent basic surcharge. |
| Non-corporate taxpayers (other than firms and co-operative societies), when income [including dividends [#] and capital gains under section 111A, section 112A, section 112 and section 115AD(1)(b) of the IT Act] exceeds Rs 10,000,000 but does not exceed Rs 20,000,000 | 15 percent basic surcharge. |
| Non-corporate taxpayers (other than firms and co-operative societies), when income [excluding dividends [#] and capital gains under section 111A, section 112A, section 112 and section 115AD(1)(b) of the IT Act] exceeds Rs 20,000,000 but does not exceed Rs 50,000,000 | <ul style="list-style-type: none"> ➤ 25 percent basic surcharge on tax on income excluding dividend, capital gain under section 111A, section 112A, section 112 and section 115AD(1)(b) of the IT Act, and ➤ 15 percent basic surcharge on tax on dividend, capital gains under section 111A, section 112A, |

| Assessee | Rate of surcharge applicable* |
|--|--|
| | section 112 and section 115AD(1)(b) of the IT Act. ➤ Surcharge rate shall not exceed 25% in case of individual and HUF opting for new tax regime under section 115BAC of the Act. |
| Non-corporate taxpayers (other than firms and co-operative societies), when income [excluding dividends# and capital gains under section 111A, section 112A, section 112 and section 115AD(1)(b) of the IT Act] exceeds Rs 50,000,000 | ➤ 37 percent basic surcharge on tax on income excluding dividend, capital gain under section 111A, section 112A, section 112 and section 115AD(1)(b) of the IT Act, and ➤ 15 percent basic surcharge on tax on dividend, capital gains under section 111A, section 112A, section 112 and section 115AD(1)(b) of the IT Act. ➤ Surcharge rate shall not exceed 25% in case of individual and HUF opting for new tax regime under section 115BAC of the Act. |
| Non-corporate taxpayers (other than firms and co-operative societies), when income [excluding dividends# and capital gains under section 111A, section 112A, section 112 and section 115AD(1)(b) of the IT Act] does not exceeds Rs 20,000,000 but income [including dividends# and capital gains under section 111A, section 112A, section 112 and section 115AD(1)(b) of the IT Act] exceeds Rs 20,000,000 | 15 percent basic surcharge. |
| Non-corporate taxpayers being firms or co-operative societies, when income exceeds Rs 10,000,000 | 12 percent basic surcharge. |
| Domestic companies (other than companies availing benefit under section 115BAA of the IT Act) having taxable income equal to or less than Rs. 10,000,000 | No basic surcharge. |
| Domestic companies (other than companies availing benefit under section 115BAA of the IT Act) having taxable income more than Rs. 10,000,000 but does not exceed Rs 100,000,000 | 7 percent basic surcharge. |
| Domestic companies (other than companies availing benefit under section 115BAA of the IT Act) having taxable income more than Rs 100,000,000 | 12 percent basic surcharge. |
| Domestic companies availing benefit under section 115BAA and section 115BAB of the IT Act | 10 percent basic surcharge (irrespective of taxable income). |
| Foreign Companies (including corporate Foreign Portfolio Investors (FPI)) having taxable income equal to or less than Rs. 10,000,000 per | No basic surcharge. |

| Assessee | Rate of surcharge applicable* |
|--|--------------------------------------|
| annum | |
| Foreign Companies (including corporate FPI) having taxable income more than Rs.10,000,000 but does not exceed Rs 100,000,000 per annum | 2 percent basic surcharge. |
| Foreign companies (including corporate FPI) having taxable income more than Rs 100,000,000 | 5 percent basic surcharge. |

Tax plus surcharge shall be further increased by a health and education cess of 4 percent.

Refers to dividend received from domestic companies and not to income from units received from Mutual Funds.

For further details, please refer to the SAI.

INVESTOR SERVICES

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

Investor Services, Franklin Templeton Mutual Fund

Good Shepherd Square, 4th Floor, No.82, MGR Salai (Erstwhile Kodambakkam High Road), Chennai-600034, Tamil Nadu.

Tel: 1800 425 4255 or 1-800 -258 4255 (Please prefix the city STD code if calling from a mobile phone. Local call rates apply to both the numbers) from 8:00 a.m. to 9:00 p.m., Monday to Saturday.

E-mail: service@franklintempleton.com

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

COMPUTATION OF NAV

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

| | |
|-----------------------|--|
| NAV = | Market Value of the scheme's investments + other assets (including accrued interest) |
| (Rs. Per unit) | - all liabilities except unit capital & reserves |
| | Number of units outstanding at the end of the day |

For example, if the market value of securities of a mutual fund scheme is INR 200 lakh and the mutual fund has issued 10 lakh units of INR 10 each to the investors, then the NAV per unit of the fund is INR 20 (i.e.200 lakh/10 lakh).

The NAV will be calculated to four decimals using standard rounding criteria.

Valuation of the scheme's assets, calculation of the scheme's NAV and the accounting policies & standards will be subject to such norms and guidelines that SEBI may prescribe from time to time and shall be subject to audit on an annual basis.

05. FEES AND EXPENSES OF THE SCHEME

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

ANNUAL SCHEME RECURRING EXPENSES:

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

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

The maximum annual recurring expenses that can be charged to the Scheme, excluding issue or redemption expenses, whether initially borne by the mutual fund or by the asset management company, but including the investment management and advisory fee shall be within the limits stated in Regulations 52 read with SEBI notification no. SEBI/LAD-NRO/GN/2018/51 dated December 13, 2018 and Para 10. 1 of Master Circular on Mutual Funds dated May 19, 2023, as follows:

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

| | |
|-------------------------------|---|
| on the first Rs. 500 crores | 2.00% |
| on the next Rs. 250 crores | 1.75% |
| on the next Rs. 1,250 crores | 1.50% |
| on the next Rs. 3,000 crores | 1.35% |
| on the next Rs. 5,000 crores | 1.25% |
| On the next Rs. 40,000 crores | Total expense ratio reduction of 0.05% for every increase of Rs.5,000 crores of daily net assets or part thereof. |
| Above Rs. 50,000 crores | 0.80% |

(II) In addition to the above, the following costs or expenses may be charged to the Scheme, as per sub-regulation 52(6A) namely-

(a) brokerage and transaction costs which are incurred for the purpose of execution of trade up to 0.12 per cent of trade value in case of cash market transactions and 0.05 per cent of trade value in case of derivatives transactions

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

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

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

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

These expenses are in abeyance with effect from March 1, 2023 till further instructions from SEBI.

(c) additional expenses not exceeding 0.05% of daily net assets of the scheme towards various permissible expenses.

Provided that such additional expenses shall not be charged to the schemes where the exit load is not levied or applicable.

Any expenditure in excess of the limits specified in sub-regulations 52 (6) and 52 (6A)] shall be borne by the asset management company or by the trustee or sponsors.

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

- a) Goods and Service Tax on expenses other than investment and advisory fees; and,
- b) brokerage and transaction costs (including Goods and Service Tax) incurred for the purpose of execution of trade in excess of 0.12% in case of cash market transactions and 0.05% in case of derivatives transactions, if any.

Within such total recurring expenses charged to the scheme as above, the investment management and advisory fee (charged as a percentage of daily net assets) would be as decided by the AMC from time to

time, provided that the investment management and advisory fee shall not exceed the aggregate of expenses charged under clause (I) and (II)(c) above.

As per Para 10.1.16 of SEBI Master Circular on Mutual Funds dated May 19, 2023, the AMC shall annually set apart at least 0.02% on daily net assets within the maximum limit of recurring expenses as per Regulation 52 for investor education and awareness initiatives.

The total annual recurring expenses of the Scheme including the investment management and advisory fee (together with additional management fee wherever applicable) shall not exceed the limit stated in Regulation 52 read with Para 10.1.16 of SEBI Master Circular on Mutual Funds dated May 19, 2023, as explained above.

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

The Trustee/AMC reserves the right to charge higher operating expenses in relation to investing overseas as and when SEBI permits.

It is clarified that in respect of schemes having more than one portfolio, the above restrictions on total expenses will be applied to each portfolio separately.

The AMC has estimated the following recurring expenses for the first Rs.500 crores of Average Daily / Weekly Net Assets:

| Particulars | % of Average Daily Net Assets |
|---|--|
| Recurring expenses permissible under Regulation 52(6)(c)(i): (a) Investment Management and Advisory Fee (b) Expenses - 1. Custodial Fees 2. Registrar & Transfer Agent Fees including cost related to providing accounts statement, IDCW/redemption cheques/warrants etc., Listing Fees 3. Marketing & Selling Expenses including distributor /agent Commission, brokerage & transaction Cost pertaining to the distribution of units and statutory advertisements 4. Costs related to investor communications 5. Expenses towards investor education and awareness initiatives (at least 0.02%) 6. Fees and Expenses of Trustees / Audit Fees 7. Costs of fund transfer from location to location 8. Goods and Service Tax on expenses other than investment and advisory fees 9. Brokerage and transaction costs (including Goods and Service Tax) incurred for the purpose of execution of trade in excess of 0.12%(in case of cash market transactions) /0.05% (in case of derivatives transactions) 10. Other permissible expenses | (a) + (b) - not exceeding 2.00% of daily net assets |
| (c) Goods and Service Tax on investment and advisory fees | At actual |
| (d) Additional expenses permissible under Regulation 52(6A)(c) towards various permissible expenses | not exceeding 0.05% of daily net assets# |
| (e) Expenses in case of inflows from retail investors from cities beyond Top 30 cities charged proportionately under Regulation 52(6A)(b) (refer II(b) above) | not exceeding 0.30% of daily net asset (These expenses are in abeyance with effect from March 1, 2023 till further instructions from SEBI) |

#As per Para 10.1.7 of SEBI Master Circular on Mutual Funds dated May 19, 2023, schemes wherein exit load is not levied, the AMC shall not be eligible to charge the above mentioned additional expenses for such scheme. Currently there is no exit load in the scheme.

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

For the actual Annual Scheme Recurring expenses currently being charged, the investor should refer to the website of the Mutual Fund – <https://www.franklintempletonindia.com/investor/reports?firstFilter-14>.

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

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

| Illustration of expenses and impact on the return | | | | | | |
|---|--------------|---------|--------------|--------------|---------|--------------|
| | Regular Plan | | | Direct Plan* | | |
| | Amount | Units | NAV Per Unit | Amount | Units | NAV Per Unit |
| Opening Investment and NAV Per Unit for the Day (a) | 1,000,000 | 100,000 | 10.0000 | 1,000,000 | 100,000 | 10.0000 |
| Closing Investment and NAV Per Unit for the Day (b) | 1,099,940 | 100,000 | 10.9994 | 1,099,970 | 100,000 | 10.9997 |
| NAV Movement (c = a – b) | 99,940 | | 0.9994 | 99,970 | | 0.9997 |
| Return for the Day after expenses (d = (c / a) %) | 9.9940% | | 9.9940% | 9.9970% | | 9.9970% |
| TER % (e) | 2% | | | 1% | | |
| Distribution Expenses %(j) | 1% | | | | | |
| Expenses for the Day (f = (b * e)/365 days) | 60 | | 0.0006 | 30 | | 0.0003 |
| Impact on Return due to Expenses % (g = (f / a) %) | 0.0060% | | | 0.0030% | | |
| Value of investment prior to expense (h = b + f) | 1,100,000 | | 11.0000 | 1,100,000 | | 11.0000 |
| Return prior to expenses for the Day (i = d + g) | 10.00000% | | | 10.00000% | | |

*The investments under 'Direct' has lower expense ratio excluding distribution expenses, commission, etc., and no commission is paid on investments under Direct Plan. The Direct Plan also has a separate NAV as illustrated above.

Notes:

- The above illustration is provided only to explain the impact of expense ratio on scheme's returns, and not to be construed as providing any kind of investment advice or guarantee on returns on investments.
- The Expense are charged on the closing asset under management and are subject to change on a periodic basis.
- The tax impact has not been considered in the above illustration. In view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.

LOAD STRUCTURE

Load is an amount which is paid by the investor to subscribe to the units or to redeem the units from the scheme. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please visit Franklin Templeton India's website (www.franklintempletonindia.com) or call at 1800 425 4255 or 1-800 -258 4255 (Please prefix the city STD code if calling from a mobile phone. Local call rates apply to both the number) or contact your distributor.

| Sr. No | Particulars | As % of NAV |
|--------|---|-------------|
| 1 | Sales / Entry load on purchase / subscription | 0% |
| 2 | Exit Load on redemption / repurchase | 0% |
| 3 | Load on Switch / Exchange | 0% |

For investments under 'Direct' plan, the Exit load applicable shall be the same as the exit load applicable in the respective Scheme/Scheme Portfolio.

The applicability of exit load in respect of switches between plans and options within the same Scheme will be as follows:

| Nature of investment | Exit Load applicability |
|---|--|
| Existing and new investments made under a Distributor code | No load will be charged on switches to Direct Plan |
| Existing and new investments made without a Distributor code | No load will be charged on switches to Direct. |
| Investment made under Direct route on or after January 01, 2013 | No load will be charged on switches from Direct to other plans and options under the Scheme available for investment under a Distributor code. |

For determining whether an investment was made under a Distributor code or not, the Distributor code as per the records of the AMC/Registrar on the date of the switch transaction will be considered.

As per Para 10.4.1.a of SEBI Master Circular on Mutual Funds dated May 19, 2023 no entry load will be charged for purchase/additional purchase/switches accepted by the Mutual Fund. Similarly, no entry load will be charged with respect to all applications for registrations under the Systematic Investment Plan (SIP)/Systematic Transfer Plan (STP) accepted by the Mutual Fund including SIPs registered prior to August 1, 2009.

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

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

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

For the information of the investors, any introduction / change of load in the Scheme may be put up on the website of the Mutual Fund. The addendum detailing the changes may be circulated among the Investor Service Centres / Distributors / Brokers under directions to display it at their respective offices in form of a Notice and attach it to the copies of Scheme Information Documents and Key Information Memorandum (if required) already in stock. The load may also be disclosed in the account statement issued after the introduction of such load.

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

All loads collected on units shall be retained in the Fund and maintained in a separate account and would strictly and fully be utilised by the Investment Manager in providing distribution related services to the Mutual Fund relating to the sale, promotion, advertising and marketing of Units of the Scheme, including payments to brokers / registrars for their services in connection with the distribution of the Units. Any surplus in this account may be credited to the scheme, whenever felt appropriate by the AMC. As per Para 10.4.1.a of SEBI Master Circular on Mutual Funds dated May 19, 2023, effective August 01, 2009, of the exit load charged to the investor, a maximum of 1% of the redemption proceeds shall be maintained in a separate account which can be used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Any balance shall be credited to the scheme immediately.

Effective October 01, 2012, exit load(if any) charged to the unit holders by the Mutual Fund on redemption (including switch-out) of units shall be credited to the respective scheme net of Goods and service tax. Goods and Service tax on exit load, if any, shall be paid out of the exit load proceeds.

Load on bonus/Reinvestment of Income Distribution cum capital withdrawal option units: As per Para 10.6 of SEBI Master Circular on Mutual Funds dated May 19, 2023, no entry and exit load shall be charged on bonus units or units allotted on reinvestment of IDCW.

06. RIGHTS OF UNITHOLDERS

Please refer the SAI for details.

07. GENERAL UNITHOLDER INFORMATION

FOLIO / ACCOUNT NUMBER

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

RESPONSE TIMES

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

| Activity | Timelines |
|---|---|
| Account Statement Mailing/e-mailing | 5 working days from date of receipt |
| Dispatch of redemption proceeds | 3 working days from date of receipt. In case of exceptional situations, additional time for redemption payment may be taken. This shall be in line with AMFI letter dated January 16, 2023. |
| Dispatch of Payout of Income Distribution cum capital withdrawal option | 7 working days from record date |

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

SCHEME TO BE BINDING ON THE UNITHOLDERS

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

SCHEME COMPARISON

As per Para 2.6 of SEBI Master Circular on Mutual Funds dated May 19, 2023, Franklin India Floating Rate Fund is a unique Product. It falls under 'Debt Scheme- Floater Fund'. The list of existing open ended Schemes falling under the Debt Scheme category are mentioned below.

| Debt Schemes | Scheme Category | Product Positioning |
|--|------------------------|---|
| Franklin India Liquid Fund (FILF) | Liquid | A liquid fund that invests in short term and money market instruments. |
| Franklin India Money Market Fund (FIMMF) | Money Market Fund | Invests in money market instruments with high liquidity and low to moderate credit risk. |
| Franklin India Floating Rate Fund (FIFRF) | Floater Fund | Invests primarily in floating rate instruments and debt and money market instruments. |
| Franklin India Corporate Debt Fund (FICDF) | Corporate Bond Fund | A corporate bond fund that focuses on income generation along with some capital gains by predominantly investing in AA+ and above rated Corporate Bonds |

| | | |
|---|----------------------|---|
| Franklin India Banking & PSU Debt Fund (FIBPDF) | Banking and PSU Fund | A fixed income fund that invests predominantly in debt and money market instruments issued by Banks, PSUs, PFIs and Municipal bonds. |
| Franklin India Government Securities Fund (FIGSF) | Gilt Fund | A fixed income fund that predominantly invests in government securities and manages the portfolio duration based on the market outlook. |
| Franklin India Overnight Fund (FIONF) | Overnight Fund | A fund that invests in debt & money market instruments having maturity of one business day |
| Franklin India Liquid Fund (FILF) | Liquid | A liquid fund that invests in short term and money market instruments. |
| Franklin India Money Market Fund (FIMMF) | Money Market Fund | Invests in money market instruments with high liquidity and low to moderate credit risk. |
| Franklin India Floating Rate Fund (FIFRF) | Floater Fund | Invests primarily in floating rate instruments and debt and money market instruments. |
| Franklin India Corporate Debt Fund (FICDF) | Corporate Bond Fund | A corporate bond fund that focuses on income generation along with some capital gains by predominantly investing in AA+ and above rated Corporate Bonds |
| Franklin India Banking & PSU Debt Fund (FIBPDF) | Banking and PSU Fund | A fixed income fund that invests predominantly in debt and money market instruments issued by Banks, PSUs, PFIs and Municipal bonds. |
| Franklin India Government Securities Fund (FIGSF) | Gilt Fund | A fixed income fund that predominantly invests in government securities and manages the portfolio duration based on the market outlook. |

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

- ❑ All disclosures regarding penalties and action(s) taken against foreign Sponsor(s) may be limited to the jurisdiction of the country where the principal activities (in terms of income / revenue) of the Sponsor(s) are carried out or where the headquarters of the Sponsor(s) is situated. Further, only top 10 monetary penalties during the last three years shall be disclosed. - **NIL**
 - ❑ In case of Indian Sponsor(s), details of all monetary penalties imposed and/ or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to shareholders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years shall also be disclosed – As provided below.
 - ❑ Details of all enforcement actions taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party. The details of the violation shall also be disclosed: As provided below.
- In connection with an inspection carried out by the Registrar of Companies (ROC) in 2010 and the response filed by the company in 2011, the company and some of its directors including ex-directors received a show-cause notice dated 17-Dec-2017 from the office of the ROC. The show cause notice indicated observations made by the inspection team about some irregularity under section 193 of Companies Act 1956 The Company applied to compound the violation under section 621A/441 of Companies Act 1956/2013. The Regional Director, MCA, accepted Company's application and levied a compounding fee of INR 500/- (Rupees Five Hundred only) per officer and vide an order dated January 16, 2020, acknowledged the receipt of a total compounding fee of INR 5000/- (Rupees Five Thousand Only), concluding this matter.
 - In connection with the decision of Franklin Templeton Trustee Services Private Limited (Trustee) to wind up six fixed income schemes of Franklin Templeton Mutual Fund (Schemes) effective April 24, 2020, the Securities and Exchange Board of India (SEBI) initiated a forensic audit/inspection in May 2020 through an appointed outside auditor. The Trustee, as well as Franklin Templeton Asset Management (India) Private Limited (AMC), and certain AMC directors, officers, and employees received show cause notices in November 2020, alleging certain deficiencies and areas of non-compliance with respect to certain provisions of SEBI Act, 1992 and rules and regulations framed thereunder, including SEBI (Mutual Funds) Regulations, 1996. Following the respondents' responses to the show cause notices, on June 7, 2021, SEBI issued an order against the AMC and on June 14, 2021, a separate joint order against the Trustee and certain AMC officers and employees. In its orders, SEBI found violations of certain regulatory provisions, including similarity in investment strategies among the schemes, calculation of duration and valuation of portfolio securities, deficiencies in documentation relating to investment diligence and investment terms, and portfolio risk management. SEBI's orders include as applicable, aggregate monetary penalties of INR 20 crores; disgorgement of investment management and advisory fees, together with interest through the date of SEBI's order totaling INR 512.5 crores, with continuing accrual of 12% interest until paid; and a prohibition on the AMC from launching new fixed income schemes in India for a two-year period. The orders are available publicly on SEBI's website. The respondents filed appeals, as well as applications to stay enforcement of SEBI's orders pending resolution of the appeals, with the Securities Appellate Tribunal (SAT). In June 2021, the SAT granted the stay requested by the AMC, subject to the AMC's deposit of INR 250.0 crore into an escrow account, which has been deposited. In July 2021, SEBI appealed the SAT's stay order to the honorable Supreme Court (SC). Based on the AMC's submission that it would not launch new fixed income schemes pending resolution of its appeal, the SC did not interfere with the SAT's stay order with respect to the monetary amounts and disposed of SEBI's appeal. In July 2021, the SAT also granted the Trustee and AMC employees' stay requests, subject to the deposit of an aggregate of INR 7.5 crore into an escrow account, which has been deposited. The appeals before the SAT remain pending.

In July 2023, the Honorable Supreme Court allowed AMC's request to modify the undertaking and permitted it to launch new debt schemes.

SEBI also issued orders against three AMC directors finding unfair trade practices based on their personal investment redemptions from the Schemes and imposed monetary penalties. In the case of one individual, SEBI also issued an order prohibiting him from accessing or being associated with the Indian securities market among other directions. The orders are available on the website of SEBI. Each of the directors filed appeals, as well as applications to stay enforcement of SEBI's order pending resolution of those appeals, before the SAT, and the SAT granted the stay requests conditioned on deposit of a portion of the ordered monetary amounts, which amounts have been deposited. The directors' appeals before the SAT remain pending.

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

INTERNATIONAL OPERATIONS

Templeton International Inc. (TII) is involved from time to time in litigation relating to claims arising in the normal course of business. To the extent any such litigation is currently pending none is currently reasonably expected to have a material adverse effect on TII's financial condition or the ability of Franklin Templeton Asset Management (India) Private Limited to provide investment management services.

INDIAN OPERATIONS

In May and June 2020, Franklin Resources, Inc. and certain of its subsidiaries, including the AMC, Trustee, and TII (Sponsor), as well as related individuals (collectively, the Franklin Respondents), were named as respondents, along with the Securities and Exchange Board of India (SEBI) and other governmental entities, in multiple writ petition actions filed before the high courts of Gujarat, Delhi and Chennai, seeking, among other things, to challenge the Trustee's decision in April 2020 to wind up six fixed income mutual fund schemes (Schemes). The petitioners further alleged that the Franklin Respondents violated various regulations, mismanaged the Schemes, misrepresented or omitted certain information relating to the Schemes, and/or engaged in other alleged misconduct. The petitioners requested a wide range of relief, including, among other items, an order quashing the winding up notices and blocking the unitholder votes, initiating investigations into the Franklin Respondents, and allowing the unitholder petitioners to redeem their investments with interest. One of the petitioners obtained an interim injunction order staying the operation and implementation of the unitholder voting process, which had been convened by the Trustee in order to obtain unitholder consent to the appointment of a liquidator. Following appeals to the SC, the petitions were transferred to the High Court of Karnataka for consolidated proceedings.

In October 2020, the High Court of Karnataka issued its judgment, in which it upheld the decision to wind up the Schemes and held that there was "nothing wrong with the decision-making process," but determined that consent of the unitholders was required to implement the decision. Certain Franklin Respondents (the Trustee and AMC) and other parties filed cross-appeals to the SC. In December 2020, with the approval of the SC, and without prejudice to its arguments on appeal that unitholder approval of the wind-up decision is not required, the Trustee proceeded with unitholders' votes for each of the six Schemes, which concluded on December 29, 2020, and a substantial majority (above 96%) of the voting unitholders of each of the Schemes voted in favor of the winding-up of the Schemes. Meanwhile, the SC allowed the Trustee to distribute the cash available in the schemes (INR 9122 crores as of January 15, 2021) to the respective unitholders proportionately and appointed SBI Funds Management Pvt. Ltd., (SBIFM) a public sector asset manager, to undertake the distribution. In February 2021, the SC issued a decision confirming the results of the unitholder votes and appointed SBIFM to serve as the liquidator to monetize the remaining assets of the Schemes and distribute the same to unitholders.

Further, vide order dated July 14, 2021, the SC interpreted regulation 18(15)(c) and regulation 39 to 42 harmoniously and held that consent of the unitholders, as envisaged under clause (c) to regulation 18(15), is not required before publication of notices under regulation 39(3) (to suspend business including redemption) and such consent should be sought post publication of the notice by the Trustees. The SC also observed that the trustees had complied with the requirement of publication of the notice and accordingly the cease and freeze effect of Regulation 40 (effect of winding-up) had become effective on the date of publication of the notice. The appeals before the SC remain pending.

As of September 30, 2023, the schemes have distributed an amount of 27,508 crores to unitholders in the aggregate, which is 109.09% of the AUM as of April 23, 2020. The matter is sub-judice.

- Any deficiency in the systems and operations of the Sponsor(s) and/ or the AMC and/ or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency, shall be disclosed: **Nil**

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

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

This Scheme Information Document is an updated version of the same in line with the current laws/regulations and other developments.

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

Investment Manager: FRANKLIN TEMPLETON MUTUAL FUND

Sd/-

Avinash Satwalekar

President

DIRECTORY

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| <p>Sponsor Templeton International, Inc. 500 East Broward Boulevard, Suite 2100, Fort Lauderdale, Florida 33394 – 3091, USA.</p> | <p>Investment Manager Franklin Templeton Asset Management (India) Pvt. Ltd. One International Centre, Tower 2, 12th and 13th Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400013</p> | <p>Trustee Franklin Templeton Trustee Services Pvt. Ltd. One International Centre, Tower 2, 12th and 13th Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400013</p> |
| <p>Registrars Computer Age Management Services Private Limited No.10 (Old No.178), M.G.R. Salai, Nungambakkam, Chennai – 600 034</p> | <p>Custodians Hongkong and Shanghai Banking Corporation Limited (HSBC) 52/60, Mahatma Gandhi Road, Fort, Mumbai 400 001</p> | <p>Auditors B S R & Co. LLP, Chartered Accountants – having its office at 5th Floor, Lodha Excelus, Appollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai – 400 011</p> |

Franklin Templeton Branch Offices (Investor Service Centres)

| Name of the Branch | Address |
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| Ahmedabad | 202 Abhijit-III, Opp. Mayor's Bungalow, Mithakhali Six Roads Navrangpura, Ahmedabad 380009 Fax: (079) 26462685 |
| Allahabad | S N Tower, 4C Maharishi Dayananad Marg, Opp. Radio Station, Civil Lines, Allahabad-211001 |
| Bangalore | 26-27, 1st floor, Northern Area West Wing, Raheja Towers MG Road, Bangalore – 560001. Fax-080-67149595 |
| Bhubaneswar | 77, Kharavel Nagar, Unit III, Janpath, Bhubaneswar 751001 Fax: (0674) 2531026 |
| Bhopal | Guru Arcade, 2nd Floor, Ramgopal Maheshwari Marg, Plot No.153, M P Nagar Zone 1, Bhopal – 462011 |
| Chandigarh | S.C.O 413-414, 1st Floor, Sector 35-C, Chandigarh - 160022 Fax: (0172)-2622341 |
| Chennai | Century Centre, 75 T.T.K. Road, Alwarpet, Chennai 600018 Fax: (044) 24987790 |
| Cochin (Kochi) | 41/418–C, Chicago Plaza, First Floor, Rajaji Road, Ernakulam, Cochin 682035 Fax: (0484) 2373076 |
| Coimbatore | 424-C Red Rose Towers, Second Floor, D. B. Road, R. S. Puram, Coimbatore 641002 Fax: (0422) 2470277 |
| Dehradun | Shop No. 5 , 1st Floor, Swaraj Complex, Opp. Hotel Madhuban, Rajpur Road, Dehradun—248001 Fax: (0135) 2719873 |
| Guwahati | ITAG Plaza, 2nd Floor, Office No. 2C, G.S. Road, Main Road, ABC, Guwahati – 781005 |
| Hyderabad | Unit No 402, 6-3-1085/1 4th Floor, Dega Towers Rajbhavan Road, Somajiguda , Hyderabad-500 082 Fax: (040) 23400030 |
| Indore | 101, Starlit Towers, Opp. State Bank of India, Head Office, 29/1 Y. N. Road, Indore 452001 Fax: (0731) 4201507 |
| Jaipur | Office No.18, 2nd Floor, Laxmi Complex, M.I Road, Jaipur -302001, Rajasthan. |
| Jalandhar | BX III 455, Shakti Tower, Upper Basement, Below Vishal Mega Mart, G. T. Road, Jalandhar 144001 Fax: (0181) 5080783 |
| Jamshedpur | Fair Deal Complex, 1st Floor, Office Unit 1B, Main Road, Opp. Ram Mandir, Bistupur, Jamshedpur-831001 |
| Kanpur | Office no 208, 209 & 210, 2nd floor KAN Chambers, Civil lines, Kanpur- 208001 |
| Kolkata | 4th Floor, A Block, 22, Abanindra Nath Thakur Sarani (Known as Camac Street), Kolkata – 700016 |
| Lucknow | Office no. 2, Ground Floor, Regency Plaza, Opposite Dr. Shyama Prasad Mukherji Hospital (Civil), 5 Park road, Hazratganj, Lucknow - 226001 |
| Ludhiana | SCO-37, First Floor, Feroze Gandhi Market, Ludhiana 141001 Fax: (0161) 3012101 |
| Madurai | Suriya Towers, 1st floor ,Door No 272 /273 , Good Shed Street , Madurai 625001 Fax: (0452) 2350144 |
| Mangalore | First Floor, Manasa Towers, M. G. Road, Kodialbail, Mangalore 575003 Fax: (0824) 2493749 |
| Mumbai | (a) Unit No.202/203/204, 2nd Floor, Dalamal Tower, Plot No. 211, Free Press Journal Marg, Nariman Point, Mumbai - 400 021 Fax: (022) 22810923 (b) Indiabulls Finance Centre, Tower 2, 13th Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400013 Fax: (022) 66391284 |
| Nagpur | Shop No. 3 & 4, Ground Floor, Maharshi Shivpad Complex, Plot No. 262, West |

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| | High Court Road, Bajaj Nagar, Nagpur 440010 Fax: (0712) 2242238 |
| Nashik | 2nd Floor, Bedmutha's Navkar Heights, New Pandit Colony, Near Rajiv Gandhi Bhavan, Saharanpur Road, Nashik 422002 Fax: (0253) 2574329 |
| New Delhi | 707-710, 7th Floor, Ashoka Estate Building, 24 Barakhamba Road, New Delhi 110001 Fax: (011) 23752019 |
| Patna | Unit No.402, 4th Floor, Sai Tower, New Dak Bungalow Road, Patna – 800 001 |
| Panjim | J N Chambers, Third floor, Opp. Mahalaxmi Chambers, Dr. Shirgaonkar Road, Panaji ,Goa 403001 |
| Pune | 401, Karan Selene, above Yes Bank, 187, Bhandarkar Road, Pune 411004 Fax: (020) 25665221 |
| Raipur | First Floor, Piyank tower, GE Road, Raja Talab, Raipur - 492001 Fax: (0771) 4033614 |
| Rajkot | 408-409, 4th Floor, Sadhana Downtown, Jubilee Chowk, Jawahar Road, Rajkot – 360 001 |
| Ranchi | Saluja Tower, 6th Floor, Peepe Compound, Sujata Chowk, Main Road, Ranchi – 834001 |
| Salem | 214/215, Second Floor, Kandaswarna Shopping Mall, Sarada College Road, Salem 636016 Fax: (0427) 2446854 |
| Surat | HG-29 International Trade Centre, Majura Gate Cross Road Signal, Ring Road, Surat 395002 Fax: (0261) 2473744 |
| Trichy | Arun Arcade, 75/1, First Floor, First Cross, North East Extension, Thillainagar, Trichy 620018 Fax: (0431) 2760013 |
| Vadodara | Unit No. - 306, Third Floor, Golden Icon, Opp. BSNL, Bird Circle, Old Padra Road, Vadodara – 390007 |
| Varanasi | D-64/127, C-H, Arihant Complex, 4 th Floor, Sigra, Varanasi, Uttar Pradesh |
| Vijayawada | White House, First Floor, Room # 2, M. G. Road, Vijayawada 520010 Fax: (0866) 6695550 |
| Visakhapatnam | 204, First Floor, Eswar Plaza, Dwaraka Nagar, Visakhapatnam 530016 Fax: (0891) 6666806 |

National Call Centre:

1800 425 4255 or 1800 258 4255 (please prefix the city STD code if calling from a mobile phone, Local call rates apply to both the numbers) from 8:00 a.m. to 9:00 p.m., Monday to Saturday.

Collection Centres:**Branch Office of Computer Age Management Services Limited**

| Name of the branch | Address |
|---------------------------|---|
| Agartala(Tirupura) | Advisor Chowmuhani (Ground Floor),KrishnanagarAgartala,Tripura,799001 |
| Agra(Uttarpradesh) | No. 8, II Floor Maruti Tower Sanjay Place ,Agra ,Uttarpradesh-282002 |
| Ahmedabad(Gujarat) | 111- 113,1 st Floor- Devpath Building Off C G Road Behind Lal Bungalow,Ellis Bridge, Ahmedabad Gujarat 380006 |
| Ahmednagar(Maharashtra) | Office No.3.1st Floor,Shree Parvati,Plot No.1/175,Opp. Mauli Sabhagruh,Zopadi Canteen,Savedi,Ahmednagar-414003 |
| Ajmer(Rajasthan) | AMC No. 423/30 Near ChurchOpp T B Hospital,Jaipur Road,Ajmer,Rajasthan,305001 |
| Akola(Maharashtra) | Opp. RLT Science CollegeCivil Lines,Akola,Maharashtra,444001 |
| Aligarh(Uttarpradesh) | City Enclave, Opp. Kumar Nursing Home Ramghat Road Aligarh Uttarpradesh-202001 |
| Allahabad(Uttarpradesh) | 30/2, A&B, Civil Lines Station Besides ,Vishal Mega Mart Strachey Road, Allahabad ,Uttarpradesh-211001 |
| Alleppey(Kerala) | Doctor's Tower Building,Door No. 14/2562, 1st floor,North of Iorn Bridge, Near Hotel Arcadia Regency, AlleppeyKerala,688001 |
| Alwar(Rajasthan) | 256A, Scheme No:1,Arya Nagar,Alwar,Rajasthan,301001 |
| Amaravati(Maharashtra) | 81, Gulsham Tower,2nd Floor,Near Panchsheel Talkies,Amaravati,Maharashtra,444601 |
| Ambala(Haryana) | SCO 48-49,Ground Floor,opp peer, Bal Bhawan Road, Ambala City, Haryana |
| Amritsar(Punjab) | 3rd Floor,Bearing Unit No-313,Mukut House,Amritsar-143001 |
| Anand(Gujarat) | 101, A.P. Tower,B/H, Sardhar Gunj,Next to Nathwani Chambers,AnandGujarat388001 |
| Anantapur(Andhra Pradesh) | 15-570-33, I FloorPallavi Towers,Subash RoadOpp:Canara Bank,Anantapur,AndhraPradesh,515001 |
| Andheri(Maharashtra) | CAMS Pvt Ltd,No.351,Icon,501,5 th Floor,Western Express Highway,Andheri East,Mumbai-400069 |
| Angul(Orissa) | Similipada,Near Sidhi Binayak +2 Science Collage,Angul-759122 |
| Ankleshwar(Gujarat) | Shop No - F -56First Floor,Omkar ComplexOpp Old Colony,Nr Valia Char Rasta,GIDC,Ankleshwar,Gujarat,393002 |
| Arrah(Bihar) | Old NCC Office,Ground Floor,Club Road,Arrah-802301 |
| Asansol(West Bengal) | Block – G 1st Floor,P C Chatterjee Market Complex Rambandhu Talab PO, Ushagram Asansol Westbengal Pin No 713303 |
| Aurangabad(Maharashtra) | 2nd Floor,Block No.D-21-D-22,Motiwalla Trade Centre,Nirala Bazar,New Samarth Nagar,Opp.HDFC Bank,Aurangabad-431001 |
| Balasore(Orissa) | B C Sen Road,Balasore,Orissa,756001 |
| Ballari(Karnataka) | No.18/47/A,Govind Nilaya,Ward No.20,Sangankal Moka Road,Gandhinagar,Ballari-583102 |
| Bangalore (Karnataka) | Trade Centre,1st Floor45, Dikensen Road (Next to Manipal Centre) Bangalore,Karnataka,560042 |

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| Bangalore Garden)(Karnataka) | (Wilson | First Floor, No.17/1, (272) 12Th Cross Road,Wilson Garden,Bangalore-560027 |
| Bankura(West Bengal) | | 1st Floor, Central Bank Building, Machantala, P.O. & District- Bankura, West Bengal- 722101 |
| Bagalkot (Karnataka) | | Shop No. 2, 1st floor,Shreyas Complex,Near Old Bus Stand, Bagalkot - 587 101 |
| Barasat(West Bengal) | | N/39, K.N.C Road, 1 st Floor, Shrikrishna Apartment, (Behind HDFC Bank Barasat Branch) Dist :24PGS (North) Barasat -700 124 West Bengal |
| Bareilly(Uttarpradesh) | | F-62-63,2nd Floor, Butler Plaza Commercial Complex Civil Lines Bareilly Uttarpradesh-243001 |
| Basti(Uttarpradesh) | | CAMS C/O RAJESH MAHADEV & CO SHOP NO 3,1st Floor JAMIA COMPLEX STATION ROAD BASTI PIN 272002 |
| Belgaum(Karnataka) | | Classic Complex,Block No.104,1st Floor,Saraf Colony,Khanapur Road,Tilakwadi,Belgaum-590006 |
| Berhampur(Orissa) | | Kalika temple Street,Ground Floor,Beside SBI BAZAR Branch,Berhampur-760002 |
| Bhadrak(Orissa) | | Das & Das Complex, 1st Floor, By Pass Road, Opposite to Vishal Mega Mart, Chhapulia, Bhadrak-756100, Odisha |
| Bhagalpur(Bihar) | | Ground Floor, Gurudwara Road, Near Old Vijaya Bank, Bhagalpur - 812001 |
| Bharuch(Gujarat) | | A-111,First Floor,R K Casta,Behind Patel Super Market,Station Road,Bharuch-392001 |
| Bhatinda(Punjab) | | 2907 GH,GT Road,Near Zila Parishad,Bhatinda,Punjab,151001 |
| Bhavnagar(Gujarat) | | 501 – 503 , Bhayani Skyline, Behind Joggers Park, Atabhai Road, Bhavnagar – 364001 |
| Bhilai(Chattisgarh) | | 1st Floor,Plot No.3,Block No.1,Priyadarshini Pariswar west,Behind IDBI Bank,Nehru Nagar,Bhilai-490020 |
| Bhilwara(Rajasthan) | | C/o Kodwani Associtates Shope No 211-213 2nd floor Indra Prasth Tower syam Ki Sabji Mandi Near Mukerjee Garden Bhilwara-311001 (Rajasthan) |
| Bhopal(Madhyapradesh) | | Plot no 10, 2nd Floor,Alankar Complex,Near ICICI Bank,MP Nagar, Zone II,Bhopal,MadhyaPradesh462011 |
| Bhubaneswar(Orissa) | | Plot No -111,Varaha Complex Building3rd Floor,Station Square,Kharvel Nagar,Unit 3-Bhubaneswar-Orissa-751001 |
| Bhuj(Gujarat) | | Office No.4-5,First Floor,RTO Relocation Commercial Complex-B,Opp.Fire Station,Near RTO Circle,Bhuj-Kutch-370001 |
| Bhusawal (Parent: Jalgaon TP)(Maharashtra) | | 3, Adelaide Apartment,Christain Mohala, Behind Gulshan-E-Iran Hotel,Amardeep Talkies Road,Bhusawal,Maharashtra,425201 |
| Bijapur (Karnataka) | | Padmasagar Complex,1st floor, 2nd Gate,Ameer Talkies Road, Vijayapur(Bijapur) – 586101 |
| Bikaner(Rajasthan) | | Behind rajasthan patrika In front of vijaya bank 1404,amar singh pura Bikaner.334001 |
| Bilaspur(Chattisgarh) | | Shop No.B-104, First Floor,Narayan Plaza,Link Road,Bilaspur(C.G)-495001 |
| Bohorompur(West Bengal) | | No.107/1, A C Road,Ground Floor,Bohorompur,Murshidabad,West Bengal-742103 |
| Bokaro(Jharkhand) | | Mazzanine FloorF-4, City Centre, Sector 4, Bokaro Steel City,Bokaro,Jharkhand,827004 |
| Bolpur (West Bengal) | | Netaji Market, 1st Floor Room No Fb 28, Bolpur Birbhum Birbhum Pin No 731204 |
| Borivali(Maharashtra) | | 501 – TIARA, CTS 617, 617/1-4, off Chandavarkar Lane, Maharashtra Nagar, Borivali – West, Mumbai – 400092 |
| Burdwan(West Bengal) | | 399 G T Road,Basement, Building Name: - Talk of the Town, Burdwan-713101.West- Bengal |

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| Calicut(Kerala) | 29/97G 2nd Floor,S A Arcade,Mavoor Road,Arayidathupalam,CalicutKerala-673016 |
| Chandigarh(Punjab) | Deepak TowerSCO 154-155,1st Floor-Sector 17-Chandigarh-Punjab-160017 |
| Chandrapur(Maharashtra) | Opp Mustafa décor,Behind Bangalore, BakeryKasturba Road,Chandrapur,Maharashtra,442402 |
| Chennai(Tamilnadu) | Ground Floor No.178/10,Kodambakkam High RoadOpp. Hotel Palmgrove,Nungambakkam-Chennai-Tamilnadu-600034 |
| Chennai-Satelite ISC(Tamilnadu) | No.158,Rayala Tower-1,Anna salai,Chennai-600002 |
| Chhindwara(Madhyapradesh) | 2nd Floor,Parasia Road,Near Surya Lodge,Sood Complex,Above Nagpur CT Scan, Chhindwara,MadhyaPradesh 480001 |
| Chittorgarh(Rajasthan) | 3, Ashok Nagar, Near Heera Vatika,Chittorgarh, Rajasthan 312001 |
| Cochin(Kerala) | Building Name Modayil,Door No. 39/2638 DJ,2nd Floor 2A M.G. Road,Cochin - 682 016 |
| Coimbatore(Tamilnadu) | No.1334,Thadagam Road,Thirumurthy Layout,R.S.Puram,Behind Venketeswara Bakery,Coimbatore-641002 |
| Coochbehar (West Bengal) | Nipendra Narayan Road (N.N Road) Opposite Udichi Market , Near Banik Decorators , PO & Dist : Coochbehar. Pin 736101 |
| Cuttack(Orissa) | Near Indian Overseas BankCantonment Road,Mata Math,Cuttack,Orissa,753001 |
| Darbhanga(Bihar) | Ground Floor , Belbhadrapur, Near Sahara Office, Laheriasarai Tower Chowk, Laheriasarai, Darbhanga- 846001. |
| Davangere(Karnataka) | 13, Ist Floor,Akkamahadevi Samaj ComplexChurch Road,P.J.Extension,Davangere,Karnataka,577002 |
| Dehradun(Uttarkhand) | 204/121 Nari Shilp Mandir Marg(1st Floor) Old Connaught Place,Chakrata Road,Dehradun,Uttarakhand,248001 |
| Deoghar(Jharkhand) | S S M Jalan RoadGround floorOpp. Hotel Ashoke,Caster Town,Deoghar,Jharkhand,814112 |
| Dhanbad(Jharkhand) | Urmila Towers,Room No: 111(1st Floor) Bank More,Dhanbad,Jharkhand,826001 |
| Dharmapuri(Tamilnadu) | 16A/63A, Pidamaneri Road, Near Indoor Stadium,Dharmapuri,Tamilnadu 636701 |
| Dhule(Maharashtra) | House No 3140, Opp Liberty Furniture,Jamnalal Bajaj Road, Near Tower Garden,Dhule,Maharashtra 424001 |
| Dibrugarh(Assam) | Amba Complex,Ground Floor,H S Road,Dibrugarh-786001 |
| Dimapur(Nagaland) | H/NO-2/2, SKK Building,OPP SUB-Urban Police Station,Dr Hokishe Sema Road,Signal Point,Dimapur-797112 |
| Durgapur(West Bengal) | Plot No.3601,Nazrul Sarani,City Centre,Durgapur-713216 |
| Erode(Tamilnadu) | No.197, Seshaiyer Complex,Agraharam Street,Erode,Tamilnadu,638001 |
| Faizabad(Uttarpradesh) | 1/13/196,A,Civil Lines,Behind Tripati Hotel,Faizabad,Uttarpradesh-224001 |
| Faridabad(Haryana) | LG3, SCO 12 Sector 16, Behind Canara Bank, Faridabad - 121002 |
| Firozabad(Uttarpradesh) | 53,1st Floor ,Shastri Market, Sadar Bazar, Firozabad, Uttarpradesh-283203 |
| Gandhi Nagar(Gujarat) | No.507,5Th Floor,Shree Ugati Corporate Park,Opp Pratik Mall,Nr Hdfc Bank,Kudasan,Gandhinagar-382421 |
| Gandhidham(Gujarat) | Shyam Sadan,First Floor,Plot No.120,Sector 1/A,Gandhidham-370201 |
| Gangtok(Sikkim) | House No: GTK /006/D/20(3), (Near Janata Bhawan) D.P.H. road, Gangtok-737101, Sikkim |
| D(Bihar) | C/o Sri Vishwanath Kunj, Ground Floor, Tilha Mahavir Asthan, Gaya – 823001 |

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| Ghatkopar(Maharashtra) | Platinum Mall,Office No.307,3rd Floor,Jawahar Road,Ghatkopar East,Mumbai-400077 |
| Ghaziabad(Uttarpradesh) | 1st Floor,C-10 RDC Rajnagar,Opp Kacheri Gate No.2,Ghaziabad-201002 |
| Goa(Goa) | Office No.103,1st Floor,Unitech City Centre,M.G.Road,Panaji Goa,Goa-403001 |
| Gondal (Parent Rajkot)(Gujarat) | A/177, Kailash Complex Opp. Khedut Decor Gondal,Gujarat,360311 |
| Gorakhpur(Uttarpradesh) | Shop No.5 & 6,3Rd Floor,Cross Road The Mall,A D Tiraha,bank Road,Gorakhpur-273001 |
| Gulbarga(Karnataka) | Pal Complex, 1st Floor,Opp. City Bus Stop,SuperMarket,Gulbarga,Karnataka 585101 |
| Guntur(Andhra Pradesh) | D No.31-13-1158,1st Floor,13/1 Arundelpet,Ward No.6,Guntur-522002 |
| Gurgaon(Haryana) | Unit No-115, First Floor Vipul Agora Building Sector-28, Mehrauli Gurgaon Road Chakkar Pur, Gurgaon – 122001 Haryana |
| Guwahati(Assam) | Piyali Phukan Road,K.C.Path,House No.1,Rehabari,Guwahati-781008 |
| Gwalior(Madhyapradesh) | G-6 Global Apartment,Kailash Vihar Colony, Opp. Income Tax Office, City Centre Gwalior Madhya Pradesh-474002 |
| Haldia(West Bengal) | Mouza-Basudevpur, J.L. No. 126, Haldia Municipality, Ward No 10, Durgachak, Haldia Pin Code :- 721602 |
| Haldwani(Uttarpradesh) | Durga City Centre, Nainital Road, Haldwani, Uttarakhand-263139 |
| Haridwar(Uttarpradesh) | F-3, Hotel Shaurya,New Model Colony,Haridwar-249 408 |
| Hazaribag(Jharkhand) | Municipal MarketAnnanda Chowk,Hazaribag,Jharkhand,825301 |
| Himmatnagar(Gujarat) | D-78, First Floor,New Durga Bazar,Near Railway Crossing,Himmatnagar,Gujarat 383001 |
| Hisar(Haryana) | No-12, Opp. HDFC Bank,Red Square Market,Hisar,Haryana,125001 |
| Hoshiarpur(Punjab) | Near Archies Gallery, Shimla Pahari Chowk,Hoshiarpur ,Punjab 146001 |
| Hassan (Karnataka) | Pankaja,2nd floor,Near Hotel Palika, Race Course Road,Hassan - 573201 |
| Hosur(Tamilnadu) | Survey No.25/204,Attibele Road,HCF Post,Mathigiri,Above Time Kids School,Opposite To Kuttys Frozen Foods,Hosur-635110 |
| Hubli(Karnataka) | No.204 - 205,1st Floor' B ' Block, Kundagol ComplexOpp. Court, Club Road,Hubli,Karnataka,580029 |
| Hyderabad(Telangana) | 208, II FloorJade ArcadeParadise Circle,Hyderabad,Telangana,500003 |
| Indore(Madhyapradesh) | 101, Shalimar Corporate Centre8-B, South Tukogunj,Opp.Greenpark, Indore,MadhyaPradesh,452001 |
| Jabalpur(Madhyapradesh) | 8, Ground Floor, Datt Towers,Behind Commercial Automobiles,Napier Town,Jabalpur,MadhyaPradesh,482001 |
| Jaipur(Rajasthan) | R-7, Yudhisthir Marg C-SchemeBehind Ashok Nagar Police Station,Jaipur,Rajasthan,302001 |
| Jalandhar(Punjab) | 144,Vijay Nagar,Near Capital Small Finance Bank,Football Chowk,Jalandar City-144001 |
| Jalgaon(Maharashtra) | Rustomji Infotech Services70, NavipethOpp. Old Bus StandJalgaon,Maharashtra,425001 |
| Jalna(Maharashtra) | Shop No 6, Ground Floor,Anand Plaza Complex,Bharat Nagar,Shivaji Putla Road,Jalna,Maharashtra,431203 |
| Jalpaiguri(West Bengal) | Babu Para, Beside Meenaar Apartment ,Ward No VIII, Kotwali Police Station,Jalpaiguri-735101 West Bengal |
| Jammu(Jammu & Kashmir) | JRDS Heights,Lane Opp. S&S Computers Near RBI Building, Sector 14, Nanak Nagar Jammu,Jammu &Kashmir,180004 |
| Jamnagar(Gujarat) | 207,Manek Centre,P N Marg,Jamnagar,Gujarat,361001 |

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| Jamshedpur(Jharkhand) | Millennium Tower, "R" RoadRoom No:15 First Floor, Bistupur,Jamshedpur,Jharkhand,831001 |
| Janakpuri(New Delhi) | Office Number 112, 1 st Floor Mahatta Tower, B Block Community Centre, Janakpuri, New Delhi -110058 Phone- 011-41254618 |
| Jaunpur(Uttarpradesh) | 248, Fort Road Near Amber Hotel, Jaunpur Uttarpradesh-222001 |
| Jhansi(Uttarpradesh) | No.372/18D,1 st Floor Above IDBI Bank,Beside V-Mart,Near RAKSHAN,Gwalior Road,Jhansi-284001 |
| Jodhpur(Rajasthan) | 1/5, Nirmal Tower,1 st Chopasani Road,Jodhpur,Rajasthan,342003 |
| Jorhat(Assam) | Dewal Road ,Second Floor, Left side second building, Near Budhi Gukhani Mandir, Gar Ali , Jorhat –785001 |
| Junagadh(Gujarat) | "Aastha Plus", 202-A, 2nd FloorSardarbag Road, Nr. AlkapuriOpp. Zansi Statue Junagadh Gujarat-362001 |
| Kadapa(Andhra Pradesh) | Bandi Subbaramaiah Complex,D.No:3/1718, Shop No: 8, Raja Reddy Street,Kadapa,AndhraPradesh,516001 |
| Kakinada(Andhra Pradesh) | D No.25-4-29,1St floor,Kommireddy vari street,Beside Warf Road,Opp swathi medicals,Kakinada-533001 |
| Kalyani(West Bengal) | A-1/50,Block A,Kalyani,Dist Nadia,Westbengal-741235 |
| Kannur(Kerala) | Room No.PP.14/435Casa Marina Shopping CentreTalap,Kannur,Kerala,670004 |
| Kangra (Himachal Pradesh) | College Road Kangra, Opp. Vishal Mega Mart, Tehsil & Distt. Kangra Himachal Pardesh -176001 |
| Kanpur(Uttarpradesh) | I Floor 106 to 108City Centre Phase II,63/ 2, The Mall Kanpur Uttarpradesh-208001 |
| Karimnagar(Telangana) | HNo.7-1-257, Upstairs S B H mangammathota,Karimnagar,Telangana,505001 |
| Karnal (Parent :Panipat TP)(Haryana) | No.29,Avtar Colony,Behind vishal mega mart,Karnal-132001 |
| Karur(Tamilnadu) | 126 G, V.P.Towers, Kovai Road,Basement of Axis BankKarur,Tamilnadu,639002 |
| Katni(Madhyapradesh) | 1st Floor,Gurunanak dharmakanta,Jabalpur Road,Bargawan,Katni,MadhyaPradesh 483501 |
| Khammam(Telangana) | Shop No: 11 - 2 - 31/3, 1st floor,Philips Complex,Balajinagar, Wyra Road,Near Baburao Petrol Bunk,Khammam,Telangana 507001 |
| Kharagpur(West Bengal) | "Silver Palace" OT Road,Inda-Kharagpur,G-P-Barakola,P.S.Kharagpur Local,Dist West Midnapore-721305 |
| Kolhapur(Maharashtra) | 2 B, 3rd Floor,Ayodhya Towers,Station Road,Kolhapur,Maharashtra,416001 |
| Kolkata(West Bengal) | 2/1,Russell Street,2nd Floor,Kankaria Centre,Kolkata-700071 |
| Kolkata (West Bengal) | 3/1,R.N. Mukherjee Road, 3rd Floor, Office space -3C, Shreeram Chambers, Kolkata -700 001 |
| Kollam(Kerala) | Uthram Chanmbers(Ground Floor),Thamarakulam,Kollam-691006 |
| Korba(Chattisgarh) | KH. No. 183/2G, Opposite Hotel Blue Diamond, T.P. Nagar, Korba-495677 |
| Kota(Rajasthan) | B-33 'Kalyan Bhawan,Triangle Part,Vallabh Nagar,Kota,Rajasthan,324007 |
| Kottayam(Kerala) | 1307 B,Puthenparambil Building,KSACS Road,Opp.ESIC Office,Behind Malayala Manorama Muttambalam P O,Kottayam-686501 |
| Kukatpally(Telangana) | No.15-31-2M-1/4,1st floor,14-A,MIG,KPHB colony,Kukatpally,Hyderabad-500072 |
| Kumbakonam(Tamilnadu) | No.28/8, 1st Floor, Balakrishna Colony, Pachaiappa Street, Near VPV Lodge, Kumbakonam – 612001 |

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| Krishnanagar (West Bengal) | Municipality More , Opposite Kotwali Thana. Pin 741101 |
| Kurnool(Andhra Pradesh) | Shop No.26 and 27,Door No.39/265A and 39/265B,Second Floor,Skanda Shopping Mall,Old Chad Talkies,Vaddageri,39th Ward,Kurnool-518001 |
| Lucknow(Uttarpradesh) | Office No.107,1St Floor,Vaisali Arcade Building,Plot No 11, 6 Park Road,Lucknow-226001 |
| Ludhiana(Punjab) | U/ GF, Prince Market, Green Field,Near Traffic Lights,Sarabha Nagar Pulli,Pakhowal Road,Ludhiana,Punjab,141002 |
| Madurai(Tamilnadu) | Shop No 3 2nd Floor, Suriya Towers, 272/273 – Goodshed Street, Madurai -625001 |
| Malappuram(Kerala) | Kadakkadan Complex,Opp central school,Malappuram-676505 |
| Malda(West Bengal) | Daxhinapan Abasan,Opp Lane of Hotel Kalinga,SM Pally,Malda,Westbangal 732101 |
| Mangalore(Karnataka) | 14-6-674/15(1), Shop No -UG11-2,Maximus Complex, Light House Hill Road, Mangalore- 575001 |
| Mandi (Himachal Pradesh) | 1st Floor, Above Ram Traders, 328/12, Ram Nagar, Mandi, Himachal Pradesh – 175001 |
| Manipal(Karnataka) | Shop No-A2,Basement floor, Academy Tower,Opposite Corporation Bank,Manipal,Karnataka 576104 |
| Mapusa (Parent ISC : Goa)(Goa) | CAMS COLLECTION CENTRE,Office No.503,Buildmore Business Park,New Canca By pass Road,Ximer,Mapusa Goa-403507 |
| Margao(Goa) | F4-Classic Heritage,Near Axis Bank,Opp.BPS Club,Pajifond,Margao,Goa-403601 |
| Mathura(Uttarpradesh) | 159/160 Vikas Bazar Mathura Uttarpradesh-281001 |
| Meerut(Uttarpradesh) | 108 Ist Floor Shivam Plaza,Opp: Eves Cinema, Hapur Road,Meerut,Uttarpradesh,250002 |
| Mehsana(Gujarat) | 1st Floor,Subhadra ComplexUrban Bank RoadMehsana,Gujarat,384002 |
| Mirzapur(Uttarpradesh) | 1st Floor,Canara Bank Building,Dhundhi Katra,Mirzapur-231001 |
| Moga(Punjab) | Street No 8-9 Center, Aarya Samaj Road. Near Ice Factory. Moga -142 001 |
| Moradabad(Uttarpradesh) | H 21-22, Ist Floor Ram Ganga Vihar Shopping Complex, Opposite Sale Tax Office, Moradabad-244001 |
| Mumbai(Maharashtra) | Rajabahdur Compound,Ground FloorOpp Allahabad Bank, Behind ICICI Bank30, Mumbai Samachar Marg, FortMumbai,Maharashtra,400023 |
| Muzaffarnagar(Uttarpradesh) | No.235,Patel Nagar,Near Ramlila Ground,New Mandi,Muzaffarnagar |
| Muzaffarpur(Bihar) | Brahman Toli,DurgasthanGola Road,Muzaffarpur,Bihar,842001 |
| Mysore(Karnataka) | No.1,1st Floor,CH.26 7th Main, 5th Cross (Above Trishakthi Medicals),Saraswati Puram,Mysore,Karnataka,570009 |
| Nadiad(Gujarat) | F 134, First Floor,Ghantakarna Complex Gunj Bazar,Nadiad,Gujarat,387001 |
| Nagpur(Maharashtra) | 145 ,Lendra,New Ramdaspath,Nagpur,Maharashtra,440010 |
| Namakkal(Tamilnadu) | 156A / 1, First Floor, Lakshmi Vilas BuildingOpp. To District Registrar Office, Trichy Road,Namakkal,Tamilnadu 637001 |
| Nanded(Maharashtra) | Shop No.8,9 Cellar "Raj Mohammed Complex" Main Road Shri Nagar,Nanded-431605 |
| Nasik(Maharashtra) | 1st Floor,"Shraddha Niketan",Tilak Wadi,Opp Hotel City Pride,Sharanpur Road,Nasik-422002 |
| Navsari(Gujarat) | 214-215,2nd floor, Shivani Park, Opp.Shankheswar Complex,Kaliawadi,Navsari –396445,Gujarat |

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| Nellore(Andhra Pradesh) | Shop No. 2, 1st Floor,NSR Complex,James Garden, Near Flower Market,Nellore - 524001 |
| New Delhi(New Delhi) | 7-E, 4th FloorDeen Dayaal Research Institute BuildingSwami Ram Tirath Nagar,Near Videocon Tower Jhandewalan Extension,New Delhi,NewDelhi,110055 |
| New Delhi-CC(New Delhi) | Flat no.512, Narian Manzil, 23 Barakhamba Road Connaught Place,NewDelhi,110001 |
| Nizamabad(Telangana) | 5-6-208, Saraswathi nagar, Opposite Dr.Bharathi rani nursing home, Nizamabad, AndhraPradesh503001 |
| Noida(Uttarpradesh) | Commercial Shop No.GF 10 & GF 38, Ground Floor, Ansal Fortune Arcade, Plot No. K-82, Sector -18,Noida-201301 |
| Ongole (Andhra Pradesh) | Shop No 1128, 1st Floor, 3rd Line, Sri Babuji Market complex, Ongole-523001 |
| Palakkad(Kerala) | 10 / 688, Sreedevi Residency,Mettupalayam Street,Palakkad,Kerala,678001 |
| Palanpur(Gujarat) | Gopal Trade center,Shop No.13-14,3Rd Floor,Nr.BK Mercantile bank,Opp.Old Gunj,Palanpur-385001 |
| Panipat(Haryana) | SCO 83-84, First Floor, Devi Lal Shopping Complex, Opp RBL Bank, G.T.Road , Panipat, Haryana, 132103 |
| Pathankot(Punjab) | 13 - A, Ist Floor, Gurjeet Market,Dhangu Road,Pathankot,Punjab 145001 |
| Patiala(Punjab) | No.35 New Lal Bagh,Opp.Polo Ground,Patiala-147001 |
| Patna(Bihar) | G-3, Ground Floor,OM ComplexNear Saket Tower, SP Verma Road,Patna,Bihar,800001 |
| Pitampura(New Delhi) | Number G-8, Ground Floor,Plot No C-9, Pearls Best Height -II, Netaji Subhash Place,Pitampura, New Delhi – 110034 |
| Pondicherry(Pondicherry) | S-8, 100,Jawaharlal Nehru Street(New Complex, Opp. Indian Coffee House),Pondicherry,Pondicherry,605001 |
| Pune(Maharashtra) | Vartak Pride,1st Floor,Survey No.46,City Survey No.1477,Hingne budruk,D.P.Road,Behind Dinanath mangeskar Hospital,Karvenagar,Pune-411052 |
| Rae Bareli(Uttarpradesh) | 17, Anand Nagar Complex Opposite Moti Lal Nehru Stadium SAI Hostel Jail Road Rae Bareilly Uttar pradesh -229001 |
| Raipur(Chattisgarh) | HIG,C-23 Sector - 1Devendra Nagar,Raipur,Chattisgarh,492004 |
| Rajahmundry(Andhra Pradesh) | Door No: 6-2-12, 1st Floor,Rajeswari Nilayam,Near Vamsikrishna Hospital,Nyapathi Vari Street, T Nagar,Rajahmundry,AndhraPradesh,533101 |
| Rajapalayam(Tamilnadu) | No 59 A/1, Railway Feeder Road(Near Railway Station)RajapalayamTamilnadu626117 |
| Rajkot(Gujarat) | Office 207 - 210, Everest BuildingHarihar ChowkOpp Shastri Maidan,Limda Chowk,Rajkot,Gujarat,360001 |
| Ranchi(Jharkhand) | 4,HB RoadNo: 206,2nd Floor Shri Lok ComplexH B Road Near Firayalal,Ranchi,Jharkhand,834001 |
| Ratlam(Madhyapradesh) | Dafria & Co,No.18, Ram Bagh, Near Scholar's School,Ratlam, MadhyaPradesh 457001 |
| Ratnagiri(Maharashtra) | Orchid Tower,Gr Floor,Gala No.06,S.V.No.301/Paiki 1/2,Nachane Munciple Aat,Arogya Mandir,Nachane Link Road,At,Post,Tal.Ratnagiri Dist.Ratnagiri-415612 |
| Rohtak(Haryana) | SCO 06,Ground Floor,MR Complex,Near Sonipat Stand Delhi Road,Rohtak-124001 |
| Roorkee(Uttarkhand) | 22, Civil Lines, Ground Floor,Hotel Krish Residency,Roorkee,Uttarakhand 247667 |
| Rourkela(Orissa) | 2nd Floor,J B S Market Complex,Udit Nagar,Rourkela-769012 |
| Sagar(Madhyapradesh) | Opp. Somani Automobile,s Bhagwanganj Sagar, MadhyaPradesh 470002 |
| Saharanpur(Uttarpradesh) | I Floor, Krishna ComplexOpp. Hathi GateCourt Road,Saharanpur,Uttarpradesh,247001 |

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| Salem(Tamilnadu) | No.2, I Floor Vivekananda Street,New Fairlands,Salem,Tamilnadu,636016 |
| Sambalpur(Orissa) | C/o Raj Tibrewal & AssociatesOpp.Town High School,Sansarak Sambalpur,Orissa,768001 |
| Sangli(Maharashtra) | Jiveshwar Krupa BldgShop. NO.2, Ground Floor,Tilak ChowkHarbhat Road,Sangli,Maharashtra-416416 |
| Satara(Maharashtra) | 117 / A / 3 / 22, Shukrawar Peth,Sargam , Apartment,Satara,Maharashtra,415002 |
| Seerampur(West Bengal) | 47/5/1, Raja Rammohan Roy SaraniPO. Mallickpara,Dist. Hoogly,Seerampur,Westbanganl,712203 |
| Shahjahanpur(Uttarpradesh) | Bijlipura, Near Old Distt Hospital, Jail Road ,Shahjahanpur Uttarpradesh-242001 |
| Shillong(Meghalaya) | 3rd FloorRPG Complex,Keating Road,Shillong,Meghalaya,793001 |
| Shimla(Himachal Pradesh) | I Floor, Opp. Panchayat Bhawan Main gateBus stand,Shimla,HimachalPradesh,171001 |
| Shimoga(Karnataka) | No.65 1st FloorKishnappa Compound1st Cross, Hosmane Extn,Shimoga,Karnataka,577201 |
| Silchar (Assam) | House No 18B , 1 st Flilor , C/o Lt. Satyabrata Purkayastha Ambicapatty , Silchar 788004 |
| Siliguri(West Bengal) | No.78,Haren Mukherjee Road,1st Floor,Beside SBI Hakimpara,Siliguri-734001 |
| Sirsa(Haryana) | M G Complex, Bhawna marg , Beside Over Bridge, Sirsa Haryana,125055 |
| Sitapur(Uttarpradesh) | Arya Nagar Near Arya Kanya School Sitapur Uttarpradesh-261001 |
| Solan(Himachal Pradesh) | 1st Floor, Above Sharma General Store,Near Sanki Rest house,The Mall,Solan, HimachalPradesh 173212 |
| Solapur(Maharashtra) | Flat No 109, 1st FloorA Wing, Kalyani Tower126 Siddheshwar Peth,Near Pangal High SchoolSolapur,Maharashtra,413001 |
| Sri Ganganagar(Rajasthan) | 18 L BlockSri Ganganagar,Rajasthan,335001 |
| Srikakulam(Andhra Pradesh) | Door No 4—4-96,First Floor.Vijaya Ganapathi Temple Back Side,Nanubala Street ,Srikakulam, AndhraPradesh 532001 |
| Sultanpur(Uttarpradesh) | 967, Civil Lines Near Pant Stadium Sultanpur Uttarpradesh-228001 |
| Surat(Gujarat) | Shop No.G-5,International Commerce Center,Nr.Kadiwala School,Majura Gate, Ring Road,Surat-395002 |
| Surendranagar(Gujarat) | 2 M I Park, Near Commerce College, Wadhwan City,Surendranagar Gujarat 363035 |
| Suri (West Bengal) | Police Line , Ramkrishna Pally , Suri , Birbhum 731101 |
| Tambaram(Tamilnadu) | 3rd Floor, B R Complex,No.66,Door No.11A,Ramakrishna Iyer Street,Opp.National Cinema Theatre,West Tambaram,Chennai-600045 |
| Tezpur(Assam) | Kanak Tower -1st Floor Opp. IDBI Bank/ ICICI Bank C.K. Das Road, Tezpur Sonitpur, Assam - 784001 |
| Thane(Maharashtra) | Dev Corpora,1st Floor,Office No.102,Cadbury Junction,Eastern Express Way,Thane-400601 |
| Tinsukia(Assam) | CAMS Transaction Point, Bhowal Complex Ground Floor, Near Dena Bank, Rongagora Road PO / Dist - Tinsukia Assam PIN -786 125 |
| Tirunelveli(Tamilnadu) | No.F4,Magnam Suraksaa Apatments,Tiruvananthapuram Road,Tirunelveli-627002 |
| Tirupati(Andhra Pradesh) | Shop No : 6,Door No: 19-10-8,(Opp to Passport Office),AIR Bypass Road,Tirupati-517501,AndhraPradesh |
| Tirupur(Tamilnadu) | 1(1), Binny Compound,II Street,Kumaran Road,Tirupur,Tamilnadu,641601 |

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| Tiruvalla(Kerala) | 1st Floor,Room No-61(63),International shopping Mall,Opp.ST Thomas Evangelical Church,Above Thomsan Bakery,Manjady,Thiruvalla-689105 |
| Trichur(Kerala) | Room No. 26 & 27Dee Pee Plaza,Kokkalai,Trichur,Kerala,680001 |
| Trichy(Tamilnadu) | No 8, I Floor, 8th Cross West Extn,Thillainagar,Trichy,Tamilnadu,620018 |
| Trivandrum(Kerala) | TC No: 22/902, 1st - Floor "Blossom" Bldg, Opp.Nss Karayogam, Sasthamangalam Village P.O, Thiruvananthapuram, Trivandrum-695010 |
| Tuticorin(Tamilnadu) | 4B/A16, Mangal Mall Complex,Ground Floor,Mani Nagar,TuticorinTamilnadu628003 |
| Udaipur(Rajasthan) | No.32,Ahinsapuri,Fatehpura Circle,Udaipur-313001 |
| Ujjain(Madhyapradesh) | 109, 1st Floor, Siddhi Vinayak Trade Center, , Shahid Park, Ujjain – 456010 |
| Vadodara(Gujarat) | 103 Aries Complex,Bpc Road, Off R.C.Dutt Road,Alkapuri,Vadodara,Gujarat,390007 |
| Valsad(Gujarat) | 3rd floor,Gita Nivas, opp Head Post Office,Halar Cross LaneValsad,Gujarat,396001 |
| Vapi(Gujarat) | 208, 2nd Floor HEENA ARCADE,Opp. Tirupati TowerNear G.I.D.C. Char Rasta,Vapi,Gujarat,396195 |
| Varanasi(Uttarpradesh) | Office no 1, Second floor, Bhawani Market, Building No. D-58/2-A1, Rathyatra Beside Kuber Complex, Varanasi, Uttarpradesh-221010 |
| Vasco(Parent Goa)(Goa) | No DU 8, Upper Ground Floor, Behind Techoclean Clinic, Suvidha Complex Near ICICI Bank,Vasco,Goa,403802 |
| Vashi(Maharashtra) | BSEL Tech Park,B-505,Plot No.39/5 & 39/5A,Sector 30A,Opp.Vashi Railway StationmVashi,Navi Mumbai-400705 |
| Vellore(Tamilnadu) | Door No. 86, BA Complex, 1 st Floor, Shop No.3, Anna Salai (Officer Line), Tollgate, Vellore - 632 001 |
| Vijayawada(Andhra Pradesh) | 40-1-68, Rao & Ratnam Complex,Near Chennupati Petrol Pump,M.G Road, Labbipet,Vijayawada,AndhraPradesh,520010 |
| Vijaynagaram (Andhra Pradesh) | Door No. 4-8-73, Beside Sub Post Office, Kothagraharam, Vizianagaram – 535001, Andhra Pradesh |
| Visakhapatnam (Andhra Pradesh) | Flat No GF2, D NO 47-3-2/2, Vigneswara Plaza, 5th Lane, Dwarakanagar, Visakhapatnam- 530 016 |
| Warangal(Telangana) | Hno. 2-4-641, F-7, 1st Floor, A.B.K Mall, Old Bus Depot Road, Ramnagar, Hanamkonda, Warangal.Telangana- 506001 |
| Yamuna Nagar(Haryana) | 124-B/R,Model TownYamunanagar,Yamuna Nagar,Haryana,135001 |
| Yavatmal(Maharashtra) | Pushpam, Tilakwadi,Opp. Dr. Shrotri Hospital,Yavatmal,Maharashtra 445001 |