

INDEPENDENT AUDITOR'S REPORT

To the Trustees of
Franklin Templeton Mutual Fund

Report on the Financial Statements

We have audited the accompanying financial statements of the Franklin India Corporate Bond Opportunities Fund ('the Scheme'), which comprise the Balance Sheet as at March 31, 2017, and also the Revenue Account and Cash Flow Statement for the year ended March 31, 2017 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management of Franklin Templeton Asset Management (India) Private Limited ('the Company'), the scheme's asset manager, is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Scheme in accordance with accounting principles generally accepted in India, including the accounting policies and standards specified in the Ninth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto ('the SEBI Regulations'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Scheme's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the SEBI Regulations in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at the March 31, 2017;
- (b) in the case of the Revenue Account, of the surplus for the year ended March 31, 2017; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended March 31, 2017.

Report on Other Legal and Regulatory Requirements

1. As required by Regulation 55(4) and clause 5(ii)(2) of the Eleventh Schedule of the Regulations, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. The balance sheet, revenue account and cash flow statement dealt with by this report are in agreement with the books of account.
 - c. In our opinion, the balance sheet and revenue account dealt with by this report have been prepared in conformity with the accounting policies and standards specified in the Ninth Schedule to the SEBI Regulations.
2. In our opinion, and on the basis of information and explanations given to us, the methods used to value non traded securities as at March 31, 2017 are in accordance with the SEBI Regulations and other guidelines issued by the Securities and Exchange Board of India, as applicable, and approved by the Board of Trustees, and are fair and reasonable.

For **S.R. BATLIBOI & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E / E300005

Sd/-
per Viren H. Mehta
Partner
Membership Number: 048749
Place: Mumbai
Date: 07 July, 2017

**FRANKLIN TEMPLETON MUTUAL FUND
BALANCE SHEET AS AT MARCH 31, 2017**
(All amounts in thousands of Rupees)

	Schedules	Franklin India Corporate Bond Opportunities Fund	
		As at March 31, 2017	As at March 31, 2016
SOURCES OF FUNDS			
1 Unit Capital	2(b) & 3	41,071,394	47,427,125
2 Reserves and Surplus	4		
2.1 Unit Premium Reserve		1,612,401	1,974,361
2.2 Unrealised Appreciation Reserve		814,856	304,205
2.3 Retained Surplus		24,322,189	20,809,665
3 Current Liabilities and Provisions	5		
3.1 Current Liabilities		149,278	160,890
TOTAL		67,970,118	70,676,246
APPLICATION OF FUNDS			
1 Investments	2(c), 6 & 15		
1.1 Listed Securities			
1.1.1 Other Debentures and Bonds		24,140,566	28,174,532
1.2 Unlisted Securities			
1.2.1 Privately Placed Debentures and Bonds		41,975,082	38,687,184
1.3 Commercial Papers		-	494,940
1.4 Certificate of Deposits		-	1,874,766
2 Other Current Assets	7		
2.1 Cash and Bank Balances		67,068	32,703
2.2 CBLO/ Reverse Repo Lending		349,333	47,734
2.3 Others		1,438,069	1,364,387
TOTAL		67,970,118	70,676,246
Notes to Accounts	1 to 15		

The accompanying schedules are an integral part of this Balance Sheet.
As per our attached report of even date

For S.R. Batliboi & Co. LLP
ICAI Firm Registration No.: 301003E/E300005
Chartered Accountants

For Franklin Templeton Trustee
Services Private Limited

For Franklin Templeton Asset Management
(India) Private Limited

Sd/-
per Viren H. Mehta
Partner
Membership No. 048749

Sd/-
Anand J. Vashi
Director

Sd/-
Deepak Satwalekar
Director

Sd/-
S. Jayaram
Director

Sd/-
Alok Sethi
Director

Sd/-
Sanjay Sapre
President

Sd/-
Ajay Narayan
Vice President

Sd/-
Santosh Kamath
Managing Director &
Chief Investment Officer
- Fixed Income

Sd/-
Sumit Gupta
Portfolio Manager & Co-Head -
Credit- Fixed Income

Mumbai

FRANKLIN TEMPLETON MUTUAL FUND
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017
(All amounts in thousands of Rupees)

		Schedules	Franklin India Corporate Bond Opportunities Fund	
			Year ended March 31, 2017	Year ended March 31, 2016
1	INCOME			
1.1	Interest	2(d) & 8	7,302,122	9,578,400
1.2	Realised Gain on Interscheme Sale of Investments, net	2(d)	170,833	269,700
1.3	Realised Gain on External Sale / Redemption of Investments, net	2(d)	146,760	-
1.3	Change in Unrealised Appreciation in the value of Investments	2(c) & 6(ii)	510,651	(1,614,971)
1.4	Other Income		24,621	194,727
			8,154,987	8,427,856
2	EXPENSES			
2.1	Realised Loss on External Sale / Redemption of Investments, net	2(d)	-	1,209,858
2.2	Management Fees	9	733,519	983,297
2.3	Service Tax on Management Fees	9	109,371	136,004
2.4	Transfer Agents Fees and Expenses		24,918	30,461
2.5	Custodian Fees		5,780	7,573
2.6	Trusteeship Fees	9	2,033	2,499
2.7	Commission to Agents		318,253	296,901
2.8	Investor Education Expense	2(g)	13,551	16,661
2.9	Marketing and Distribution Expenses		3,874	4,653
2.10	Audit Fees		909	823
2.11	Other Operating Expenses		5,489	6,811
			1,217,697	2,695,541
2.12	Expenses Written Back during the Period		-	(11)
			1,217,697	2,695,530
3	NET INCOME AS PER REVENUE ACCOUNT		6,937,290	5,732,326
4	Transfer from Retained Surplus	4	20,809,665	18,623,557
5	NET GAINS / (LOSSES) FOR THE YEAR/PERIOD	(3-4)	(13,872,375)	(12,891,231)
6	Change in Unrealised Appreciation in the value of Investments		510,651	(1,614,971)
7	NET GAINS / (LOSSES) FOR THE YEAR/PERIOD AFTER CHANGE IN UNREALISED APPRECIATION	(5+6)	(13,361,724)	(14,506,202)
7.1	Add: Balance Transfer from Unrealised Appreciation Reserve	4	304,205	1,919,176
7.2	Less: Balance Transfer to Unrealised Appreciation Reserve	4	814,856	304,205
7.3	Add / (Less): Equalisation Credit/(Debit)	2(e)	(2,741,461)	(4,838,617)
8	Total		24,494,843	21,132,237
9	Dividend Appropriation			
9.1	Income Distributed during the year/period	13	(124,291)	(232,033)
9.2	Tax on Income Distributed during the year/period	13	(48,363)	(90,539)
10	NET SURPLUS/(DEFICIT) FOR THE YEAR TRANSFERRED TO BALANCE SHEET	(8+9)	24,322,189	20,809,665

Notes to Accounts

1 to 15

The accompanying schedules are an integral part of this Revenue Account.

As per our attached report of even date

For S.R. Batliboi & Co. LLP
ICAI Firm Registration No.: 301003E/E300005
Chartered Accountants

For Franklin Templeton Trustee
Services Private Limited

For Franklin Templeton Asset Management
(India) Private Limited

Sd/-
per Viren H. Mehta
Partner
Membership No. 048749

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Anand J. Vashi
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Alok Sethi
Director

Sd/-
Sanjay Sapre
President

Sd/-
Ajay Narayan
Vice President

Sd/-
Santosh Kamath
Managing Director &
Chief Investment Officer
- Fixed Income

Sd/-
Sumit Gupta
Portfolio Manager & Co-Head -
Credit- Fixed Income

Mumbai

FRANKLIN TEMPLETON MUTUAL FUND
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017
(All amounts in thousands of Rupees)

Franklin India Corporate Bond Opportunities Fund		
	Year ended	Year ended
	March 31, 2017	March 31, 2016
A. Cashflow from operating activities		
Surplus for the period before equalisation and income distribution.	6,937,290	5,732,326
Add / (Less) :Change in Unrealised Appreciation in value of Investments	(510,651)	1,614,971
Add / (Less) :Expenses Written Back pertaining to previous year	-	(11)
Add / (Less) :Amortization of premium / discount on investment cost	(1,912,605)	(2,833,734)
Add: Interest on borrowing adjusted against Interest Income	-	75
Adjustments for:-		
(Increase)/Decrease in Investments at cost	5,539,029	12,591,330
(Increase)/Decrease in Other current assets	(68,347)	681,077
Increase/(Decrease) in Current liabilities	(18,126)	(17,042)
Initial Issue Expenses (incurred) / recovered during the year	-	-
Net cash generated from/(used in) operations	9,966,590	17,768,992
B Cashflow from financing activities		
Increase/(Decrease) in Unit capital	(6,369,843)	(12,356,762)
Increase/(Decrease) in Unit premium	(3,104,879)	(5,428,159)
Adjustments for:-		
Increase/(Decrease) in Sundry creditors for units redeemed by investors	(4,438)	2,651
(Increase)/Decrease in Sundry debtors for units issued to investors	(5,335)	14,065
Dividend paid during the year (including tax on income distributed during the year)	(167,715)	(288,380)
Interest on borrowings	-	(75)
Increase/(Decrease) in Unclaimed redemption	(256)	192
Increase/(Decrease) in units pending allotment	21,840	(24,888)
Net cash (used in)/generated from financing activities	(9,630,626)	(18,081,356)
Net Increase/(Decrease) in cash and cash equivalents	335,964	(312,364)
Cash and Cash Equivalents as at the beginning of the year	80,437	392,801
Cash and Cash Equivalents as at the end of the year	416,401	80,437
Components of cash and cash equivalents		
Balances with Banks in Current Accounts *	416,401	80,437
	416,401	80,437

*Includes CBLO and Reverse repo balances and balances in unclaimed redemption / dividend bank account held towards unclaimed redemption / dividend liabilities of the Scheme.

As per our attached report of even date

For S.R. Batliboi & Co. LLP
ICAI Firm Registration No.: 301003E/E300005
Chartered Accountants

For Franklin Templeton Trustee
Services Private Limited

For Franklin Templeton Asset Management
(India) Private Limited

Sd/-
per Viren H. Mehta
Partner
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President

Sd/-
Ajay Narayan
Vice President

Sd/-
Santosh Kamath
Managing Director & Chief Investment
Officer – Fixed Income

Sd/-
Sumit Gupta
Portfolio Manager & Co-Head
- Credit- Fixed Income

Mumbai

FRANKLIN TEMPLETON MUTUAL FUND
SCHEDULES TO THE BALANCE SHEET AND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017
 (All amounts in thousands of Rupees unless specified otherwise)

1. BACKGROUND

Franklin Templeton Mutual Fund ('the Fund') was established as a trust under the Indian Trusts Act, 1882, by way of a trust deed dated January 4, 1996, a supplementary trust deed dated March 30, 1996 and August 26, 2005 executed by Templeton International Inc. USA, the sponsor of the Fund. Templeton International Inc. is a part of the Franklin Templeton Investments group.

In accordance with the Securities and Exchange Board of India ('SEBI') (Mutual Funds) Regulations, 1996 ('the SEBI Regulations'), the Board of Directors of Franklin Templeton Trustee Services Private Limited ('the Trustee') has appointed Franklin Templeton Asset Management (India) Private Limited ('the AMC') to manage the Fund's affairs and operate its Schemes.

The objective and other feature of the schemes covered in the financial statement are as under:

Scheme Name	Nature of the Scheme	Date of Allotment	Scheme Objective	Plans Offered
Franklin India Corporate Bond Opportunities Fund	Open Ended Mutual Fund Scheme	December 7, 2011	The Fund seeks to provide regular income and capital appreciation through a focus on corporate securities.	The Scheme offers its investors two plans: the Dividend Plan and the Growth Plan ('the Plans'). Effective January 1, 2013, in accordance with SEBI Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012, the Scheme introduced a new Plan under each of the Existing plan / option, termed as 'Direct'.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared on the accrual basis of accounting, under the historical cost convention, as modified for investments, which are 'marked-to-market'. These financial statements are prepared in accordance and conformity with the accounting policies and standards specified in the Ninth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996. The significant accounting policies, which are in accordance with the SEBI Regulations and have been approved by the Board of Directors of the AMC and the Trustee, are stated below.

(a) Determination of net asset value

- The net asset value of the units of the Scheme is determined separately for units issued under the Plans after including the respective unit capital and reserves and surplus, and reducing net deficit and accumulated discount, if any.
- For reporting the net asset values, the daily income earned, including realised profit or loss and unrealised gain or loss in the value of investments, and expenses incurred by the Scheme, are allocated to the Plans in proportion to their respective daily net assets as at the end of the immediately preceding day. Commission expenses are not allocated to the Direct Plans.

(b) Unit capital

- Unit capital represents the net outstanding units at the balance sheet date, thereby reflecting all transactions relating to the period ended on that date.
- Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of the Scheme, after an appropriate portion of the issue proceeds and redemption payouts is credited or debited respectively to the equalisation account, a mandatory requirement for open ended mutual fund Schemes.

(c) Investments

Accounting for investment transactions

- Purchase and sale of investments are recorded on the date of the transaction, at cost and sale price respectively, after considering brokerage, commission, securities transaction tax and fees payable or receivable, if any. The front end fee receivable, if any, is reduced from the cost of investment.

In terms of SEBI circular no. CIR/IMD/DF/21/2012 dated September 13, 2012, brokerage and transaction costs (including all taxes) incurred for the purpose of execution of trade in excess of 0.12% in case of cash market transaction is charged to the Total Expense Ratio of the fund.

Valuation of investments

- All Debt securities (except for Zero Coupon Bonds, Government Securities and Treasury Bills), with residual maturity greater than 60 days, on the valuation date, are valued at the weighted average price obtained from CRISIL and ICRA (agency(ies) appointed/ designated for the said purpose by the Association of Mutual Funds of India {AMFI}). Effective January 1, 2016, if price for New security purchased is not available from CRISIL and ICRA, the security will be valued at weighted average traded price available on public platform (namely FIMMDA, NSE and BSE), provided there is at least one trade of Rs.5 crores or more for Bonds and at least one trade of Rs. 25 crores or more for Money Market Instruments as against the earlier practice of valuing at weighted average price available on public platform (namely FIMMDA, NSE WDM, BSE ICDM), provided there are at least two trades aggregating to Rs. 25 crores or more for debt securities with residual maturity of greater than 365 days on the valuation date and at least three trades aggregating to Rs. 100 crores or more for debt securities with residual maturity greater than 60 days and less than or equal to 365 days on the valuation date.
- Effective June 3, 2016 all Debt securities (except for Zero Coupon Bonds, Government Securities and Treasury Bills), with residual maturity upto 60 days on the date of valuation, which are traded on the valuation date, are valued at the weighted average traded price available on the public platform (namely FIMMDA, NSE and BSE), provided there are at least three trades aggregating to Rs 100 crores or more. Outlier trades, if any, are excluded based on suitable justification. Prior to June 3, 2016 and effective from January 1, 2016 the same were being valued at the weighted average traded price available on the public platform (namely FIMMDA, NSE and BSE), provided there was at least one trade of Rs. 5 crores or more for Bonds and at least one trade of Rs 25 crores or more for Money Market Instrument as against the earlier practice of valuing at weighted average price available on public platform (namely FIMMDA, NSE WDM, BSE ICDM) provided there were at least three trades aggregating to Rs.100 crores or more. When such securities are not traded on a particular valuation day, they are valued on amortisation basis. Effective June 3, 2016, in case the variance between the amortised price and the reference price exceeds plus/ minus 0.10%, the valuation is adjusted to bring it within the band of +/-0.10% as against the earlier practice of considering reference price for valuation and this change has no impact during the period. Reference price is the price derived from risk free benchmark yields plus/ minus spread.
- The securities with call option are valued at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option. In case there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the maturity date is taken as the value of the instrument.
- The securities with put option are valued at the higher of the value as obtained by valuing the security to final maturity and valuing the security to put option. In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the maturity date is taken as the value of the instruments.
- Investment in Zero Coupon Bonds with residual maturity greater than 60 days, on the valuation date, are valued at the weighted average price obtained from CRISIL and ICRA (agency(ies) appointed/ designated for the said purpose by AMFI). Effective from January 1, 2016, if price for New security purchased is not available from CRISIL and ICRA, the security will be valued at weighted average traded price available on public platform (namely NSE and BSE), provided there is at least one trade of Rs. 5 crores or more. Prior to January 1, 2016, if the price of Zero Coupon Bond was not available from CRISIL and ICRA, the security was valued at weighted average traded yield available on public platform (namely FIMMDA, NSE WDM and BSE ICDM) as per qualification criteria as mentioned below:

(a) Maturity greater than 60 days and less than or equal to 365 days there were at least three trades aggregating to Rs. 100 crores or more.

(b) Maturity greater than 365 days at least two trades aggregating to Rs. 25 crores or more.

FRANKLIN TEMPLETON MUTUAL FUND
SCHEDULES TO THE BALANCE SHEET AND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017
(All amounts in thousands of Rupees unless specified otherwise)

- Effective June 3, 2016 Investment in Zero Coupon Bonds with residual maturity upto 60 days on the date of valuation, which are traded on the valuation date, are valued at the weighted average traded price available on the public platform (namely NSE and BSE), provided there are at least three trades aggregating to of Rs. 100 crores or more. Outlier trades, if any, are excluded based on suitable justification. Prior to June 3, 2016 and effective from January 1, 2016, investment in Zero Coupon Bonds with residual maturity upto 60 days on the date of valuation, if traded were valued at the weighted average traded price available on the public platform (namely NSE and BSE), provided there was at least one trade of Rs. 5 crores or more as against the earlier practice of valuing at the weighted average traded yield available on the public platform (namely FIMMDA, NSE WDM and BSE ICDM), for the trade criteria of at least three trades aggregating to Rs. 100 crores or more. When such securities are not traded on a particular valuation day, they are valued on amortisation basis. Effective from June 3, 2016 In case the variance between the amortised price and the reference price exceeds plus/ minus 0.10%, the valuation is adjusted to bring it within the band of +/-0.10% as against the earlier practice of considering the reference price for valuation and this change has no impact during the period. Reference price is the price derived from risk free benchmark yields plus/ minus spread.
 - Effective June 3, 2016, Investment in Government Securities and Treasury Bills with residual maturity up to 60 days on the date of valuation, which are traded on the valuation date, are valued at the weighted average traded price available on the public platform namely CCIL provided there are at least three trades aggregating to of Rs.100 crores or more. Outlier trades, if any, are excluded based on suitable justification. Prior to June 3, 2016 and effective from January 1, 2016, Investment in Government Securities and Treasury Bills with residual maturity up to 60 days on the date of valuation, which are traded on the valuation date, are valued at the weighted average traded price available on the public platform namely CCIL provided there was at least one trade aggregating to Rs. 5 crores or more for Bonds and at least one trade of Rs 25 crores or more for Money Market Instrument as against the earlier practice of weighted average traded price available on the public platform namely CCIL provided there were at least three trades aggregating to Rs. 100 crores or more. When such securities are not traded on a particular valuation day, they are valued on amortisation basis. The amortised price is used as long as it is within plus/ minus 0.10% of the reference price. Effective from June 3, 2016, in case the variance between the amortised price and the reference price exceeds plus/ minus 0.10%, the valuation is adjusted to bring it within the band of +/-0.10% as against the earlier practice of considering reference price for valuation and this change has no impact during the period. Reference price is the price derived from risk free benchmark yield plus/ minus spread. Investment in Government Securities and Treasury Bills with residual maturity greater than 60 days on the date of valuation are valued based on the average of the prices provided by the CRISIL and ICRA(agency(ies) entrusted for the said purpose by AMFI).
 - All other investments are stated at their fair value as determined in good faith by the AMC in accordance with the SEBI Regulations and reviewed by the Trustee.
 - The net unrealised gain or loss in the value of investments is determined separately for each category of investments. The change in the net unrealised loss, if any, between two balance sheet dates is recognised in the revenue account and the change in net unrealised gain, if any, is adjusted in an unrealised appreciation reserve. The loss on investments sold/transferred during the year is charged to the revenue account.
- (d) Revenue recognition
- Interest on fixed income securities is recognised as income on an accrual basis.
 - Profit or loss on sale of investments is determined on the basis of the weighted average cost method.
 - The discount or premium, if any, to the redemption value of debt securities is amortised and recognised as interest income or expense, as the case may be, over the period to redemption.
- (e) Equalisation account
- The purpose of equalization account is to maintain per unit amount of a Plan's/Option's share of the Scheme's undistributed income, so that continuing unit holders' share of undistributed income remains unchanged on issue or redemption of units under that Plan/Option.
 - Pursuant to SEBI circular dated March 15, 2010, the Trustee/AMC has changed the method of calculating equalization per unit w.e.f. that date viz:
 - a) When the sale price is higher than the face value of the unit, the total accumulated undistributed income (including realized gains) till the date of the transaction is determined. Based on the number of units outstanding on the transaction date, the undistributed income (including realized gains) associated with each unit is computed. The per unit amount so determined is credited and debited to the equalization account on issue and redemption of each unit respectively.
 - b) When the sale price is lower than the face value of the unit, the difference between the Net asset value and the par value is debited and credited to the equalization account on issue and redemption of unit respectively. "
- (f) Load charges
- Load charged upto 1% at the time of redemption of units prior to October 1, 2012 and Load charged at the time of purchase of units, wherever applicable, are being utilised towards meeting distribution and marketing expenses.
 - In accordance with the SEBI Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012, entire amount of Exit load/ CDSC collected is credited to the respective scheme net of taxes as "Other Income".
 - Unutilised amount of load is carried forward to subsequent period. If the amount is considered in excess by the AMC / Trustees, then such excess amount is credited to the respective Schemes as Other Income.
- (g) Investor education and awareness initiatives
- In accordance with SEBI Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012, the fund is accruing 0.02% p.a. on daily net assets towards investor education and awareness initiatives. Unutilised amount is carried forward to the subsequent period. Interest earned, if any, by investment of unutilized amount in Fixed deposits, is credited to the Investor Education Liability.

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FRANKLIN TEMPLETON MUTUAL FUND
SCHEDULE TO THE BALANCE SHEET AND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

(All amounts in thousands of Rupees)

Schedules	Franklin India Corporate Bond Opportunities Fund			
	Quantity		Amount	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
3 UNIT CAPITAL				
Units of Rs 10 each fully paid up				
Growth Plan				
Outstanding, beginning of year	4,331,917,663.896	5,407,229,531.212	43,319,178	54,072,296
Issued during the year	344,001,098.148	802,046,973.816	3,440,011	8,020,470
Redeemed during the year	(954,818,545.585)	(1,877,358,841.132)	(9,548,185)	(18,773,588)
Outstanding, end of year	<u>3,721,100,216.459</u>	<u>4,331,917,663.896</u>	<u>37,211,004</u>	<u>43,319,178</u>
Dividend Plan				
Outstanding, beginning of year	256,997,960.608	458,791,162.676	2,569,979	4,587,911
Issued during the year	33,054,850.532	75,796,368.080	330,549	757,964
Redeemed during the year	(127,156,273.318)	(277,589,570.148)	(1,271,563)	(2,775,896)
Outstanding, end of year	<u>162,896,537.822</u>	<u>256,997,960.608</u>	<u>1,628,965</u>	<u>2,569,979</u>
Direct Growth Plan				
Outstanding, beginning of year	151,708,126.610	108,865,937.232	1,517,081	1,088,659
Issued during the year	80,374,022.328	62,906,590.615	803,740	629,066
Redeemed during the year	(11,494,967.553)	(20,064,401.237)	(114,951)	(200,644)
Outstanding, end of year	<u>220,587,181.385</u>	<u>151,708,126.610</u>	<u>2,205,870</u>	<u>1,517,081</u>
Direct Dividend Plan				
Outstanding, beginning of year	2,088,747.331	1,219,072.720	20,887	12,191
Issued during the year	846,301.113	1,389,341.907	8,463	13,893
Redeemed during the year	(379,535.418)	(519,667.296)	(3,795)	(5,197)
Outstanding, end of year	<u>2,555,513.026</u>	<u>2,088,747.331</u>	<u>25,555</u>	<u>20,887</u>
Total				
Outstanding, beginning of year	4,742,712,498.445	5,976,105,703.840	47,427,125	59,761,057
Issued during the year	458,276,272.121	942,139,274.418	4,582,763	9,421,393
Redeemed during the year	(1,093,849,321.874)	(2,175,532,479.813)	(10,938,494)	(21,755,325)
Outstanding, end of year	<u>4,107,139,448.692</u>	<u>4,742,712,498.445</u>	<u>41,071,394</u>	<u>47,427,125</u>

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FRANKLIN TEMPLETON MUTUAL FUND
SCHEDULES TO THE BALANCE SHEET AND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

Franklin India Corporate Bond Opportunities Fund		
Schedules	March 31, 2017	March 31, 2016
4. RESERVES AND SURPLUS		
Unit premium reserve		
Balance, beginning of year	1,974,361	2,561,657
Net premium on issue/(redemption) of units	(361,960)	(587,296)
Balance, end of year	<u>1,612,401</u>	<u>1,974,361</u>
Unrealised appreciation reserve		
Balance, beginning of year	304,205	1,919,176
Change in net unrealised appreciation in value of investments	510,651	(1,614,971)
Balance, end of year	<u>814,856</u>	<u>304,205</u>
Retained surplus		
Balance, beginning of year	20,809,665	18,623,557
Transfer to Revenue Account	(20,809,665)	(18,623,557)
Net surplus transferred from revenue account	24,322,189	20,809,665
Balance, end of year	<u>24,322,189</u>	<u>20,809,665</u>
Total reserves and surplus	<u>26,749,446</u>	<u>23,088,231</u>
5. CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Management fees	60,215	93,999
Trusteeship fees	157	166
Registrar service charges	1,922	2,030
Investor Education Liability	4,000	11,876
Sundry creditors for units redeemed by investors	22,068	26,506
Dividend payable	166	9,321
Unclaimed distributed income	-	1,478
Unclaimed redemption payable	-	256
Units pending allotment	22,377	537
Other current liabilities	38,373	14,721
	<u>149,278</u>	<u>160,890</u>
6. INVESTMENTS		
(i) The investments of the Scheme are registered in the name of the Fund for the benefit of the Scheme's unitholders.		
(ii) Aggregate appreciation and depreciation in the value of investments are as follows:		
Listed Securities / Securities Awaited Listing: (Equity linked debentures / Other debentures and bonds / Securitised debt securities)		
- appreciation	<u>338,305</u>	<u>215,995</u>
- depreciation	<u>55,020</u>	<u>38,868</u>
Privately placed debentures and bonds Unlisted Securities (Equity linked debentures / Privately placed debentures and bonds / Securitised debt securities)		
- appreciation	<u>592,414</u>	<u>333,970</u>
- depreciation	<u>60,844</u>	<u>210,030</u>
Money Market Instruments (Commercial papers / Certificate of deposits)		
- appreciation	<u>-</u>	<u>3,138</u>
- depreciation	<u>-</u>	<u>-</u>
(iii) The aggregate value of investments purchased and sold by the Scheme during the year and these amounts as a percentage of average daily net assets are as follows:		
Purchases		
- amount	40,078,464	54,161,802
- as a percentage of average daily net assets	<u>59.17</u>	<u>65.04</u>
Sales		
- amount	<u>41,971,134</u>	<u>58,356,017</u>
- as a percentage of average daily net assets	<u>61.97</u>	<u>70.07</u>
(iv) Amount of Debentures and bonds Listed/ Awaiting listing on Stock Exchanges not traded as on the date of financial statement.		
	<u>23,810,308</u>	<u>27,298,462</u>

FRANKLIN TEMPLETON MUTUAL FUND
SCHEDULES TO THE BALANCE SHEET AND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

Schedules	Franklin India Corporate Bond Opportunities Fund	
	March 31, 2017	March 31, 2016
7. OTHER CURRENT ASSETS		
Cash and Bank Balance		
Balances with banks in current accounts	67,068	31,659
Unclaimed dividend bank account	-	854
Unclaimed redemption bank account	-	190
	<u>67,068</u>	<u>32,703</u>
CBLO/ Reverse Repo Lending		
Collateralised lending/Reverse repo	349,333	47,043
Unclaimed Redemption - CBLO	-	67
Unclaimed Dividend - CBLO	-	624
	<u>349,333</u>	<u>47,734</u>
Others		
Sundry debtors for units issued to investors	6,911	1,576
Outstanding and accrued income	1,430,420	1,360,976
Margin money	738	1,835
	<u>1,438,069</u>	<u>1,364,387</u>
TOTAL	<u>1,854,470</u>	<u>1,444,824</u>
8. INTEREST		
On Debentures and bonds	7,281,122	9,497,069
On Collateralised lending / Reverse repo	21,000	81,406
	<u>7,302,122</u>	<u>9,578,475</u>
Borrowing cost borne by scheme	-	75
Total Net Interest	<u>7,302,122</u>	<u>9,578,400</u>
9. INCOME AND EXPENDITURE		
The total income and expenditure and these amounts as a percentage of the Scheme's average daily net assets on an annualised basis are provided below:		
Income		
- amount	7,644,336	8,832,969
- as a percentage of average daily net assets	<u>11.29</u>	<u>10.61</u>
Expenditure		
- amount	1,217,697	1,485,672
- as a percentage of average daily net assets		
Regular Plan	1.83	1.81
Direct Plan	<u>1.00</u>	<u>0.93</u>
Management Fees (including service tax)		
- amount	842,890	1,119,301
- as a percentage of average daily net assets		
Regular Plan	1.26	1.36
Direct Plan	<u>0.92</u>	<u>0.85</u>
Trusteeship Fees (including service tax)		
- amount	2,033	2,499
- as a percentage of average daily net assets	<u>0.003</u>	<u>0.003</u>
11. NET ASSET VALUE		
Net asset value of each unit of Rs. 10 of the Scheme		
Growth Plan (Rs)	16.7042	15.0840
Direct Growth Plan (Rs)	17.3130	15.5041
Dividend Plan (Rs)	11.1363	10.8832
Direct Dividend Plan (Rs)	<u>11.6386</u>	<u>11.2430</u>

The net asset value of the Scheme's unit is determined after including unit capital and any reserves and surplus, and reducing net deficit and accumulated unit discount, if any.

12. SEGMENT REPORTING

The scheme operates only in one segment viz. to primarily generate returns, based on schemes' investment objective.

13. INCOME DISTRIBUTION:

In respect of Schemes having Net Gain / Losses for the period after adjustment of income equalisation lower than the amount of distributed income, the income is distributed to its unitholders out of the distributable surplus available with the respective Schemes, which consists of the net gain / losses for the period after adjustment of income equalisation and the retained earnings / accumulated reserves of earlier periods.

14. PRIOR YEAR COMPARATIVES

Prior year amounts have been reclassified, wherever applicable, to conform to the current year's presentation.

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FRANKLIN TEMPLETON MUTUAL FUND
SCHEDULES TO THE BALANCE SHEET AND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

10. RELATED PARTY DISCLOSURES

The Scheme has entered into transactions with certain related parties. The information required in this regard in accordance with Accounting Standard 18 on 'Related Party Disclosures' issued by the ICAI and Regulation 25(8) of the SEBI Regulations, is provided below.

(i) **Related party relationships**

Name	Description of relationship
Franklin Resources Inc	Ultimate holding Company of the sponsor
Templeton Worldwide Inc (TWD) USA	Holding Company of the Sponsor
Templeton International Inc. USA	Sponsor of the Fund
Franklin Templeton Capital Holdings Pte Limited (Singapore)	Subsidiary of the Sponsor
Franklin Templeton Asia Holdings Pte Limited (Singapore)	Sub-Subsidiary of the Sponsor
Franklin Templeton Holding Limited, Mauritius	Holding Company of the Scheme's Asset Manager./ Sub-Subsidiary of the Sponsor
Franklin Templeton Asset Management (India) Private Limited	Scheme's asset manager./ Sub-subsidiary of the Sponsor
Franklin Templeton Trustee Services Private Limited	Trustee of the Fund

Schemes of the Fund, under common control of the Sponsor

Franklin Asian Equity Fund	Franklin India Life Stage Fund of Funds
Franklin Build India Fund	Franklin India Low Duration Fund
Franklin India Balanced Fund	Franklin India Monthly Income Plan
Franklin India Banking & PSU Debt Fund	Franklin India Multi-Asset Solution Fund
Franklin India Blue Chip Fund	Franklin India Opportunities Fund
Franklin India Cash Management Account	Franklin India Pension Plan
Franklin India Dynamic Accrual Fund	Franklin India Prima Fund
Franklin India Dynamic PE Ratio Fund Of Funds	Franklin India Prima Plus
Franklin India Feeder - Franklin European Growth Fund	Franklin India Savings Plus Fund
Franklin India Feeder - Franklin U.S. Opportunities Fund	Franklin India Short Term Income Plan
Franklin India Fixed Tenure Fund - Series XII - Plan C	Franklin India Smaller Companies Fund
Franklin India Fixed Tenure Fund - Series XVII	Franklin India Taxshield
Franklin India Flexi Cap Fund	Franklin India Treasury Management Account
Franklin India Government Securities Fund	Franklin India Ultra Short Bond Fund
Franklin India High Growth Companies Fund	Franklin Infotech Fund
Franklin India Income Builder Account	Templeton India Equity Income Fund
Franklin India Income Opportunities Fund	Templeton India Growth Fund
Franklin India Index Fund Nifty Plan	

(ii) **Transactions, if any, with the above mentioned related parties as defined under Accounting Standard 18 and Regulation 25(8) of the SEBI Regulations are provided below:**

Franklin India Corporate Bond Opportunities Fund

Name of related party	Nature of transactions	Year Ended 2017	Balance as at March 31, 2017	Year Ended 2016	Balance as at March 31, 2016
Schemes under common control	<u>Purchase of investments</u>	2,270,857	-	12,021,391	-
	Franklin India Balanced Fund	199,023	-	439,671	-
	Franklin India Banking & PSU Debt Fund	101,089	-	-	-
	Franklin India Cash Management Account	-	-	-	-
	Franklin India Dynamic Accrual Fund	-	-	-	-
	Franklin India Income Builder Account	94,546	-	-	-
	Franklin India Income Opportunities Fund	473,566	-	-	-
	Franklin India Low Duration Fund	106,307	-	3,262,252	-
	Franklin India Monthly Income Plan	-	-	289,783	-
	Franklin India Savings Plus Fund	271,167	-	-	-
	Franklin India Short Term Income Plan	105,211	-	992,112	-
	Franklin India Treasury Management Account	149,777	-	6,288,750	-
	Franklin India Ultra Short Bond Fund	770,172	-	748,823	-
	<u>Sale of investments</u>	20,450,969	-	15,841,172	-
	Franklin India Balanced Fund	-	-	1,164,062	-
	Franklin India Banking & PSU Debt Fund	-	-	68,859	-
	Franklin India Cash Management Account	136,863	-	49,147	-
	Franklin India Dynamic Accrual Fund	280,753	-	681,469	-
	Franklin India Income Builder Account	347,845	-	474,554	-
	Franklin India Income Opportunities Fund	-	-	-	-
	Franklin India Low Duration Fund	2,525,173	-	1,212,411	-
	Franklin India Monthly Income Plan	180,892	-	827,323	-
	Franklin India Pension Plan	159,611	-	514,037	-
	Franklin India Savings Plus Fund	490,161	-	-	-
Franklin India Short Term Income Plan	585,600	-	3,174,835	-	
Franklin India Treasury Management Account	4,175,184	-	1,294,590	-	
Franklin India Ultra Short Bond Fund	11,568,887	-	6,379,885	-	
Franklin Templeton Trustee Services Private Limited	Fees for trusteeship services	2,033	157	2,499	166
Franklin Templeton Asset Management (India) Private Limited	Registrar service charges	24,918	1,922	30,461	2,030
	Fees for management services	842,890	60,215	1,119,301	93,999
Franklin Templeton Asset Management (India) Private Limited	<u>Investment in the plan</u>				
	Direct Dividend Plan				
	Subscriptions	-	-	-	-
	Redemptions	-	-	-	-
	Net Asset Value of investment at Balance Sheet date		717		692
	<u>Investment in the plan</u>				
	Direct Growth Plan				
	Subscriptions	-	-	5,000	-
	Redemptions	-	-	-	-
	Net Asset Value of investment at Balance Sheet date		5,989		5,363
	Sale of investments*	-	-	3,731,977	-
	Dividend Paid	36	-	37	-

*including accrued interest of Rs 11,752

FRANKLIN TEMPLETON MUTUAL FUND
SCHEDULES TO THE BALANCE SHEET AND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

15. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRYWISE CLASSIFICATION

Details of the Scheme's investments in each category of investments as at March 31, 2017 are presented below. The category and company exposure are stated as a percentage of the Scheme's net assets as at March 31, 2017, as well as the aggregate investments in each investment category.

Franklin India Corporate Bond Opportunities Fund

Company Particulars	Quantity	Market Value	Percentage to Net Assets	Percentage to Investment Category
Debt Instruments				
a) Listed /Awaiting listing on Stock Exchanges	3,758,315	24,140,566	35.59	100.00
9.05% Dewan Housing Finance Corp. Ltd. (09-Sep-2019) **	2,700,000	2,720,390	4.01	11.28
9.00% Edelweiss Commodities Services Ltd. (17-Apr-2020) **	1,650	1,704,075	2.51	7.06
(SBI MCLR+85 Bps) AU Financiers India Pvt. Ltd. (17-Mar-2020) **	1,530	1,531,327	2.26	6.34
10.75% Edelweiss Asset Reconstruction Co. Ltd. (15-Jul-2019) **	1,250	1,269,410	1.87	5.26
11.15% IFMR Capital Finance Pvt. Ltd. (13-Mar-2018) **	1,200	1,218,914	1.80	5.05
12.25% DLF Ltd., Series IV, (11-Aug-2020) **	19	971,455	1.43	4.02
10.15% Equitas Small Finance Bank Ltd., Series 24, (30-Aug-2019) **	950	965,340	1.42	4.00
12.25% DLF Ltd., Series II, (10-Aug-2018) **	18	910,534	1.34	3.77
11.90% JSW Infrastructure Ltd. (07-Mar-2019) **	1,480	833,943	1.23	3.45
10.44% IFMR Capital Finance Pvt. Ltd., Series B, (02-Aug-2019) **	800	812,872	1.20	3.37
10.44% IFMR Capital Finance Pvt. Ltd., Series C, (02-Aug-2019) **	750	762,067	1.12	3.16
10.25% Future Retail Ltd., Series B, (06-Apr-2020) **	650	671,267	0.99	2.78
(SBI+15 Bps) AU Financiers India Pvt. Ltd. (21-May-2020) **	650	650,928	0.96	2.70
10.25% AU Housing Finance Ltd. (10-Oct-2019) **	600	600,543	0.89	2.49
12.40% Hinduja Leyland Finance Ltd. (03-Apr-2020) **	500	537,173	0.79	2.23
9.10% Vedanta Ltd. (05-Apr-2023) **	520	527,803	0.78	2.19
11.75% AU Financiers India Pvt. Ltd. (04-May-2021) **	450	468,752	0.69	1.94
10.90% DLF Promenade Ltd. (11-Dec-2021) **	440	454,678	0.67	1.88
(IBL+10 Bps) Reliance Infrastructure Ltd. (25-Sep-2018) **	450	452,042	0.67	1.87
12.40% Hinduja Leyland Finance Ltd. (03-Nov-2019) **	400	427,089	0.63	1.78
10.75% Tata Bluescope Steel Ltd. (27-Sep-2019) **	400	411,274	0.61	1.70
12.25% DLF Ltd.,Trache II Series II, (10-Aug-2018) **	8	404,682	0.60	1.68
10.70% Hinduja Leyland Finance Ltd. (23-Sep-2017) **	400	403,290	0.59	1.67
(IBL+10 Bps) Reliance Infrastructure Ltd. (25-Mar-2019) **	400	400,268	0.59	1.66
9.10% Dewan Housing Finance Corp. Ltd. (09-Sep-2019) **	350,000	353,012	0.52	1.46
9.05% Dewan Housing Finance Corp. Ltd. (09-Sep-2021) **	350,000	348,857	0.51	1.45
9.25% Dewan Housing Finance Corp. Ltd. (09-Sep-2023)	330,000	330,258	0.49	1.37
10.65% Hinduja Leyland Finance Ltd. (16-Feb-2020) **	300	312,547	0.46	1.29
10.65% Hinduja Leyland Finance Ltd. (16-Feb-2018) **	300	305,089	0.45	1.26
10.15% Equitas Small Finance Bank Ltd. (30-Aug-2019) **	300	304,844	0.45	1.26
11.50% Xander Finance Pvt. Ltd. (03-Aug-2018) **	300	301,738	0.44	1.25
9.17% Vedanta Ltd. (04-Jul-2023) **	250	254,591	0.38	1.05
11.30% Hinduja Leyland Finance Ltd. (21-Jul-2021) **	220	232,486	0.34	0.96
8.00% Housing Development Finance Corp. Ltd. (15-Jan-2018) **	15	150,749	0.22	0.62
10.10% Future Enterprises Ltd. (29-Apr-2021) **	140	142,741	0.21	0.60
11.95% AU Financiers India Pvt. Ltd. (24-Jul-2017) **	125	126,544	0.19	0.52
11.95% AU Financiers India Pvt. Ltd. (24-May-2017) **	125	125,805	0.19	0.52
12.13% Equitas Small Finance Bank Ltd. (26-Feb-2020) **	100	102,343	0.15	0.42
11.50% Hinduja Leyland Finance Ltd. (31-May-2021) **	90	95,537	0.14	0.40
9.63% Magma Fincorp Ltd. (28-Apr-2017) **	90	90,018	0.13	0.37
11.50% Magma Fincorp Ltd. (06-Jun-2018) **	75	76,028	0.11	0.31
10.10% Future Enterprises Ltd. (29-Apr-2020) **	60	61,175	0.09	0.25
8.00% ECL Finance Ltd. (26-Sep-2017) **	50	59,758	0.09	0.25
9.55% Hindalco Industries Ltd. (25-Apr-2022) **	50	52,615	0.08	0.22
(SBI+13 Bps) Tata Power Renewable Energy Ltd. (22-Jan-2025) **	50	50,602	0.07	0.21
7.70% Tata Power Co. Ltd. (02-Aug-2019) **	50	50,023	0.07	0.21
9.48% Tata Power Co. Ltd. (16-Nov-2019) **	40	41,403	0.06	0.17
9.15% Tata Steel Ltd. (24-Jan-2019) **	40	40,853	0.06	0.17
7.75% Trent Hypermarket Ltd. (18-Jun-2017) **	30	10,750	0.02	0.04
9.10% Dewan Housing Finance Corp. Ltd. (16-Aug-2019) **	10,000	10,084	0.02	0.04
Total		24,140,566	35.59	100.00

FRANKLIN TEMPLETON MUTUAL FUND
SCHEDULES TO THE BALANCE SHEET AND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

Franklin India Corporate Bond Opportunities Fund

(b) Privately Placed/Unlisted	39,422	41,975,082	61.89	100.00
0.00% Dolvi Minerals and Metals Ltd. (22-Oct-2019) **	2,750	3,824,565	5.64	9.10
12.33% Reliance Communications Enterprises Pvt. Ltd. (22-Dec-2017) **	2,900	2,924,125	4.31	6.97
11.00% Renew Power Ventures Pvt. Ltd. (09-Sep-2020) **	2,795	2,871,566	4.23	6.84
11.30% Tata Teleservices Maharashtra Ltd. (22-May-2018) **	2,500	2,526,605	3.73	6.02
0.00% Essel Infraprojects Ltd., Series II, (22-May-2020) **	170	2,129,153	3.14	5.07
0.00% Essel Infraprojects Ltd., Series I, (22-May-2020) **	170	2,128,456	3.14	5.07
0.00% OPJ Trading Pvt. Ltd. (20-Oct-2017) **	1,513	1,980,163	2.92	4.72
12.33% Reliance Project Ventures and Management Pvt. Ltd. (22-Dec-2017) **	1,675	1,689,576	2.49	4.03
0.00% Sprit Textiles Pvt. Ltd. (20-Jul-2019) **	120	1,662,774	2.45	3.96
12.52% Reliance Project Ventures and Management Pvt. Ltd. (10-Oct-2017) **	1,650	1,661,929	2.45	3.96
0.00% Aditya Birla Retail Ltd. (20-Sep-2019) **	130	1,367,896	2.02	3.26
9.60% Aasan Corporate Solutions Pvt. Ltd. (13-Dec-2019) **	1,300	1,300,214	1.92	3.10
0.00% Dish Infra Services Pvt. Ltd. (28-May-2018) **	100	1,240,902	1.83	2.96
12.30% Piramal Realty Pvt. Ltd. (22-Dec-2017) **	1,050	1,063,789	1.57	2.53
13.15% Greenko Solar Energy Pvt. Ltd. (15-Jun-2020) **	9,000	900,535	1.33	2.15
0.00% Wadhawan Global Capital Pvt. Ltd. (02-Aug-2022) **	900	900,468	1.33	2.15
0.00% KKR India Financial Services Pvt. Ltd. (09-Feb-2020) **	80	813,774	1.19	1.93
12.15% Nufuture Digital (India) Ltd. (30-Nov-2019) **	750	768,010	1.13	1.83
(SBI+60 Bps) ATC Telecom Infrastructure Ltd. (28-Apr-2020) **	1,500	757,783	1.12	1.81
0.00% Hero Wind Energy Pvt. Ltd. (08-Apr-2019) **	650	745,564	1.10	1.78
0.00% Hero Wind Energy Pvt. Ltd. (21-Jun-2022) **	700	717,648	1.06	1.71
11.90% Bhavna Asset Operators Pvt. Ltd. (29-Feb-2020) **	644	658,851	0.97	1.57
12.15% Nufuture Digital (India) Ltd. (30-Nov-2018) **	600	609,224	0.90	1.45
11.90% Legitimate Asset Operators Pvt. Ltd. (31-May-2019) **	597	608,320	0.90	1.45
13.01% Renew Power Ventures Pvt. Ltd., Series V, (23-Mar-2020) **	500	526,332	0.77	1.24
0.00% Aditya Birla Retail Ltd. (24-Jun-2020) **	50	503,510	0.74	1.20
9.60% Aasan Corporate Solutions Pvt. Ltd. (20-Dec-2019) **	500	499,993	0.74	1.19
11.90% Legitimate Asset Operators Pvt. Ltd. (11-May-2020) **	422	432,589	0.64	1.03
0.00% SBK Properties Pvt. Ltd. (09-Jan-2020) **	325	429,994	0.63	1.02
12.15% Nufuture Digital (India) Ltd. (30-Nov-2017) **	400	402,611	0.59	0.96
12.75% Future Ideas Co. Ltd. (30-Jun-2020) **	370	380,857	0.56	0.91
0.00% JSW Logistics Infrastructure Pvt. Ltd. (15-Jun-2018) **	310	378,450	0.56	0.90
0.00% JSW Logistics Infrastructure Pvt. Ltd. (15-Mar-2019) **	285	348,635	0.51	0.83
11.90% Legitimate Asset Operators Pvt. Ltd. (30-Nov-2018) **	338	343,221	0.51	0.82
11.90% Legitimate Asset Operators Pvt. Ltd. (30-Nov-2019) **	323	330,484	0.49	0.79
12.15% Nufuture Digital (India) Ltd. (02-Jun-2020) **	320	328,381	0.48	0.78
11.90% Bhavna Asset Operators Pvt. Ltd. (31-Aug-2019) **	280	285,762	0.42	0.68
11.35% Renew Solar Power Pvt. Ltd. (01-Nov-2022) **	200	200,426	0.30	0.48
0.00% Pri-Media Services Pvt. Ltd., Series C, (30-Jun-2020) **	15	189,204	0.28	0.45
12.15% Nufuture Digital (India) Ltd. (31-May-2018) **	170	171,831	0.25	0.41
11.80% Aasan Corporate Solutions Pvt. Ltd. (29-Jun-2018) **	120	122,271	0.18	0.29
0.00% Hero Wind Energy Pvt. Ltd. (08-Feb-2022) **	100	108,554	0.16	0.26
13.01% Renew Power Ventures Pvt. Ltd., Series VI, (23-Mar-2020) **	90	94,740	0.14	0.23
12.75% Future Ideas Co. Ltd. (31-Jan-2018) **	60	45,347	0.07	0.11
Total		41,975,082	61.89	100.00
OTHER CURRENT ASSETS		1,854,470	2.74	
TOTAL ASSETS		67,970,118	100.22	
LESS : CURRENT LIABILITIES		149,278	0.22	
NET ASSETS		67,820,840	100.00	

** Non - Traded/Thinly Traded Scrips

KBR - Base Rate of Kotak Mahindra Bank Ltd.

SBI - Base Rate of State Bank of India

IBL - Base Rate of IndusInd Bank Ltd.

**FRANKLIN TEMPLETON MUTUAL FUND
SCHEDULES TO THE BALANCE SHEET AND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017**

Franklin India Corporate Bond Opportunities Fund

	March 31, 2017	March 31, 2016
Annexure 1		
Dewan Housing Finance Corporation Ltd	3,762,602	-
LIC Housing Finance Limited	-	505,005
	<u>3,762,602</u>	<u>505,005</u>

The aggregate purchases (other than those already disclosed earlier) made by the Scheme in these companies, during a period of one year before or after the date of the companies' investment are as follows:

Dewan Housing Finance Corporation Ltd	4,782,194	-
Reliance Jio Infocomm Limited	2,071,128	-
	<u>6,853,322</u>	<u>-</u>

Note - These investments have been made because of their value at these prices in case of equity shares and for high credit quality for comparable yield for the investment in fixed income instruments. The investments made are in accordance with the investment objectives of the scheme.

HISTORICAL PER UNIT STATISTICS	Franklin India Corporate Bond Opportunities Fund		
	Period ended March 31, 2017	Period ended March 31, 2016	Period ended March 31, 2015
(a) Net Asset value, per unit			
Growth Plan	16.7042	15.0840	14.0972
Direct Growth Plan	17.3130	15.5041	14.3636
Dividend Plan	11.1363	10.8832	11.0316
Direct Dividend Plan	11.6386	11.2430	11.2686
(b) Gross Income:			
i) Income other than profit on sale of investment, per unit	1.78	2.06	1.19
ii) Profit on interscheme sale/transfer of investment, per unit	0.04	0.06	0.13
iii) Profit on sale of investment to third party, per unit	0.04	(0.26)	(0.01)
iv) Transfer to Revenue Account from past year's reserve per unit	-	-	-
(c) Aggregate of expense, write offs, amortisation and charges, per unit	(0.30)	(0.31)	(0.21)
(d) Net Income, per unit	1.56	1.55	1.10
(e) Net unrealised appreciation/(depreciation) in value of investments	0.12	(0.34)	0.22
(f) i) Highest traded price	N.A.	N.A.	N.A.
ii) Lowest traded price	N.A.	N.A.	N.A.
iii) P.E. Ratio	N.A.	N.A.	N.A.
(g) Ratio of Expenses to Average Net Assets			
Regular Plan	1.83	1.81	1.80
Direct Plan	1.00	0.93	0.94
(h) Ratio of Gross Income to Average Net Assets	12.04	8.67	12.95
(i) i) Highest repurchase price/NAV **			
Growth Plan	16.2031	14.6661	13.6743
Direct Growth Plan	16.7936	15.0588	13.9327
Dividend Plan	10.9794	10.9141	10.8741
Direct Dividend Plan	11.4457	11.2328	11.1002
ii) Highest resale price **			
Growth Plan	16.7042	15.1197	14.0972
Direct Growth Plan	17.3130	15.5245	14.3636
Dividend Plan	11.3190	11.2516	11.2104
Direct Dividend Plan	11.7997	11.5802	11.4435
iii) Lowest repurchase price/NAV **			
Growth Plan	14.6663	13.6974	12.2083
Direct Growth Plan	15.0761	13.9582	12.3349
Dividend Plan	10.5817	10.5327	10.3638
Direct Dividend Plan	10.9327	10.8805	10.4780
iv) Lowest resale price **			
Growth Plan	15.1199	14.1210	12.5859
Direct Growth Plan	15.5424	14.3899	12.7164
Dividend Plan	10.9090	10.8585	10.6843
Direct Dividend Plan	11.2708	11.2170	10.8021

Per unit calculation is based on number of units at the end of the year. Per unit statistics are disclosed for schemes/plans in existence at the end of respective years.

**The highest and lowest resale price has been determined, after adding to the NAV, the maximum entry load applicable.