

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 Schemes of Franklin Templeton Mutual Fund mentioned below (collectively 'the Schemes'), which comprise the Balance Sheet as at March 31, 2015, and also the Revenue Account and Cash Flow Statement for the year ended March 31, 2015, and a summary of significant accounting policies and other explanatory information. Presentation of these separate Balance Sheet, Revenue Account and Cash Flow Statement in a columnar form is not intended to indicate that they bear any relation to each other, or are interdependent or comparable in any way:

- Franklin India Prima Fund
- Franklin India Smaller Companies Fund

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 the 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 ('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 Schemes as at the March 31, 2015;
- (b) in the case of the Revenue Account, of the surplus for the year ended March 31, 2015; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended March 31, 2015.

Report on Other Legal and Regulatory Requirements

1. 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.
2. The balance sheet, revenue account and cash flow statement dealt with by this report are in agreement with the books of account.
3. 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.
4. 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, 2015 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

Sd/-
per Shrawan Jalan
Partner
Membership Number: 102102
Place: Mumbai
Date: July 06, 2015

**FRANKLIN TEMPLETON MUTUAL FUND
BALANCE SHEET AS AT MARCH 31, 2015**
(All amounts in thousands of Rupees)

| | Schedules | FRANKLIN INDIA PRIMA FUND | | FRANKLIN INDIA SMALLER COMPANIES FUND | |
|---|--------------|---------------------------|-------------------------|---------------------------------------|-------------------------|
| | | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2015 | As at March 31, 2014 |
| SOURCES OF FUNDS | | | | | |
| 1 Unit Capital | 2(b) & 3 | 2,363,466 | 1,584,160 | 5,979,798 | 2,309,052 |
| 2 Reserves and Surplus | 4 | - | - | 178,928 | - |
| 2.1 Unit Premium Reserve | | - | - | 178,928 | - |
| 2.2 Unrealised Appreciation Reserve | | 11,910,756 | 2,931,534 | 6,038,637 | 1,210,874 |
| 2.3 Retained Surplus | | 22,526,794 | 11,174,416 | 8,589,718 | 2,743,383 |
| 3 Current Liabilities and Provisions | 5 | - | - | - | - |
| 3.1 Current Liabilities | | 191,184 | 322,422 | 149,178 | 53,267 |
| TOTAL | | 36,992,200 | 16,012,532 | 20,936,259 | 6,316,576 |
| APPLICATION OF FUNDS | | | | | |
| 1 Investments | 2(c), 6 & 16 | - | - | - | - |
| 1.1 Listed Securities | | 31,377,602 | 10,591,890 | 18,662,352 | 4,061,368 |
| 1.1.1 Equity Shares | | | | | |
| 1.2 Unlisted Securities | | 2 | 2 | - | - |
| 1.2.1 Equity Shares | | | | | |
| 2 Other Current Assets | 7 | - | - | - | - |
| 2.1 Cash and Bank Balances | | 107,284 | 40,767 | 93,812 | 30,304 |
| 2.2 CBLO/ Reverse Repo Lending | | 3,022,531 | 785,720 | 2,140,683 | 290,780 |
| 2.3 Others | | 68,084 | 169,307 | 39,412 | 29,138 |
| 3 Accumulated Unit Discount, Net | 8 | 2,416,697 | 4,424,846 | - | 1,904,986 |
| TOTAL | | 36,992,200 | 16,012,532 | 20,936,259 | 6,316,576 |

Notes to Accounts

1 to 16

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
Chartered Accountants

**For Franklin Templeton Trustee
Services Private Limited**

**For Franklin Templeton Asset Management
(India) Private Limited**

Sd/-
per Shrawan Jalan
Partner
Membership No. 102102

Sd/-
Anand J. Vashi
Director

Sd/-
Deepak Satwalekar
Director

Sd/-
S. Jayaram
Director

Sd/-
Harshendu Bindal
President

Sd/-
Ajay Narayan
Vice President

Mumbai

Sd/-
Vivek Kudva
Director

Anand Radhakrishnan
Chief Investment Officer -
(Franklin Equity India)

Sd/-
R. Janakiraman
Vice President & Portfolio
Manager - Franklin Equity

Sd/-
Roshi Jain
Vice President & Portfolio
Manager - Franklin Equity

Sd/-
Neeraj Gaurh
Assistant Vice President and
Portfolio Manager - Franklin
Equity

FRANKLIN TEMPLETON MUTUAL FUND
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015
(All amounts in thousands of Rupees)

| | Schedules | FRANKLIN INDIA PRIMA FUND | | FRANKLIN INDIA SMALLER COMPANIES FUND | | |
|----------|--|---------------------------|-------------------|---------------------------------------|------------------|------------------|
| | | Year ended | Year ended | Year ended | Year ended | |
| | | March 31, 2015 | March 31, 2014 | March 31, 2015 | March 31, 2014 | |
| 1 | INCOME | | | | | |
| 1.1 | Dividend | 2(d) | 232,347 | 127,932 | 104,656 | 49,249 |
| 1.2 | Interest | 2(d) & 9 | 172,116 | 67,617 | 103,747 | 26,113 |
| 1.3 | Realised Gain on External Sale / Redemption of Investments, net | 2(d) | 1,971,740 | 876,041 | 1,018,031 | 404,709 |
| 1.4 | Change in Unrealised Appreciation in the value of Investments | 2(d) | 8,979,222 | 1,521,984 | 4,827,763 | 725,985 |
| 1.5 | Other Income | | 20,369 | 4,354 | 11,589 | 508 |
| | | | 11,375,794 | 2,597,928 | 6,065,786 | 1,206,564 |
| 2 | EXPENSES | | | | | |
| 2.1 | Management Fees | 10 | 231,428 | 113,651 | 127,402 | 59,705 |
| 2.2 | Service Tax on Management Fees | 10 | 28,605 | 14,047 | 15,747 | 7,380 |
| 2.3 | Transfer Agents Fees and Expenses | | 32,582 | 13,448 | 18,287 | 5,669 |
| 2.4 | Custodian Fees | | 2,369 | 964 | 1,267 | 426 |
| 2.5 | Trusteeship Fees | 10 | 715 | 254 | 380 | 96 |
| 2.6 | Commission to Agents | | 220,032 | 52,176 | 113,799 | 9,549 |
| 2.7 | Investor Education Expense | 2(g) | 4,767 | 1,695 | 2,534 | 642 |
| 2.8 | Marketing and Distribution Expenses | | 8,232 | 7,696 | 8,353 | 2,440 |
| 2.9 | Audit Fees | | 668 | 335 | 354 | 127 |
| 2.10 | Other Operating Expenses | | 5,834 | 6,463 | 5,470 | 1,055 |
| | | | 535,232 | 210,729 | 293,593 | 87,089 |
| 3 | NET INCOME AS PER REVENUE ACCOUNT | | 10,840,562 | 2,387,199 | 5,772,193 | 1,119,475 |
| 4 | Transfer from Retained Surplus | 4 | 11,174,416 | 9,213,621 | 2,743,383 | 2,318,617 |
| 5 | Add: Balance Transfer from Unrealised Appreciation Reserve | 4 | 2,931,534 | 1,409,550 | 1,210,874 | 484,889 |
| 6 | Less: Balance Transfer to Unrealised Appreciation Reserve | 4 | 11,910,756 | 2,931,534 | 6,038,637 | 1,210,874 |
| 7 | Add / (Less): Equalisation Credit/(Debit) | 2(e) | 10,140,449 | 1,692,152 | 5,207,559 | 172,170 |
| 8 | Total | | 23,176,205 | 11,770,988 | 8,895,372 | 2,884,277 |
| 9 | Dividend Appropriation | | | | | |
| 9.1 | Income Distributed During the Year | 14 | (649,411) | (596,572) | (305,654) | (140,894) |
| 10 | NET SURPLUS / (DEFICIT) FOR THE YEAR TRANSFERRED TO BALANCE SHEET | 4 | 22,526,794 | 11,174,416 | 8,589,718 | 2,743,383 |
| | | (8+9) | | | | |

Notes to Accounts

1 to 16

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
Chartered Accountants

For Franklin Templeton Trustee
Services Private Limited

For Franklin Templeton Asset Management
(India) Private Limited

Sd/-
per Shrawan Jalan
Partner
Membership No. 102102

Sd/-
Anand J. Vashi
Director

Sd/-
Deepak Satwalekar
Director

Sd/-
S. Jayaram
Director

Sd/-
Harshendu Bindal
President

Sd/-
Ajay Narayan
Vice President

Mumbai

Sd/-
Vivek Kudva
Director

Sd/-
Anand Radhakrishnan
Chief Investment Officer -
(Franklin Equity India)

Sd/-
R. Janakiraman
Vice President & Portfolio
Manager - Franklin Equity

Sd/-
Roshi Jain
Vice President & Portfolio
Manager - Franklin Equity

Sd/-
Neeraj Gaurh
Assistant Vice President and
Portfolio Manager - Franklin
Equity

FRANKLIN TEMPLETON MUTUAL FUND
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015
(All amounts in thousands of Rupees)

| | FRANKLIN INDIA PRIMA FUND | | FRANKLIN INDIA SMALLER COMPANIES FUND | |
|---|---------------------------|--------------------|---------------------------------------|------------------|
| | March 31, 2015 | March 31, 2014 | March 31, 2015 | March 31, 2014 |
| A Cashflow from Operating Activities | | | | |
| Surplus for the year before equalisation and income distribution | 10,840,562 | 2,387,199 | 5,772,193 | 1,119,475 |
| Add / (Less) :Change in Unrealised Appreciation in value of Investments | (8,979,222) | (1,521,984) | (4,827,763) | (725,985) |
| Add / (Less) :Amortization of premium / discount on investment cost | - | (384) | - | - |
| Adjustments for:- | | | | |
| (Increase)/Decrease in Investments at Cost | (11,846,572) | (2,037,550) | (9,712,408) | (571,106) |
| (Increase)/Decrease in Other Current Assets | (2,255,787) | (210,031) | (1,863,005) | (104,089) |
| Increase/(Decrease) in Current Liabilities | 13,311 | (44,228) | 23,412 | (19,977) |
| Net Cash Generated from/(used in) Operations | (12,227,708) | (1,426,978) | (10,607,571) | (301,682) |
| B Cashflow from Financing Activities | | | | |
| Increase/(Decrease) in Unit Capital | 714,345 | 220,197 | 3,639,697 | 334,495 |
| Increase/(Decrease) in Unit Premium | 11,925,913 | 1,493,994 | 7,246,480 | 159,704 |
| Adjustments for:- | | | | |
| Increase/(Decrease) in Sundry Creditors for Units Redeemed by Investors | 8,796 | 37,554 | 4,280 | 1,905 |
| (Increase)/Decrease in Sundry Debtors for Units Issued to Investors | (11,163) | (6,328) | (16,435) | 1,006 |
| Dividend paid during the year | (359,327) | (293,006) | (227,615) | (173,387) |
| Increase/(Decrease) in Unclaimed redemption | 1,937 | 4,647 | 1,340 | 4,820 |
| Increase/(Decrease) in units pending allotment | 13,724 | 978 | 23,332 | 280 |
| Net Cash (used in)/Generated from Financing Activities | 12,294,225 | 1,458,036 | 10,671,079 | 328,823 |
| Net Increase/(Decrease) in Cash and Cash Equivalents | 66,517 | 31,058 | 63,508 | 27,141 |
| Cash and Cash Equivalents as at the beginning of the Year | 40,767 | 9,709 | 30,304 | 3,163 |
| Cash and Cash Equivalents as at the end of the Year | 107,284 | 40,767 | 93,812 | 30,304 |
| Components of Cash and Cash Equivalents | | | | |
| Balances with Banks in Current Accounts* | 107,284 | 40,767 | 93,812 | 30,304 |
| | 107,284 | 40,767 | 93,812 | 30,304 |

*Includes 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
Chartered Accountants

For Franklin Templeton Trustee
Services Private Limited

For Franklin Templeton Asset Management
(India) Private Limited

Sd/-
per Shrawan Jalan
Partner
Membership No. 102102

Sd/-
Anand J. Vashi
Director

Sd/-
Deepak Satwalekar
Director

Sd/-
S. Jayaram
Director

Sd/-
Vivek Kudva
Director

Sd/-
Harshendu Bindal
President

Sd/-
Ajay Narayan
Vice President

Sd/-
Anand Radhakrishnan
Chief Investment Officer - (Franklin Equity India)

Sd/-
R. Janakiraman
Vice President &
Portfolio Manager –
Franklin Equity

Sd/-
Roshi Jain
Vice President &
Portfolio Manager –
Franklin Equity

Sd/-
Neeraj Gaurh
Assistant Vice President
and Portfolio Manager –
Franklin Equity

Mumbai

FRANKLIN TEMPLETON MUTUAL FUND
SCHEDULES TO THE BALANCE SHEET AND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015
 (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 Prima Fund | Open Ended Mutual Fund Scheme | December 1, 1993 | The Scheme aims to achieve capital appreciation through investments in relatively smaller, faster growing companies. | 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'. |
| Franklin India Smaller Companies Fund | Open Ended Mutual Fund Scheme | November 16, 2005 | The Scheme seeks to provide long-term capital appreciation by investing in mid and small cap companies. | The Scheme offers its investors two plans: the Dividend Plan, 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.

Presentation of these separate Balance Sheets, the Revenue Accounts and the Cash Flows in a columnar form is not intended to indicate that they bear any relation to each other, or are interdependent or comparable in any way.

(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/ Options.

(b) Unit capital

- Unit capital represents the net outstanding units at the balance sheet date, thereby reflecting all transactions relating to the year 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.
- Effective October 1, 2012, 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.
- Right entitlements are recognised as investments on the ex-rights date.
- Bonus entitlements are recognised as investments on the ex-bonus date.
 - Initial recognition
 - Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
 - Conversion
 - Foreign currency monetary items are reported using an exchange rate prevalent on the valuation date / date of the transaction.
 - Exchange differences
 - Exchange differences arising on the settlement of monetary items or on reporting monetary items of the scheme at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

Valuation of investments

- Effective December 1, 2014, Traded Equity, Equity related Securities and Preference Shares are valued at the last quoted closing price on the National Stock Exchange of India Limited (NSE). If a security is not traded on NSE, it will be valued at the last quoted closing price on Bombay Stock Exchange (BSE) or any other stock exchange (in that order). Prior to that, Traded Equity, Equity related Securities and Preference Shares were valued at the last quoted closing price on the Bombay Stock Exchange (BSE). If a security was not traded on BSE, it was valued at the last quoted closing price on National Stock Exchange of India Limited (NSE) or any other stock exchange (in that order). The change in primary stock exchange has resulted in an increase in appreciation of Rs.15,318,833/- and Rs.20,284,707/- on the investments as on March 31, 2015 for Franklin India Prima Fund and Franklin India Smaller Companies Fund respectively.
- Investments in Equity shares acquired under Qualified Institutional Placement (QIP) are valued at cost or market value, whichever is lower, till the date of listing of the security.
- Thinly Traded, Non-traded and unlisted Equity are valued "in good faith" as determined, in accordance with the SEBI Regulations.

FRANKLIN TEMPLETON MUTUAL FUND
SCHEDULES TO THE BALANCE SHEET AND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015
(All amounts in thousands of Rupees unless specified otherwise)

- Foreign securities are valued at the last closing price / last available traded or quoted price on the valuation day on the relevant stock exchange around the time of closure of Indian stock markets, as applicable, provided such date is not more than thirty days prior to the valuation date and are translated in to Indian rupees by applying an exchange rate prevalent on the day of valuation/balance sheet. Unrealised foreign exchange gain or loss on account of exchange rate fluctuation is credited / debited to Reserves & Surplus / Profit & Loss account respectively on the date of valuation.
 - In respect of non traded/ thinly traded Foreign securities, the valuation is stated at fair value as determined in good faith by the AMC.
 - Effective from November 5, 2013, all Debt securities (except for Zero Coupon Bonds, Government Securities and Treasury Bills), with residual maturity greater than 365 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)). 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 WDM and BSE ICDM), provided there are at least two trades aggregating to Rs. 25 crores or more. Prior to November 5, 2013, all Debt securities (except for Government Securities and Treasury Bills), with residual maturity greater than 365 days, which were traded on the valuation date, were valued at the weighted average traded price available on the public platform (namely FIMMDA, NSE WDM and BSE ICDM), provided there were at least two trades aggregating to Rs. 25 crores or more. Further, if such securities were not traded on a particular valuation day, they were valued at the average benchmark yield/ matrix of spread over risk free benchmark yield obtained from CRISIL and ICRA.
 - Effective from November 5, 2013, all Debt securities (except for Zero Coupon Bonds, Government Securities and Treasury Bills) with residual maturity greater than 60 days and less than or equal to 365 days, on the date of valuation, are valued at the weighted average price obtained from CRISIL and ICRA (agency(ies) appointed/ designated for the said purpose by AMFI). 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 WDM and BSE ICDM), provided there are at least three trades aggregating to Rs. 100 crores or more. Prior to November 5, 2013, all Debt securities (except for Government Securities and Treasury Bills), with residual maturity greater than 60 days and less than or equal to 365 days on the date of valuation, which were traded on the valuation date, were valued at the weighted average traded price available on the public platform (namely FIMMDA, NSE WDM and BSE ICDM), provided there were at least three trades aggregating to Rs. 100 crores or more. Further, if such securities were not traded on a particular valuation day they were valued at the average benchmark yield/ matrix of spread over risk free benchmark yield obtained from CRISIL and ICRA.
 - Effective from July 3, 2012, 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 WDM and BSE ICDM), provided there are 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. In case the variance exceeds plus/ minus 0.10%, the reference price is considered for valuation. 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.
 - Effective from November 5, 2013, Investment in Zero Coupon Bonds with residual maturity greater than 365 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 March 17, 2015, if price for New security purchased is not available from CRISIL and ICRA, the security will be valued at weighted average traded yield available on public platform (namely FIMMDA, NSE WDM and BSE ICDM), provided there are at least two trades aggregating to Rs. 25 crores or more as against the earlier practice of valuing at weighted average traded price available on public platform (namely FIMMDA, NSE WDM and BSE ICDM), provided there are at least two trades aggregating to Rs. 25 crores or more. Prior to November 5, 2013, Investment in Zero Coupon Bonds with residual maturity greater than 365 days, which were traded on the valuation date, were valued at the weighted average traded price available on the public platform (namely FIMMDA, NSE WDM and BSE ICDM), provided there were at least two trades aggregating to Rs. 25 crores or more. Further, if such securities were not traded on a particular valuation day, they were valued at the average benchmark yield/ matrix of spread over risk free benchmark yield obtained from CRISIL and ICRA.
 - Effective from November 5, 2013, Investment in Zero Coupon Bonds with residual maturity greater than 60 days and less than or equal to 365 days on the date of valuation are valued at the weighted average price obtained from CRISIL and ICRA (agency(ies) appointed/ designated for the said purpose by AMFI). Effective from March 17, 2015, if price for New security purchased is not available from CRISIL and ICRA, the security will be valued at weighted average traded yield available on public platform (namely FIMMDA, NSE WDM and BSE ICDM), provided there are at least three trades aggregating to Rs. 100 crores or more as against the earlier practice of valuing at weighted average traded price available on public platform (namely FIMMDA, NSE WDM and BSE ICDM), provided there are at least three trades aggregating to Rs. 100 crores or more. Prior to November 5, 2013, Zero Coupon Bonds with residual maturity greater than 60 days and less than or equal to 365 days, which were traded on the valuation date, were valued at the weighted average traded price available on the public platform (namely FIMMDA, NSE WDM and BSE ICDM), provided there were at least three trades aggregating to Rs. 100 crores or more. Further, if such securities were not traded on a particular valuation day they were valued at the average benchmark yield/ matrix of spread over risk free benchmark yield obtained from CRISIL and ICRA.
 - Effective from March 17, 2015, 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 yield available on the public platform (namely FIMMDA, NSE WDM and BSE ICDM), provided there are at least three trades aggregating to Rs. 100 crores or more as against the earlier practice of valuing at the weighted average traded price available on the public platform (namely FIMMDA, NSE WDM and BSE ICDM), provided there are 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. In case the variance exceeds plus/ minus 0.10%, the reference price is considered for valuation. Reference price is the price derived from risk free benchmark yields plus/ minus spread.
 - Effective from October 7, 2013, 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 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. In case the variance exceeds plus/ minus 0.10%, the reference price is considered for valuation. Reference price is the price derived from risk free benchmark yield plus/ minus spread. Prior to October 7, 2013 Investments in Government securities and Treasury Bills were valued based on the average of the prices provided by the CRISIL and ICRA (agency(ies) entrusted for the said purpose by Association of Mutual Funds of India (AMFI)) on the valuation date.
 - 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 gain or loss, if any, between two balance sheet dates is recognised in the revenue account and thereafter net unrealised gain, if any, is transferred to unrealised appreciation reserve. The loss on investments sold/transferred during the period is charged to the revenue account.
- (d) Revenue recognition
- Dividend income is recognised on the ex-dividend date.
 - Interest income is recognised on an accrual basis.
 - Profit or loss on sale of investments is determined on the basis of the weighted average cost method.
- (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 till the date of the transaction is determined. Based on the number of units outstanding on the transaction date, the undistributed income associated with each unit is computed. The per unit amount so determined is credited and debited to the equalisation 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 equalisation account on issue and redemption of unit respectively.
- (f) Load charges
- All loads, including Contingent and Deferred Sales Charges, charged at the time of purchase and sale of units is being utilised towards meeting distribution and marketing expenses. The utilization from the balances as at July 31, 2009 is restricted to a maximum of one third of the load balances as at that date
 - Effective October 1, 2012, 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 to the respective schemes as "Other Income", as against the earlier practice of crediting any amount more than 1% of the exit load to the respective schemes as "Other Income" and balance towards marketing and selling expenses
 - Unutilised amount of load is carried forward to the subsequent year. 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
- Effective October 01, 2012, 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 year.

FRANKLIN TEMPLETON MUTUAL FUND
SCHEDULE TO THE BALANCE SHEET AND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015
(All amounts in thousands of Rupees)

| Schedules | FRANKLIN INDIA PRIMA FUND | | | | FRANKLIN INDIA SMALLER COMPANIES FUND | | | |
|-----------------------------------|---------------------------|------------------------|------------------|------------------|---------------------------------------|------------------------|------------------|------------------|
| | Quantity | | Amount | | Quantity | | Amount | |
| | March 31, 2015 | March 31, 2014 | March 31, 2015 | March 31, 2014 | March 31, 2015 | March 31, 2014 | March 31, 2015 | March 31, 2014 |
| 3 UNIT CAPITAL | | | | | | | | |
| Units of Rs 10 each fully paid up | | | | | | | | |
| Growth Plan | | | | | | | | |
| Outstanding, beginning of year | 13,304,129.694 | 10,469,275.874 | 133,042 | 104,693 | 127,965,569.322 | 126,161,582.135 | 1,279,656 | 1,261,616 |
| Issued during the year | 22,120,512.094 | 6,691,893.000 | 221,205 | 66,919 | 297,726,119.180 | 26,112,018.243 | 2,977,261 | 261,120 |
| Redeemed during the year | (4,856,335.094) | (3,857,039.180) | (48,563) | (38,570) | (42,593,698.921) | (24,308,031.056) | (425,937) | (243,080) |
| Outstanding, end of year | <u>30,568,306.694</u> | <u>13,304,129.694</u> | <u>305,684</u> | <u>133,042</u> | <u>383,097,989.581</u> | <u>127,965,569.322</u> | <u>3,830,980</u> | <u>1,279,656</u> |
| Dividend Plan | | | | | | | | |
| Outstanding, beginning of year | 141,927,685.789 | 115,819,023.769 | 1,419,277 | 1,158,190 | 97,525,984.394 | 74,868,061.902 | 975,260 | 748,681 |
| Issued during the year | 96,640,104.383 | 57,673,491.550 | 966,401 | 576,735 | 101,764,759.876 | 37,903,649.966 | 1,017,648 | 379,036 |
| Redeemed during the year | (39,806,543.965) | (31,564,829.530) | (398,065) | (315,648) | (44,526,534.257) | (15,245,727.474) | (445,265) | (152,457) |
| Outstanding, end of year | <u>198,761,246.207</u> | <u>141,927,685.789</u> | <u>1,987,613</u> | <u>1,419,277</u> | <u>154,764,210.013</u> | <u>97,525,984.394</u> | <u>1,547,643</u> | <u>975,260</u> |
| Direct Growth Plan | | | | | | | | |
| Outstanding, beginning of year | 651,634.010 | 284,178.838 | 6,516 | 2,842 | 4,635,718.441 | 1,479,513.580 | 46,358 | 14,796 |
| Issued during the year | 2,149,826.513 | 431,140.207 | 21,498 | 4,311 | 53,815,864.911 | 3,414,807.722 | 538,159 | 34,148 |
| Redeemed during the year | (506,204.500) | (63,685.035) | (5,062) | (637) | (6,827,280.983) | (258,602.861) | (68,273) | (2,586) |
| Outstanding, end of year | <u>2,295,256.023</u> | <u>651,634.010</u> | <u>22,952</u> | <u>6,516</u> | <u>51,624,302.369</u> | <u>4,635,718.441</u> | <u>516,244</u> | <u>46,358</u> |
| Direct Dividend Plan | | | | | | | | |
| Outstanding, beginning of year | 2,532,552.087 | 377,283.507 | 25,326 | 3,773 | 777,910.429 | 162,443.210 | 7,778 | 1,624 |
| Issued during the year | 2,926,649.898 | 2,272,186.220 | 29,266 | 22,722 | 8,327,124.694 | 819,265.760 | 83,271 | 8,193 |
| Redeemed during the year | (737,421.028) | (116,917.640) | (7,374) | (1,169) | (611,760.524) | (203,798.541) | (6,118) | (2,039) |
| Outstanding, end of year | <u>4,721,780.957</u> | <u>2,532,552.087</u> | <u>47,218</u> | <u>25,326</u> | <u>8,493,274.599</u> | <u>777,910.429</u> | <u>84,931</u> | <u>7,778</u> |
| Total | | | | | | | | |
| Outstanding, beginning of year | 158,416,001.580 | 126,949,761.988 | 1,584,160 | 1,269,498 | 230,905,182.586 | 202,671,600.827 | 2,309,052 | 2,026,717 |
| Issued during the year | 123,837,092.888 | 67,068,710.977 | 1,238,370 | 670,687 | 461,633,868.661 | 68,249,741.691 | 4,616,339 | 682,497 |
| Redeemed during the year | (45,906,504.587) | (35,602,471.385) | (459,064) | (356,025) | (94,559,274.685) | (40,016,159.932) | (945,593) | (400,162) |
| Outstanding, end of year | <u>236,346,589.881</u> | <u>158,416,001.580</u> | <u>2,363,466</u> | <u>1,584,160</u> | <u>597,979,776.562</u> | <u>230,905,182.586</u> | <u>5,979,798</u> | <u>2,309,052</u> |

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FRANKLIN TEMPLETON MUTUAL FUND
SCHEDULES TO THE BALANCE SHEET AND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015
(All amounts in thousands of Rupees)

| Schedules | FRANKLIN INDIA PRIMA FUND | | FRANKLIN INDIA SMALLER COMPANIES FUND | |
|--|---------------------------|----------------|---------------------------------------|----------------|
| | March 31, 2015 | March 31, 2014 | March 31, 2015 | March 31, 2014 |
| 4. RESERVES AND SURPLUS | | | | |
| Unit premium reserve | | | | |
| Balance, beginning of year | - | - | 1,904,986 | - |
| Net premium on issue/(redemption) of units | - | - | (1,726,058) | - |
| Balance, end of year | - | - | 178,928 | - |
| Unrealised appreciation reserve | | | | |
| Balance, beginning of year | 2,931,534 | 1,409,550 | 1,210,874 | 484,889 |
| Change in net unrealised appreciation in value of investments | 8,979,222 | 1,521,984 | 4,827,763 | 725,985 |
| Balance, end of year | 11,910,756 | 2,931,534 | 6,038,637 | 1,210,874 |
| Retained surplus | | | | |
| Balance, beginning of year | 11,174,416 | 9,213,621 | 2,743,383 | 2,318,617 |
| Transfer to Revenue Account | (11,174,416) | (9,213,621) | (2,743,383) | (2,318,617) |
| Net surplus / (Deficit) transferred from revenue account | 22,526,794 | 11,174,416 | 8,589,718 | 2,743,383 |
| Balance, end of year | 22,526,794 | 11,174,416 | 8,589,718 | 2,743,383 |
| Total reserves and surplus | 34,437,550 | 14,105,950 | 14,807,283 | 3,954,257 |
| 5. CURRENT LIABILITIES AND PROVISIONS | | | | |
| Current Liabilities | | | | |
| Management fees | 51,312 | 11,898 | 28,194 | 8,521 |
| Trusteeship fees | 91 | 27 | 53 | 10 |
| Registrar service charges | 3,927 | 1,364 | 2,446 | 571 |
| Load pending utilisation | - | 24,821 | - | 3,085 |
| Investor Education Liability | 2,842 | 1,314 | 1,551 | 511 |
| Sundry creditors for units redeemed by investors | 53,085 | 44,290 | 15,202 | 10,923 |
| Contracts for purchase of investments | 21,747 | 193,193 | 56,335 | 14,784 |
| Dividend payable | - | - | 538 | 33 |
| Unclaimed distributed income | 13,100 | 10,661 | 5,488 | 3,996 |
| Unclaimed redemption payable | 6,752 | 4,815 | 6,160 | 4,820 |
| Units pending allotment | 15,190 | 1,466 | 23,614 | 282 |
| Other current liabilities | 23,138 | 28,573 | 9,597 | 5,731 |
| | 191,184 | 322,422 | 149,178 | 53,267 |
| 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 Equity shares / Awaiting listing on Stock Exchanges | | | | |
| Listed Securities / Securities Awaited Listing / Unlisted Securities / Foreign Securities: | | | | |
| (Equity shares / Preference shares / Foreign securities) | | | | |
| - appreciation | 12,008,916 | 3,079,863 | 6,337,446 | 1,464,351 |
| - depreciation | 98,160 | 148,329 | 298,809 | 253,475 |
| Listed debentures and bonds / Awaiting listing on Stock Exchanges | | | | |
| (Equity linked debentures / Other debentures and bonds / Securitised debt securities) | | | | |
| - appreciation | - | - | - | - |
| - depreciation | - | - | - | - |
| (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 | 15,968,992 | 4,447,071 | 11,007,583 | 1,212,225 |
| - as a percentage of average daily net assets | 67.13 | 52.48 | 87.09 | 37.75 |
| Sales | | | | |
| - amount | 6,134,243 | 3,085,137 | 2,252,324 | 1,030,355 |
| - as a percentage of average daily net assets | 25.79 | 36.41 | 17.82 | 32.09 |
| (iv) Amount of Debentures and bonds Listed/ Awaiting listing on Stock Exchanges not traded as on the date of financial statement. | - | - | - | - |
| (v) During the year, the Scheme has invested in the equity shares / debentures and bonds of certain companies, which have invested in some of the schemes of the Fund in excess of five percent of those schemes' Net Assets. The Scheme's investments in these companies (except for investments in subsidiaries of these companies) as at March 31, 2015 are provided in Annexure 1. | | | | |
| These investments have been made on account of their value at the related prices and are in accordance with the investment objectives of the Scheme. | | | | |

SCHEDULES TO THE BALANCE SHEET AND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015
(All amounts in thousands of Rupees)

| Schedules | FRANKLIN INDIA PRIMA FUND | | FRANKLIN INDIA SMALLER COMPANIES FUND | |
|--|---------------------------|------------------|---------------------------------------|------------------|
| | March 31, 2015 | March 31, 2014 | March 31, 2015 | March 31, 2014 |
| 7. OTHER CURRENT ASSETS | | | | |
| Cash and Bank Balance | | | | |
| Balances with banks in current accounts | 87,432 | 25,291 | 82,164 | 21,488 |
| Unclaimed dividend bank account | 13,100 | 10,661 | 5,488 | 3,996 |
| Unclaimed redemption bank account | 6,752 | 4,815 | 6,160 | 4,820 |
| | <u>107,284</u> | <u>40,767</u> | <u>93,812</u> | <u>30,304</u> |
| CBLO/ Reverse Repo Lending | | | | |
| Collateralised lending/Reverse repo | 3,022,531 | 785,720 | 2,140,683 | 290,780 |
| | <u>3,022,531</u> | <u>785,720</u> | <u>2,140,683</u> | <u>290,780</u> |
| Others | | | | |
| Sundry debtors for units issued to investors | 20,693 | 9,530 | 16,435 | - |
| Outstanding and accrued income | 7,025 | 7,148 | 1,435 | 485 |
| Contracts for sale of investments | - | 131,363 | - | 19,263 |
| Advances and deposits | 4,516 | 4,516 | -* | -* |
| Margin money | 35,850 | 16,750 | 21,542 | 9,390 |
| | <u>68,084</u> | <u>169,307</u> | <u>39,412</u> | <u>29,138</u> |
| TOTAL | <u>3,197,899</u> | <u>995,794</u> | <u>2,273,907</u> | <u>350,222</u> |
| *:- Amount is less than rupees one thousand | | | | |
| 8. ACCUMULATED UNIT DISCOUNT, NET | | | | |
| Balance, beginning of year | 4,424,846 | 4,426,689 | - | 1,908,189 |
| Net premium on (issue) / redemption of units | (2,008,149) | (1,843) | - | (3,203) |
| Balance, end of year | <u>2,416,697</u> | <u>4,424,846</u> | <u>-</u> | <u>1,904,986</u> |
| 9. INTEREST | | | | |
| On Collateralised lending / Reverse repo | 169,958 | 67,490 | 103,172 | 26,113 |
| On Fixed deposits | 2,158 | 127 | 575 | - |
| | <u>172,116</u> | <u>67,617</u> | <u>103,747</u> | <u>26,113</u> |
| 10. 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 | 2,396,572 | 1,075,944 | 1,238,023 | 480,579 |
| - as a percentage of average daily net assets | <u>10.07</u> | <u>12.70</u> | <u>9.80</u> | <u>14.97</u> |
| Expenditure | | | | |
| - amount | 535,232 | 210,729 | 293,593 | 87,089 |
| - as a percentage of average daily net assets | | | | |
| Regular Plan | 2.31 | 2.50 | 2.45 | 2.72 |
| Direct Plan | <u>0.93</u> | <u>1.68</u> | <u>0.95</u> | <u>2.27</u> |
| Management fees (including service tax) | | | | |
| - amount | 260,033 | 127,698 | 143,149 | 67,085 |
| - as a percentage of average daily net assets | | | | |
| Regular Plan | 1.11 | 1.51 | 1.18 | 2.09 |
| Direct Plan | <u>0.71</u> | <u>1.31</u> | <u>0.68</u> | <u>1.93</u> |
| Trusteeship fees (including service tax) | | | | |
| - amount | 715 | 254 | 380 | 96 |
| - as a percentage of average daily net assets | <u>0.003</u> | <u>0.003</u> | <u>0.003</u> | <u>0.003</u> |

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**FRANKLIN TEMPLETON MUTUAL FUND
SCHEDULES TO THE BALANCE SHEET AND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015**
11. 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 |
|---|---|
| a) Where control exists | |
| Franklin Resources Inc | Ultimate holding Company of the sponsor. |
| Templeton Worldwide Inc (TWI) 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 Index Fund |
| Franklin Build India Fund | Franklin India Life Stage Fund of Funds |
| Franklin India Balanced Fund | Franklin India Low Duration Fund |
| Franklin India Banking & PSU Debt Fund | Franklin India Monthly Income Plan |
| Franklin India Blue Chip Fund | Franklin India Multi-Asset Solution Fund |
| Franklin India Cash Management Account | Franklin India Opportunities Fund |
| Franklin India Corporate Bond Opportunities Fund | Franklin India Pension Plan |
| Franklin India Dynamic Accrual Fund (Formerly Franklin India Income Fund) | Franklin India Prima Plus |
| Franklin India Dynamic PE Ratio Fund Of Funds | Franklin India Savings Plus Fund |
| Franklin India Feeder - Franklin European Growth Fund | Franklin India Short Term Income Plan |
| Franklin India Feeder - Franklin U.S. Opportunities Fund | Franklin India Taxshield |
| Franklin India Fixed Tenure Fund - Series XII - Plan C | Franklin India Treasury Management Account |
| Franklin India Fixed Tenure Fund - Series XVI | Franklin India Ultra Short Bond Fund |
| Franklin India Fixed Tenure Fund - Series XVII | Franklin Infotech Fund |
| Franklin India Flexi Cap Fund | Templeton India Equity Income Fund |
| Franklin India Government Securities Fund | Templeton India Growth Fund |
| Franklin India High Growth Companies Fund | Templeton India Children's Asset Plan |
| Franklin India Income Builder Account | Franklin India Prima Fund |
| Franklin India Income Opportunities Fund | |

(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 Prima Fund

| Name of related party | Nature of transactions | Year Ended 2015 | Balance as at March 31, 2015 | Year Ended 2014 | Balance as at March 31, 2014 |
|---|---|-----------------|------------------------------|-----------------|------------------------------|
| Franklin Templeton Trustee Services Private Limited | Fees for trusteeship services | 715 | 91 | 254 | 27 |
| Franklin Templeton Asset Management (India) Private Limited | Registrar service charges | 32,582 | 3,927 | 13,448 | 1,364 |
| | Fees for management services | 260,033 | 51,312 | 127,698 | 11,898 |
| Schemes under common control | <u>Investment in the Plan</u> | | | | |
| Franklin India Life Stage Fund of Funds - 20s Plan | <u>Direct Growth Plan</u> | | | | |
| | Subscriptions (No. of units in '000) | 3 | - | 6 | - |
| | Redemptions (No. of units in '000) | 16 | - | 13 | - |
| | Net asset value of investment at balance sheet date | | 20,384 | | 17,215 |
| Franklin India Life Stage Fund of Funds - 30s Plan | <u>Direct Growth Plan</u> | | | | |
| | Subscriptions (No. of units in '000) | 1 | - | 1 | - |
| | Redemptions (No. of units in '000) | 8 | - | 7 | - |
| | Net asset value of investment at balance sheet date | | 7,672 | | 7,247 |
| Franklin India Life Stage Fund of Funds - 40s Plan | <u>Direct Growth Plan</u> | | | | |
| | Subscriptions (No. of units in '000) | 2 | - | 2 | - |
| | Redemptions (No. of units in '000) | 15 | - | 6 | - |
| | Net asset value of investment at balance sheet date | | 13,780 | | 13,381 |
| Franklin Templeton Asset Management (India) Private Limited | <u>Investment in the Plan</u> | | | | |
| | <u>Direct Growth Plan</u> | | | | |
| | Subscriptions (No. of units in '000) | - | - | - | - |
| | Redemptions (No. of units in '000) | - | - | ** | - |
| | Net asset value of investment at balance sheet date | | - | | 5 |
| | <u>Investment in the Plan</u> | | | | |
| | <u>Direct Dividend Plan</u> | | | | |
| | Subscriptions (No. of units in '000) | - | - | - | - |
| | Redemptions (No. of units in '000) | - | - | ** | - |
| | Net asset value of investment at balance sheet date | | - | | - |
| ITI Capital Markets Limited | Commission for distribution of the Scheme's units (#) | 107* | - | 75* | - |

FRANKLIN TEMPLETON MUTUAL FUND
SCHEDULES TO THE BALANCE SHEET AND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015

Franklin India Smaller Companies Fund

| Name of related party | Nature of transactions | Year Ended 2015 | Balance as at March 31, 2015 | Year Ended 2014 | Balance as at March 31, 2014 |
|---|---|-----------------|------------------------------|-----------------|------------------------------|
| Franklin Templeton Trustee Services Private Limited | Fees for trusteeship services | 380 | 53 | 96 | 10 |
| Franklin Templeton Asset Management (India) Private Limited | Registrar service charges | 18,287 | 2,446 | 5,669 | 571 |
| | Fees for management services | 143,149 | 28,194 | 67,085 | 8,521 |
| Franklin Templeton Asset Management (India) Private Limited | <u>Investment in the Plan</u> | | | | |
| | Direct Dividend Plan | | | | |
| | Subscriptions (No. of units in '000) | - | - | - | - |
| | Redemptions (No. of units in '000) | - | - | 5 | - |
| | Net asset value of investment at balance sheet date | - | - | - | - |
| | <u>Investment in the Plan</u> | | | | |
| | Direct Growth Plan | | | | |
| | Subscriptions (No. of units in '000) | - | - | - | - |
| | Redemptions (No. of units in '000) | - | - | ** | - |
| | Net asset value of investment at balance sheet date | - | - | - | - |

The commission is at rates similar to those offered to other distributors by the scheme.

*This represents the amount paid / payable for the year and does not necessarily reflect the amount charged to the Scheme's Revenue Account.

**Amount is less than rupees one thousand

SCHEDULES TO THE BALANCE SHEET AND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015
(All amounts in thousands of Rupees)

| Schedules | FRANKLIN INDIA PRIMA FUND | | FRANKLIN INDIA SMALLER COMPANIES FUND | |
|--|---------------------------|----------------|---------------------------------------|----------------|
| | March 31, 2015 | March 31, 2014 | March 31, 2015 | March 31, 2014 |
| 12. NET ASSET VALUE | | | | |
| Net asset value of each unit of Rs. 10 of the Scheme | | | | |
| Growth Plan (Rs) | 662.5217 | 393.1705 | 38.4581 | 21.6999 |
| Direct Growth Plan (Rs) | 677.2494 | 396.8765 | 39.1730 | 21.8317 |
| Dividend Plan (Rs) | 61.7781 | 39.9745 | 24.6688 | 15.0577 |
| Direct Dividend Plan (Rs) | 63.2443 | 40.3705 | 25.1844 | 15.1616 |

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.

13. SEGMENT REPORTING

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

14. INCOME DISTRIBUTION

In case where the Surplus / (Deficit) for the period (after adjustment of income equalisation) is lower than the amount of distributed income (including tax on income distributed), the income has been distributed by the Scheme to its unitholders out of the distributable surplus available with the Scheme, which consists of the Surplus / (Deficit) for the period (after adjustment of income equalisation) and the retained earnings / accumulated reserves of earlier period(s).

15. 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, 2015
16. SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRYWISE CLASSIFICATION

Details of investment portfolio and industrywise classification of the Scheme's investments in each category of investments as at March 31, 2015 are presented below. The industry and company exposure are stated as a percentage of the Scheme's net assets as at March 31, 2015, as well as the aggregate investments in each investment category.

| Industry and Company Particular | Quantity | Market Value | Percentage to Net Assets | Percentage to Investment Category |
|--|-------------------|-------------------|--------------------------|-----------------------------------|
| Franklin India Prima Fund | | | | |
| Equity and Equity Related | | | | |
| (a) Listed/Awaiting listing on Stock Exchanges | | | | |
| Auto | 1,600,000 | 813,268 | 2.37 | 2.59 |
| TVS Motor Company Limited | 1,575,000 | 415,564 | 1.21 | 1.32 |
| Eicher Motors Limited | 25,000 | 397,704 | 1.16 | 1.27 |
| Auto Ancillaries | 4,694,678 | 1,804,433 | 5.25 | 5.76 |
| Amara Raja Batteries Limited | 1,216,260 | 1,013,205 | 2.95 | 3.23 |
| Apollo Tyres Limited | 3,050,000 | 513,163 | 1.49 | 1.64 |
| Balkrishna Industries Limited | 428,418 | 278,065 | 0.81 | 0.89 |
| Banks | 11,919,828 | 5,872,028 | 17.06 | 18.72 |
| Yes Bank Limited | 1,998,564 | 1,630,328 | 4.73 | 5.20 |
| Indiabud Bank Limited | 1,015,138 | 899,412 | 2.62 | 2.87 |
| Axis Bank Limited | 1,449,000 | 811,730 | 2.36 | 2.59 |
| HDFC Bank Limited | 760,000 | 777,252 | 2.26 | 2.48 |
| ING Vysya Bank Limited | 685,225 | 641,062 | 1.86 | 2.04 |
| Karur Vysya Bank Limited | 1,087,184 | 591,319 | 1.72 | 1.88 |
| City Union Bank Limited | 4,724,717 | 457,825 | 1.33 | 1.46 |
| ICICI Bank Limited | 200,000 | 63,100 | 0.18 | 0.20 |
| Cement | 1,227,757 | 1,086,804 | 3.16 | 3.46 |
| JK Cement Limited | 927,757 | 617,979 | 1.80 | 1.97 |
| ACC Limited | 300,000 | 468,825 | 1.36 | 1.49 |
| Chemicals | 1,499,642 | 899,560 | 2.62 | 2.87 |
| Pidilite Industries Limited | 1,499,642 | 899,560 | 2.62 | 2.87 |
| Construction | 912,437 | 366,845 | 1.07 | 1.17 |
| Sobha Limited | 912,437 | 366,845 | 1.07 | 1.17 |
| Construction Project | 2,973,302 | 1,046,299 | 3.04 | 3.34 |
| Volvas Limited | 2,450,983 | 685,908 | 1.99 | 2.19 |
| Larsen & Toubro Limited | 170,000 | 292,341 | 0.85 | 0.93 |
| Engineers India Limited | 352,319 | 68,050 | 0.20 | 0.22 |
| Consumer Durables | 1,971,269 | 893,399 | 2.60 | 2.85 |
| Havell's India Limited | 1,600,000 | 488,400 | 1.42 | 1.56 |
| Bata India Limited | 371,269 | 404,999 | 1.18 | 1.29 |
| | | 0 | | |
| Consumer Non Durables | 3,110,660 | 672,058 | 1.95 | 2.14 |
| Kansai Nerolac Paints Limited | 3,110,660 | 672,058 | 1.95 | 2.14 |
| Fertilisers | 1,629,852 | 437,534 | 1.27 | 1.39 |
| Coromandel International Limited | 1,629,852 | 437,534 | 1.27 | 1.39 |
| Finance | 3,336,496 | 2,688,717 | 7.82 | 8.57 |
| Repro Home Finance Limited | 1,206,318 | 770,174 | 2.24 | 2.45 |
| Sundaram Finance Limited | 467,642 | 709,600 | 2.06 | 2.26 |
| LIC Housing Finance Limited | 1,262,995 | 552,687 | 1.61 | 1.76 |
| Credit Analysis and Research Limited | 276,833 | 409,588 | 1.19 | 1.31 |
| Crisil Limited | 122,708 | 246,668 | 0.72 | 0.79 |
| Gas | 8,085,552 | 1,105,848 | 3.22 | 3.52 |
| Gujarat State Petronet Limited | 5,920,592 | 734,449 | 2.14 | 2.34 |
| Petronet LNG Limited | 2,164,960 | 371,399 | 1.08 | 1.18 |
| Hotels, Resorts and Other Recreational Activities | 3,838,503 | 448,721 | 1.31 | 1.43 |
| Indian Hotels Company Limited | 3,838,503 | 448,721 | 1.31 | 1.43 |
| Industrial Capital Goods | 2,052,979 | 1,088,131 | 3.16 | 3.47 |
| Bharat Electronics Limited | 150,000 | 502,575 | 1.46 | 1.60 |
| Thermax Limited | 298,744 | 319,253 | 0.93 | 1.02 |
| Crompton Greaves Limited | 1,604,235 | 266,303 | 0.77 | 0.85 |
| Industrial Products | 7,894,108 | 3,106,522 | 9.03 | 9.91 |
| Finolex Cables Limited | 3,862,831 | 1,099,940 | 3.19 | 3.51 |
| FAG Bearings (India) Limited | 228,865 | 955,111 | 2.78 | 3.05 |
| SKF India Limited | 393,181 | 554,405 | 1.61 | 1.77 |
| Greaves Cotton Limited | 3,409,231 | 497,066 | 1.45 | 1.58 |
| Media & Entertainment | 1,840,992 | 237,028 | 0.69 | 0.76 |
| Jagran Prakashan Limited | 1,840,992 | 237,028 | 0.69 | 0.76 |
| Minerals/Mining | 2,037,453 | 228,500 | 0.66 | 0.73 |
| Gujarat Mineral Development Corporation Limited | 2,037,453 | 228,500 | 0.66 | 0.73 |
| Paper | 47,601 | 4,584 | 0.01 | 0.01 |
| Nirvikara Paper Mills Limited** | 47,601 | 4,584 | 0.01 | 0.01 |
| Pesticides | 1,745,608 | 1,082,101 | 3.15 | 3.44 |
| Bayer Cropscience Limited | 132,628 | 440,736 | 1.28 | 1.40 |
| PI Industries Limited | 725,670 | 439,901 | 1.28 | 1.40 |
| Rallis India Limited | 887,310 | 201,464 | 0.59 | 0.64 |
| Petroleum Products | 2,976,125 | 680,414 | 1.98 | 2.16 |
| Bharat Petroleum Corporation Limited | 645,444 | 523,326 | 1.52 | 1.66 |
| Mangalore Refinery and Petrochemicals Limited | 2,330,681 | 157,088 | 0.46 | 0.50 |
| Pharmaceuticals | 1,925,272 | 2,012,645 | 5.86 | 6.40 |
| Torrent Pharmaceuticals Limited | 824,461 | 955,221 | 2.78 | 3.04 |
| IPCA Laboratories Limited | 696,986 | 443,179 | 1.29 | 1.40 |
| Cadila Healthcare Limited | 230,000 | 400,614 | 1.17 | 1.28 |
| Ajanta Pharma Limited | 173,825 | 213,631 | 0.62 | 0.68 |
| Power | 4,353,255 | 518,908 | 1.51 | 1.65 |
| JSW Energy Limited | 4,353,255 | 518,908 | 1.51 | 1.65 |
| Software | 2,980,455 | 2,545,673 | 7.41 | 8.12 |
| Mindtree Limited | 640,158 | 834,542 | 2.43 | 2.66 |
| Cyient Limited | 1,588,297 | 797,166 | 2.32 | 2.54 |
| Eclerx Services Limited | 292,000 | 462,981 | 1.35 | 1.48 |
| HCL Technologies Limited | 460,000 | 450,984 | 1.31 | 1.44 |
| Telecom - Services | 912,167 | 358,755 | 1.04 | 1.14 |
| Bharti Airtel Limited | 912,167 | 358,755 | 1.04 | 1.14 |
| Textile Products | 2,694,294 | 216,352 | 0.63 | 0.69 |
| Himatsingka Seide Limited | 2,694,294 | 216,352 | 0.63 | 0.69 |
| Transportation | 4,030,498 | 1,162,475 | 3.38 | 3.71 |
| Gujarat Pipavav Port Limited | 2,923,637 | 707,666 | 2.06 | 2.26 |
| Gateway Disirparks Limited | 1,106,861 | 454,809 | 1.32 | 1.45 |
| Total | | 31,377,602 | 91.25 | 100.00 |
| (b) Unlisted** | | | | |
| Others | 178,100 | 2.00 | 0.00 | 100.00 |
| Him Techno | 170,000 | 2.00 | 0.00* | 100.00 |
| Numero Uno International Limited | 8,100 | 0.00 | 0.00* | 0.00 |
| Total | | 2.00 | 0.00* | 100.00 |
| OTHER CURRENT ASSETS | | 3,197,899 | 9.31 | |
| TOTAL ASSETS | | 34,575,503 | 100.56 | |
| LESS: CURRENT LIABILITIES | | 191,184 | 0.56 | |
| NET ASSETS | | 34,384,319 | 100.00 | |

** Non Traded / Thinly Traded Securities

* Less than 0.01%

Values of 0.00 denotes less than Rs. 0.01 thousand.

FRANKLIN TEMPLETON MUTUAL FUND
SCHEDULES TO THE BALANCE SHEET AND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015
Franklin India Smaller Companies Fund

| Industry and Company Particular | Quantity | Market Value | Percentage to Net Assets | Percentage to Investment Category |
|--|-------------------|-------------------|--------------------------|-----------------------------------|
| Equity and Equity Related | | | | |
| Listed/Awaiting listing on Stock Exchanges | | | | |
| Auto | 1,050,000 | 348,128 | 1.67 | 1.86 |
| Tata Motors Limited (DVR) | 1,050,000 | 348,128 | 1.67 | 1.86 |
| Auto Ancillaries | 2,232,914 | 842,370 | 4.04 | 4.51 |
| Amara Raja Batteries Limited | 467,741 | 389,652 | 1.87 | 2.09 |
| L.G. Balakrishnan & Brothers Limited | 320,863 | 177,582 | 0.85 | 0.95 |
| Banco Products India Limited | 1,421,978 | 147,601 | 0.71 | 0.79 |
| Wabco India Limited | 22,332 | 127,535 | 0.61 | 0.68 |
| Banks | 8,553,771 | 3,271,185 | 15.74 | 17.53 |
| Yes Bank Limited | 898,884 | 733,265 | 3.53 | 3.93 |
| Axis Bank Limited | 925,000 | 518,185 | 2.49 | 2.78 |
| HDFC Bank Limited | 447,207 | 457,359 | 2.20 | 2.45 |
| IndusInd Bank Limited | 596,427 | 448,994 | 2.16 | 2.40 |
| Karur Vysya Bank Limited | 750,253 | 408,063 | 1.96 | 2.19 |
| City Union Bank Limited | 4,026,000 | 390,119 | 1.88 | 2.09 |
| ICICI Bank Limited | 1,000,000 | 315,500 | 1.52 | 1.69 |
| Cement | 2,137,067 | 606,065 | 2.92 | 3.25 |
| JK Lakshmi Cement Limited | 851,622 | 305,562 | 1.47 | 1.64 |
| Ramco Cements Limited | 563,565 | 171,972 | 0.83 | 0.92 |
| Orient Cement Limited | 721,880 | 128,531 | 0.62 | 0.69 |
| Chemicals | 1,720,505 | 857,794 | 4.14 | 4.60 |
| Pdiline Industries Limited | 683,925 | 410,252 | 1.97 | 2.20 |
| Atul Limited | 306,993 | 347,516 | 1.68 | 1.86 |
| Deepak Fertilizers & Petrochemicals Corporation Limited | 729,587 | 100,026 | 0.49 | 0.54 |
| Commercial Services | 112,487 | 171,953 | 0.84 | 0.92 |
| Nesco Limited | 112,487 | 171,953 | 0.84 | 0.92 |
| Construction | 4,739,110 | 664,837 | 3.20 | 3.56 |
| KNR Constructions Limited | 577,036 | 245,125 | 1.19 | 1.31 |
| Sobha Limited | 570,583 | 229,403 | 1.10 | 1.23 |
| Brigade Enterprises Limited | 1,256,926 | 179,803 | 0.86 | 0.96 |
| Consolidated Construction Consortium Limited | 2,334,565 | 10,506 | 0.05 | 0.06 |
| Construction Project | 2,653,439 | 491,115 | 2.36 | 2.63 |
| Values Limited | 1,394,932 | 390,372 | 1.88 | 2.09 |
| KEC International Limited | 1,258,507 | 100,743 | 0.48 | 0.54 |
| Consumer Durables | 922,389 | 549,848 | 2.64 | 2.95 |
| Hitachi Home & Life Solutions Limited | 252,279 | 357,501 | 1.62 | 1.81 |
| Blue Star Limited | 690,110 | 212,347 | 1.02 | 1.14 |
| Consumer Non Durables | 1,194,435 | 398,128 | 1.92 | 2.13 |
| Berger Paints India Limited | 1,002,590 | 209,190 | 1.01 | 1.12 |
| Kavery Seed Company Limited | 191,845 | 188,938 | 0.91 | 1.01 |
| Ferrous Metals | 3,849,169 | 206,123 | 0.99 | 1.10 |
| Pennar Industries Limited | 3,849,169 | 206,123 | 0.99 | 1.10 |
| Finance | 4,198,425 | 726,840 | 3.49 | 3.89 |
| Repsco Home Finance Limited | 733,568 | 468,219 | 2.28 | 2.51 |
| Geojit BNP Paribas Financial Services Limited | 3,127,290 | 162,932 | 0.78 | 0.87 |
| Motilal Oswal Financial Services Limited | 337,767 | 95,689 | 0.46 | 0.51 |
| Gas | 390,839 | 236,907 | 1.14 | 1.27 |
| Aegis Logistics Limited | 390,839 | 236,907 | 1.14 | 1.27 |
| Hotels, Resorts and Other Recreational Activities | 657,119 | 245,664 | 1.18 | 1.32 |
| Talwalkars Better Value Fitness Limited | 657,119 | 245,664 | 1.18 | 1.32 |
| Industrial Capital Goods | 1,802,285 | 573,907 | 2.77 | 3.08 |
| Bharat Electronics Limited | 80,000 | 268,040 | 1.29 | 1.44 |
| Traveni Turbine Limited | 1,560,990 | 202,695 | 0.98 | 1.09 |
| Vollamp Transformers Limited | 161,295 | 103,172 | 0.50 | 0.55 |
| Industrial Products | 10,412,975 | 3,973,271 | 19.10 | 21.30 |
| Finolex Cables Limited | 2,536,616 | 722,301 | 3.47 | 3.87 |
| FAG Bearings (India) Limited | 113,773 | 474,803 | 2.28 | 2.54 |
| Finolex Industries Limited | 1,527,252 | 433,281 | 2.08 | 2.32 |
| Greaves Cotton Limited | 2,776,250 | 404,777 | 1.95 | 2.17 |
| SKF India Limited | 778,682 | 392,956 | 1.89 | 2.13 |
| Timken India Limited | 522,728 | 319,439 | 1.54 | 1.71 |
| M.M. Forgings Limited | 423,288 | 287,074 | 1.38 | 1.54 |
| ALA Engineering Limited | 209,969 | 262,997 | 1.27 | 1.41 |
| Grindwell Norton Limited | 316,457 | 221,346 | 1.06 | 1.19 |
| Carborandum Universal Limited | 1,094,898 | 208,250 | 1.00 | 1.12 |
| Swaraj Engines Limited | 201,210 | 162,668 | 0.78 | 0.87 |
| Shakti Pumps India Limited | 411,852 | 83,379 | 0.40 | 0.45 |
| Media & Entertainment | 6,188,561 | 1,003,636 | 4.83 | 5.37 |
| Nvnet Education Limited | 4,023,653 | 401,561 | 1.93 | 2.15 |
| Entertainment Network India Limited | 387,874 | 305,082 | 1.47 | 1.63 |
| TV Today Network | 773,673 | 167,810 | 0.81 | 0.90 |
| Jagran Prakashan Limited | 1,003,361 | 129,183 | 0.62 | 0.69 |
| Minerals/Mining | 1,365,533 | 153,145 | 0.74 | 0.82 |
| Gujarat Mineral Development Corporation Limited | 1,365,533 | 153,145 | 0.74 | 0.82 |
| Pesticides | 464,761 | 281,738 | 1.36 | 1.51 |
| PI Industries Limited | 464,761 | 281,738 | 1.36 | 1.51 |
| Petroleum Products | 650,294 | 331,747 | 1.60 | 1.78 |
| Gulf Oil Lubricants India Limited | 650,294 | 331,747 | 1.60 | 1.78 |
| Pharmaceuticals | 1,560,282 | 440,150 | 2.11 | 2.36 |
| I.B. Chemicals & Pharmaceuticals Limited | 1,264,793 | 252,263 | 1.21 | 1.35 |
| IPCA Laboratories Limited | 295,489 | 187,887 | 0.90 | 1.01 |
| Software | 1,437,601 | 1,297,701 | 6.24 | 6.96 |
| Echlers Services Limited | 390,759 | 476,868 | 2.29 | 2.56 |
| Cyent Limited | 824,710 | 413,922 | 1.99 | 2.22 |
| Mindtree Limited | 312,132 | 406,911 | 1.96 | 2.18 |
| Telecom - Services | 576,459 | 226,721 | 1.09 | 1.21 |
| Bharti Airtel Limited | 576,459 | 226,721 | 1.09 | 1.21 |
| Textile Products | 4,203,746 | 337,561 | 1.62 | 1.81 |
| Himatsingka Seide Limited | 4,203,746 | 337,561 | 1.62 | 1.81 |
| Transportation | 1,759,215 | 425,818 | 2.05 | 2.28 |
| Gujarat Pipavav Port Limited | 1,759,215 | 425,818 | 2.05 | 2.28 |
| Total | | 18,662,352 | 89.78 | 100.00 |
| OTHER CURRENT ASSETS | | 2,273,907 | 10.94 | |
| TOTAL ASSETS | | 20,936,259 | 100.72 | |
| LESS: CURRENT LIABILITIES | | 149,178 | 0.72 | |
| NET ASSETS | | 20,787,081 | 100.00 | |

FRANKLIN TEMPLETON MUTUAL FUND
SCHEDULES TO THE BALANCE SHEET AND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015

| | FRANKLIN INDIA PRIMA FUND | | FRANKLIN INDIA SMALLER COMPANIES FUND | |
|-----------------------------|---------------------------|----------------|---------------------------------------|----------------|
| | March 31, 2015 | March 31, 2014 | March 31, 2015 | March 31, 2014 |
| Annexure 1 | | | | |
| ACC Ltd. | - | 243,521 | - | - |
| Bharti Airtel Limited | 358,755 | - | 226,721 | - |
| Infosys Limited | - | 163,943 | - | - |
| Larsen & Toubro Limited | 292,341 | 190,898 | - | - |
| LIC Housing Finance Limited | 552,687 | - | - | - |
| Tata Motors Limited (DVR) | - | - | 348,128 | - |
| | <u>1,203,783</u> | <u>598,362</u> | <u>574,849</u> | <u>-</u> |

The aggregate purchases (other than by inter-scheme transfer/sale and 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:

| | | | | |
|-----------------------------|----------------|----------------|----------------|----------|
| ACC Limited | - | 151,719 | - | - |
| Bharti Airtel Limited | 73,502 | - | 107,451 | - |
| Infosys Limited | - | 191,025 | - | - |
| Larsen & Toubro Limited | 30,023 | 193,194 | - | - |
| LIC Housing Finance Limited | 519,957 | - | - | - |
| Tata Motors Limited (DVR) | - | - | 205,451 | - |
| | <u>623,482</u> | <u>535,938</u> | <u>312,902</u> | <u>-</u> |

| PER UNIT STATISTICS | FRANKLIN INDIA PRIMA FUND | | | FRANKLIN INDIA SMALLER COMPANIES FUND | | |
|--|---------------------------|----------------|----------------|---------------------------------------|----------------|----------------|
| | Year ended | Year ended | Year ended | Year ended | Year ended | Year ended |
| | March 31, 2015 | March 31, 2014 | March 31, 2013 | March 31, 2015 | March 31, 2014 | March 31, 2013 |
| (a) Net Asset value, per unit | | | | | | |
| Growth | 662.5217 | 393.1705 | 305.1948* | 38.4581 | 21.6999 | 15.7341* |
| Direct Growth | 677.2494 | 396.8765 | 305.6414* | 39.1730 | 21.8317 | 15.7572* |
| Dividend | 61.7781 | 39.9745 | 36.0072* | 24.6688 | 15.0577 | 12.1774* |
| Direct Dividend | 63.2443 | 40.3705 | 36.0601* | 25.1844 | 15.1616 | 12.1974* |
| Gross Income: | | | | | | |
| i) Income other than profit on sale of investment, per unit | 1.80 | 1.26 | 1.12 | 0.35 | 0.33 | 0.31 |
| ii) Profit on sale of investment to third party, per unit | 8.34 | 5.53 | 4.08 | 1.70 | 1.75 | 1.43 |
| iii) Transfer to Revenue Account from past year's reserve per unit | - | - | - | - | - | - |
| Aggregate of expense, write offs, amortisation and charges, per unit | (2.26) | (1.33) | (1.38) | (0.49) | (0.38) | (0.40) |
| Net unrealised appreciation/(depreciation) in value of investments | 37.99 | 9.61 | 3.50 | 8.07 | 3.14 | 0.99 |
| Net Income, per unit (including appreciation / depreciation) | 45.87 | 15.07 | 7.32 | 9.63 | 4.85 | 2.33 |
| i) Highest traded price | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| ii) Lowest traded price | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| iii) Highest repurchase price/NAV ** | | | | | | |
| Growth Plan | 679.9436 | 389.2388 | 332.6405 | 38.8856 | 21.4829 | 17.2506 |
| Direct Growth Plan | 694.3313 | 392.9077 | 333.1760 | 39.5619 | 21.6134 | 17.2511 |
| Dividend Plan | 63.4027 | 39.5748 | 39.2453 | 26.3708 | 14.9071 | 15.9723 |
| Direct Dividend Plan | 64.8396 | 39.9668 | 39.3084 | 26.8392 | 15.0100 | 15.9728 |
| iv) Highest resale price ** | | | | | | |
| Growth Plan | 686.8117 | 393.1705 | 336.0005 | 39.2784 | 21.6999 | 17.4248 |
| Direct Growth Plan | 701.3447 | 396.8765 | 336.0336 | 39.9615 | 21.8317 | 17.4254 |
| Dividend Plan | 64.0431 | 39.9745 | 39.6417 | 26.6372 | 15.0577 | 16.1336 |
| Direct Dividend Plan | 65.4945 | 40.3705 | 39.6456 | 27.1103 | 15.1616 | 16.1341 |
| v) Lowest repurchase price/NAV ** | | | | | | |
| Growth Plan | 388.3464 | 275.1350 | 249.0793 | 21.4148 | 14.4351 | 12.6983 |
| Direct Growth Plan | 392.0132 | 276.3296 | 298.9192 | 21.5451 | 14.4830 | 15.4272 |
| Dividend Plan | 39.4841 | 27.9736 | 30.3695 | 14.8599 | 11.1720 | 11.7575 |
| Direct Dividend Plan | 39.8758 | 28.1087 | 35.2670 | 14.9626 | 11.2110 | 11.9419 |
| vi) Lowest resale price ** | | | | | | |
| Growth Plan | 392.2691 | 277.9141 | 251.5953 | 21.6311 | 14.5809 | 12.8266 |
| Direct Growth Plan | 395.9729 | 279.1208 | 301.9386 | 21.7627 | 14.6293 | 15.5830 |
| Dividend Plan | 39.8829 | 28.2562 | 30.6763 | 15.0100 | 11.2848 | 11.8763 |
| Direct Dividend Plan | 40.2786 | 28.3926 | 35.6232 | 15.1137 | 11.3242 | 12.0625 |
| Ratio of Expenses to Average Net Assets | | | | | | |
| Regular Plan | 2.31 | 2.50 | 2.33 | 2.45 | 2.72 | 2.5 |
| Direct Plan | 0.93 | 1.68 | 1.7 | 0.95 | 2.27 | 2.08 |
| Ratio of Gross Income to Average Net Assets | 47.82 | 30.66 | 14.68 | 47.99 | 37.57 | 17.02 |
| (g) P.E. Ratio | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |

*Non-business day NAV computed for disclosure purposes only

**Per unit calculation is based on number of units at the end of the year. The highest and lowest resale price has been determined, after adding to the NAV, the maximum entry load applicable. Per unit statistics are disclosed for schemes/plans in existence at the end of respective years.