

## **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 Franklin India Taxshield 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 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 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

<b>FRANKLIN INDIA TAXSHIELD</b>	
As at March 31, 2017	As at March 31, 2016
2,307,056	2,022,629
8,994,335	6,242,058
6,674,678	4,792,813
10,640,491	6,863,925
342,107	177,886
<b>28,958,667</b>	<b>20,099,311</b>

**SOURCES OF FUNDS**

<b>1 Unit Capital</b>	2(b) & 3	2,307,056	2,022,629
<b>2 Reserves and Surplus</b>	4		
2.1 Unit Premium Reserve		8,994,335	6,242,058
2.2 Unrealised Appreciation Reserve		6,674,678	4,792,813
2.3 Retained Surplus		10,640,491	6,863,925
<b>3 Current Liabilities and Provisions</b>	5		
3.1 Current Liabilities		342,107	177,886
<b>TOTAL</b>		<b>28,958,667</b>	<b>20,099,311</b>

**APPLICATION OF FUNDS**

<b>1 Investments</b>	2(c), 6 & 15		
<b>1.1 Listed Securities</b>			
1.1.1 Equity Shares		26,139,865	18,267,921
<b>1.2 Unlisted Securities</b>			
1.2.1 Equity Shares		6	6
<b>2 Other Current Assets</b>	7		
2.1 Cash and Bank Balances		159,961	152,742
2.2 CBLO/ Reverse Repo Lending		2,441,210	1,468,081
2.3 Others		217,625	210,561
<b>TOTAL</b>		<b>28,958,667</b>	<b>20,099,311</b>

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/-  
**Anand Radhakrishnan**  
Senior Vice President & Chief  
Investment Officer – Franklin  
Equity (India)

Sd/-  
  
Mumbai

Sd/-  
**Lakshmikanth Reddy**  
Vice President & Portfolio  
Manager – Franklin Equity

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

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

Schedules

		<b>FRANKLIN INDIA TAXSHIELD</b>	
		Year ended March 31, 2017	Year ended March 31, 2016
<b>1</b>	<b>INCOME</b>		
1.1	Dividend	234,595	218,696
1.2	Interest	111,606	62,735
1.3	Realised Gain on External Sale / Redemption of Investments, net	2,412,291	1,596,102
1.4	Change in Unrealised Appreciation in the value of Investments	1,881,865	(1,922,417)
1.5	Other Income	5	2
		<b>4,640,362</b>	<b>(44,882)</b>
<b>2</b>	<b>EXPENSES</b>		
2.1	Management Fees	273,657	216,111
2.2	Service Tax on Management Fees	40,838	30,012
2.3	Transfer Agents Fees and Expenses	34,896	28,558
2.4	Custodian Fees	1,581	1,457
2.5	Trusteeship Fees	707	538
2.6	Commission to Agents	171,776	130,121
2.7	Marketing and Distribution Expenses	19,401	15,372
2.8	Investor Education Expense	4,710	3,584
2.9	Audit Fees	386	367
2.10	Other Operating Expenses	10,703	4,737
		<b>558,655</b>	<b>430,857</b>
2.11	Expenses Written Back pertaining to previous year	-	(217)
		<b>558,655</b>	<b>430,640</b>
<b>3</b>	<b>NET INCOME AS PER REVENUE ACCOUNT</b>	<b>4,081,707</b>	<b>(475,522)</b>
<b>4</b>	Transfer from Retained Surplus	<b>6,863,925</b>	<b>4,534,459</b>
5	Add: Balance Transfer from Unrealised Appreciation Reserve	4,792,813	6,715,230
6	Less: Balance Transfer to Unrealised Appreciation Reserve	4	4,792,813
7	Add / (Less): Equalisation Credit/(Debit)	2,211,636	1,445,266
<b>8</b>	<b>Total</b>	<b>11,275,403</b>	<b>7,426,620</b>
<b>9</b>	<b>Dividend Appropriation</b>		
9.1	Income Distributed During the Year	(634,912)	(562,695)
<b>10</b>	<b>NET SURPLUS/(DEFICIT) FOR THE YEAR TRANSFERRED TO BALANCE SHEET</b>	<b>10,640,491</b>	<b>6,863,925</b>

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

Sd/-  
Anand J. Vashi  
Director

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Vice President

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**Anand Radhakrishnan**  
Senior Vice President & Chief  
Investment Officer – Franklin  
Equity (India)

Sd/-  
**Lakshmikanth Reddy**  
Vice President & Portfolio  
Manager – Franklin Equity

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

Mumbai

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

<b>FRANKLIN INDIA TAXSHIELD</b>		
	March 31, 2017	March 31, 2016
<b>A. Cashflow from Operating Activities</b>		
Surplus for the period before equalisation and income distribution	4,081,707	(475,522)
Add / (Less) : Change in Unrealised Appreciation in the value of Investments	(1,881,865)	1,922,417
Add / (Less) : Expenses Written Back pertaining to previous year	-	(217)
Adjustments for:-		
(Increase)/Decrease in Investments at Cost	(5,784,568)	(4,051,142)
(Increase)/Decrease in Other Current Assets	(11,482)	(7,821)
Increase/(Decrease) in Current Liabilities	24,132	(789)
<b>Net Cash Generated from/(used in) Operations</b>	<b>(3,572,076)</b>	<b>(2,613,074)</b>
<b>B Cashflow from Financing Activities</b>		
Increase/(Decrease) in Unit Capital	284,427	231,567
Increase/(Decrease) in Unit Premium	4,963,912	3,412,075
Adjustments for:-		
Increase/(Decrease) in Sundry Creditors for Units Redeemed by Investors	6,435	(2,829)
(Increase)/Decrease in Sundry Debtors for Units Issued to Investors	(12,965)	(58,059)
Dividend paid during the year (including dividend tax)	(685,914)	(548,004)
Increase/(Decrease) in Unclaimed redemption	(11,930)	4,033
Increase/(Decrease) in units pending allotment	8,459	(5,811)
<b>Net Cash (used in)/Generated from Financing Activities</b>	<b>4,552,424</b>	<b>3,032,972</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>980,348</b>	<b>419,898</b>
Cash and Cash Equivalents as at the beginning of the Year	1,620,823	1,200,925
Cash and Cash Equivalents as at the end of the Year	<b>2,601,171</b>	<b>1,620,823</b>
<b>Components of Cash and Cash Equivalents</b>		
Balances with Banks in Current Accounts*	2,601,171	1,620,823
	<b>2,601,171</b>	<b>1,620,823</b>

\*Includes CBLO & 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  
Membership No. 048749

Sd/-  
**Anand J. Vashi**  
Director

Sd/-  
**Deepak Satwalekar**  
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**S. Jayaram**  
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**Ajay Narayan**  
Vice President

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Senior Vice President & Chief  
Investment Officer – Franklin  
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**Lakshmikanth Reddy**  
Vice President & Portfolio  
Manager – Franklin Equity

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

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 Taxshield **	Open Ended Mutual Fund Scheme	April 10, 1999	The Scheme aims to provide medium to long term capital growth.	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'.

\*\* The scheme is an approved Equity Linked Savings Scheme to provide tax benefits under section 80C(2) (xiii) of the Income-tax Act, 1961 for subscriptions up to Rs 1,50,000 per annum.

**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/ 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.
- 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.
- Other Corporate Action entitlements are recognised on the ex 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**

- 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).
- Investments in Equity shares acquired under Qualified Institutional Placement (QIP)/ Follow on Public offer (FPO) are valued at cost or market value, whichever is lower, till the date of listing of the security and Investment in Equity shares acquired under Initial Public Offering (IPO) are valued at Cost price, 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.
- Effective July 1, 2016, in case of schemes eligible to invest in foreign securities wherein the NAV is computed and declared on the next business day, the foreign securities would be valued at the last available traded or quoted price on the relevant stock exchange at the time of computation of NAV. Earlier such securities were 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 and this change has no impact during the period. 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.

**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)

- 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.

- 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

- 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 equalisation 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
- 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 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

- 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. Interest earned, if any, by investment of unutilized amount in Fixed deposits, is credited to the Investor Education Liability.

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 TAXSHIELD			
	Quantity		Amount	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
<b>3 UNIT CAPITAL</b>				
Units of Rs 10 each fully paid up				
<b>Growth Plan</b>				
Outstanding, beginning of year	29,813,347.755	23,759,099.075	298,133	237,591
Issued during the year	10,454,396.214	7,844,420.260	104,544	78,444
Redeemed during the year	(2,470,366.939)	(1,790,171.580)	(24,704)	(17,902)
Outstanding, end of year	<u>37,797,377.030</u>	<u>29,813,347.755</u>	<u>377,973</u>	<u>298,133</u>
<b>Dividend Plan</b>				
Outstanding, beginning of year	161,431,565.186	149,378,084.022	1,614,316	1,493,781
Issued during the year	29,155,839.015	24,880,165.787	291,558	248,802
Redeemed during the year	(14,233,246.728)	(12,826,684.623)	(142,333)	(128,267)
Outstanding, end of year	<u>176,354,157.473</u>	<u>161,431,565.186</u>	<u>1,763,541</u>	<u>1,614,316</u>
<b>Direct Growth Plan</b>				
Outstanding, beginning of year	2,304,797.869	994,803.563	23,048	9,948
Issued during the year	1,770,337.952	1,327,877.804	17,703	13,279
Redeemed during the year	(85,564.744)	(17,883.498)	(856)	(179)
Outstanding, end of year	<u>3,989,571.077</u>	<u>2,304,797.869</u>	<u>39,895</u>	<u>23,048</u>
<b>Direct Dividend Plan</b>				
Outstanding, beginning of year	8,713,176.619	4,974,242.014	87,132	49,742
Issued during the year	4,293,933.326	3,796,778.625	42,939	37,968
Redeemed during the year	(442,605.995)	(57,844.020)	(4,426)	(578)
Outstanding, end of year	<u>12,564,503.950</u>	<u>8,713,176.619</u>	<u>125,645</u>	<u>87,132</u>
<b>Total</b>				
Outstanding, beginning of year	202,262,887.429	179,106,228.674	2,022,629	1,791,062
Issued during the year	45,674,506.507	37,849,242.476	456,744	378,493
Redeemed during the year	(17,231,784.406)	(14,692,583.721)	(172,319)	(146,926)
Outstanding, end of year	<u>230,705,609.530</u>	<u>202,262,887.429</u>	<u>2,307,054</u>	<u>2,022,629</u>



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

Schedules	FRANKLIN INDIA TAXSHIELD	
	March 31, 2017	March 31, 2016
<b>4. RESERVES AND SURPLUS</b>		
<b>Unit premium reserve</b>		
Balance, beginning of year	6,242,058	4,275,249
Net premium on issue/(redemption) of units	<u>2,752,277</u>	<u>1,966,809</u>
Balance, end of year	<u>8,994,335</u>	<u>6,242,058</u>
<b>Unrealised appreciation reserve</b>		
Balance, beginning of year	4,792,813	6,715,230
Change in net unrealised appreciation in value of investments	<u>1,881,865</u>	<u>(1,922,417)</u>
Balance, end of year	<u>6,674,678</u>	<u>4,792,813</u>
<b>Retained surplus</b>		
Balance, beginning of year	6,863,925	4,534,459
Transfer to Revenue Account	<u>(6,863,925)</u>	<u>(4,534,459)</u>
Net surplus transferred from revenue account	<u>10,640,491</u>	<u>6,863,925</u>
Balance, end of year	<u>10,640,491</u>	<u>6,863,925</u>
Total reserves and surplus	<u>26,309,504</u>	<u>17,898,796</u>
<b>5. CURRENT LIABILITIES AND PROVISIONS</b>		
<b>Current Liabilities</b>		
Management fees	29,243	22,953
Trusteeship fees	64	43
Registrar service charges	3,070	2,318
Load pending utilisation	17	-
Sundry creditors for units redeemed by investors	26,216	19,781
Contracts for purchase of investments	234,815	46,688
Dividend payable	510	232
Unclaimed distributed income	-	51,282
Unclaimed redemption payable	-	11,930
Units pending allotment	15,250	6,789
Investor Education Liability	1,482	2,617
Other current liabilities	<u>31,440</u>	<u>13,253</u>
	<u>342,107</u>	<u>177,886</u>
<b>6. INVESTMENTS</b>		
(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	<u>6,843,301</u>	<u>5,127,225</u>
- depreciation	<u>168,622</u>	<u>334,411</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	12,172,866	5,911,942
- as a percentage of average daily net assets	<u>51.72</u>	<u>33.00</u>
Sales		
- amount	8,595,078	3,438,744
- as a percentage of average daily net assets	<u>36.52</u>	<u>19.19</u>
(iv) 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, 2017 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.		

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

Schedules	FRANKLIN INDIA TAXSHIELD	
	March 31, 2017	March 31, 2016
<b>7. OTHER CURRENT ASSETS</b>		
<b>Cash and Bank Balance</b>		
Balances with banks in current accounts	159,961	132,655
Unclaimed dividend bank account	-	15,072
Unclaimed redemption bank account	-	5,015
	<u>159,961</u>	<u>152,742</u>
<b>CBLO/ Reverse Repo Lending</b>		
Collateralised lending/Reverse repo	2,441,210	1,424,955
Unclaimed Redemption - CBLO	-	6,915
Unclaimed Dividend - CBLO	-	36,211
	<u>2,441,210</u>	<u>1,468,081</u>
<b>Others</b>		
Sundry debtors for units issued to investors	190,045	177,080
Outstanding and accrued income	388	1,136
Contracts for sale of investments	-	17,383
Advances and deposits	20	20
Margin money	27,172	14,942
	<u>217,625</u>	<u>210,561</u>
<b>TOTAL</b>	<u>2,818,796</u>	<u>1,831,384</u>
<b>8. INTEREST</b>		
On Collateralised lending / Reverse repo	111,606	62,735
	<u>111,606</u>	<u>62,735</u>
<b>9. INCOME AND EXPENDITURE</b>		
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:		
<b>Income</b>		
- amount	2,758,497	1,877,535
- as a percentage of average daily net assets	<u>11.72</u>	<u>10.48</u>
<b>Expenditure</b>		
- amount	558,655	430,640
- as a percentage of average daily net assets		
Regular Plan	2.45	2.45
Direct Plan	<u>1.44</u>	<u>1.51</u>
<b>Management fees (including service tax)</b>		
- amount	314,495	246,123
- as a percentage of average daily net assets		
Regular Plan	1.35	1.38
Direct Plan	<u>1.15</u>	<u>1.22</u>
<b>Trusteeship fees (including service tax)</b>		
- amount	707	538
- as a percentage of average daily net assets	<u>0.003</u>	<u>0.003</u>

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

**FRANKLIN INDIA TAXSHIELD**

**Schedules**

**March 31, 2017**

**March 31, 2016**

**11. NET ASSET VALUE**

Net asset value of each unit of Rs. 10 of the Scheme

Growth Option (Rs)	489.8908	412.2491
Dividend Option (Rs)	42.6284	39.0671
Direct Growth Option (Rs)	507.2564	422.5856
Direct Dividend Option (Rs)	44.4535	40.2043

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 case where the Surplus / (Deficit) for the year (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 year (after adjustment of income equalisation) and the retained earnings / accumulated reserves of earlier year(s).

**14. PRIOR YEAR COMPARATIVES**

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

**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
<b>a) Where control exists</b>	
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

**b) Other Related Parties with whom transactions have taken place during the period**

ITI Capital Markets Limited(Under Liquidation)	Subsidiary of the Scheme's Asset Manager
Mywish Market Places Pvt Ltd	Associate of the Scheme's Asset Manager

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 BlueChip Fund	Franklin India Opportunities Fund
Franklin India Cash Management Account	Franklin India Pension Plan
Franklin India Corporate Bond Opportunities Fund	Franklin India Prima Fund
Franklin India Dynamic Accrual 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 Smaller Companies Fund
Franklin India Flexi Cap Fund	Franklin India Treasury Management Account
Franklin India Government Securities Fund - Composite Plan & PF Plan	Franklin India Ultra Short Bond Fund
Franklin India Government Securities Fund - Long Term Plan	Franklin India Fixed Maturity Plans – Series 1- Plan A (1108 Days)
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 Taxshield**

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
Franklin Templeton Trustee Services Private Limited	Fees for trusteeship services	707	64	538	43
Franklin Templeton Asset Management (India) Private Limited	Registrar service charges	34,896	3,070	28,558	2,318
	Fees for management services	314,495	29,243	246,123	22,953
	<u>Investment in the Plan</u>				
Franklin Templeton Asset Management (India) Private Limited	Direct Dividend Plan				
	Subscriptions	-	-	-	-
	Redemptions	-	-	-	-
	Net asset value of investment at balance sheet date		14	-	13
	<u>Investment in the Plan</u>				
	Direct Growth Plan				
	Subscriptions	-	-	5,000	-
	Redemptions	-	-	-	-
	Net asset value of investment at balance sheet date		6,075	-	5,061
	Dividend Paid	1	-	1	-
ITI Capital Markets Limited^	Commission for distribution of the Scheme's units (#)	-	-	43*	-
Mywish Market Places Pvt Ltd \$	Commission for distribution of the Scheme's units (#)	1.76*	-	-	-

# 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.

^ Commission is paid for the business mobilized prior to October 2003. Effective September 1, 2015 no commission paid to the ITI Capital Markets Ltd.

\$ Associate with effect from March 11, 2017

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 investment portfolio and industrywise classification of the Scheme's investments in each category of investments as at March 31, 2017 are presented below. The industry 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 Taxshield				
Industry and Company Particular	Quantity	Market Value	Percentage to Net Assets	Percentage to Investment Category
<b>Equity and Equity Related</b>				
<b>(a) Listed/Awaiting listing on Stock Exchanges</b>				
<b>Auto</b>	<b>4,387,188</b>	<b>3,562,448</b>	<b>12.45</b>	<b>13.63</b>
Mahindra & Mahindra Limited	1,088,805	1,401,183	4.90	5.36
Tata Motors Limited	1,446,634	673,915	2.35	2.58
Hero Motocorp Limited	133,473	430,043	1.50	1.64
Bajaj Auto Limited	151,515	425,068	1.49	1.63
Tata Motors Limited (DVR)	949,590	267,927	0.94	1.02
TVS Motor Company Limited	599,546	258,285	0.90	0.99
Maruti Suzuki India Limited	17,625	106,027	0.37	0.41
<b>Auto Ancillaries</b>	<b>2,100,972</b>	<b>1,010,328</b>	<b>3.54</b>	<b>3.86</b>
Balkrishna Industries Limited	280,000	388,122	1.36	1.48
Exide Industries Limited	1,500,000	336,525	1.18	1.29
Amara Raja Batteries Limited	320,972	285,681	1.00	1.09
<b>Banks</b>	<b>15,265,774</b>	<b>8,340,912</b>	<b>29.13</b>	<b>31.93</b>
HDFC Bank Limited	1,755,495	2,532,389	8.85	9.69
Axis Bank Limited	3,209,880	1,575,409	5.51	6.03
State Bank of India	4,051,888	1,188,824	4.15	4.55
Yes Bank Limited	670,197	1,036,627	3.62	3.97
IndusInd Bank Limited	600,932	856,418	2.98	3.28
Kotak Mahindra Bank Limited	470,597	410,455	1.43	1.57
ICICI Bank Limited	1,431,785	396,390	1.39	1.52
Karur Vysya Bank Limited	3,075,000	344,400	1.20	1.32
<b>Cement</b>	<b>800,389</b>	<b>839,608</b>	<b>2.93</b>	<b>3.21</b>
Grasim Industries Limited	800,389	839,608	2.93	3.21
<b>Chemicals</b>	<b>283,612</b>	<b>198,287</b>	<b>0.69</b>	<b>0.76</b>
Pidilite Industries Limited	283,612	198,287	0.69	0.76
<b>Construction Project</b>	<b>750,000</b>	<b>309,075</b>	<b>1.08</b>	<b>1.18</b>
Voltas Limited	750,000	309,075	1.08	1.18
<b>Consumer Durables</b>	<b>649,808</b>	<b>300,699</b>	<b>1.05</b>	<b>1.15</b>
Titan Company Limited	649,808	300,699	1.05	1.15
<b>Consumer Non Durables</b>	<b>2,989,024</b>	<b>2,027,255</b>	<b>7.09</b>	<b>7.75</b>
Hindustan Unilever Limited	929,064	847,074	2.96	3.24
United Breweries Limited	511,834	394,522	1.38	1.51
Asian Paints Limited	200,000	214,700	0.75	0.82
Kansai Nerolac Paints Limited	513,020	194,255	0.68	0.74
Marico Limited	648,889	191,325	0.67	0.73
Colgate Palmolive (India) Limited	186,217	185,379	0.65	0.71
<b>Finance</b>	<b>829,728</b>	<b>669,580</b>	<b>2.34</b>	<b>2.56</b>
Reco Home Finance Limited	413,934	290,458	1.01	1.11
Credit Analysis and Research Limited	160,000	270,832	0.95	1.04
Ujjivan Financial Services Limited	255,794	108,290	0.38	0.41
<b>Gas</b>	<b>3,777,642</b>	<b>847,502</b>	<b>2.96</b>	<b>3.24</b>
Gujarat State Petronet Limited	2,795,176	451,421	1.58	1.73
Petronet LNG Limited	982,466	396,081	1.38	1.51
<b>Hotels, Resorts &amp; Other Recreational Activities</b>	<b>745,540</b>	<b>94,609</b>	<b>0.33</b>	<b>0.36</b>
The Indian Hotels Company Limited	745,540	94,609	0.33	0.36
<b>Industrial Products</b>	<b>163,295</b>	<b>261,239</b>	<b>0.91</b>	<b>1.00</b>
SKF India Limited	163,295	261,239	0.91	1.00
<b>Media &amp; Entertainment</b>	<b>1,600,000</b>	<b>307,200</b>	<b>1.07</b>	<b>1.18</b>
Jagran Prakashan Limited	1,600,000	307,200	1.07	1.18
<b>Petroleum Products</b>	<b>2,361,758</b>	<b>1,134,871</b>	<b>3.97</b>	<b>4.34</b>
Indian Oil Corp. Limited	1,521,758	588,997	2.06	2.25
Bharat Petroleum Corporation Limited	840,000	545,874	1.91	2.09
<b>Pharmaceuticals</b>	<b>1,699,575</b>	<b>1,347,444</b>	<b>4.71</b>	<b>5.15</b>
Dr. Reddy's Laboratories Limited	198,858	523,464	1.83	2.00
Cadila Healthcare Limited	1,077,150	476,100	1.66	1.82
Sun Pharmaceuticals Industries Limited	349,064	240,208	0.84	0.92
Lupin Limited	74,503	107,672	0.38	0.41
<b>Power</b>	<b>7,594,894</b>	<b>1,348,689</b>	<b>4.72</b>	<b>5.16</b>
NTPC Limited	4,785,409	794,378	2.78	3.04
Power Grid Corporation of India Limited	2,809,485	554,311	1.94	2.12
<b>Retailing</b>	<b>2,524,608</b>	<b>388,411</b>	<b>1.36</b>	<b>1.49</b>
Aditya Birla Fashion and Retail Limited	2,524,608	388,411	1.36	1.49
<b>Software</b>	<b>2,590,889</b>	<b>1,930,501</b>	<b>6.75</b>	<b>7.39</b>
Infosys Limited	1,052,297	1,075,711	3.76	4.12
Tech Mahindra Limited	1,181,649	542,554	1.90	2.08
HCL Technologies Limited	356,943	312,236	1.09	1.19
<b>Telecom - Services</b>	<b>2,121,971</b>	<b>742,796</b>	<b>2.60</b>	<b>2.84</b>
Bharti Airtel Limited	2,121,971	742,796	2.60	2.84
<b>Textile Products</b>	<b>420,122</b>	<b>165,926</b>	<b>0.58</b>	<b>0.63</b>
Arvind Limited	420,122	165,926	0.58	0.63
<b>Transportation</b>	<b>1,821,507</b>	<b>312,485</b>	<b>1.09</b>	<b>1.19</b>
Gujarat Pipavav Port Limited	1,774,842	293,026	1.02	1.12
The Great Eastern Shipping Company Limited	46,665	19,459	0.07	0.07
<b>Total</b>	<b>55,478,296</b>	<b>26,139,865</b>	<b>91.35</b>	<b>100.00</b>

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

Industry and Company Particular	Quantity	Market Value	Percentage to Net Assets	Percentage to Investment Category
(b) Unlisted**				
Others	36,400	6	0.00	100.00
Quantum Information Services **	3,500	6	0.00*	100.00
Globsyn Technologies Limited **	30,000	0	0.00*	0.00
Numero Uno International Limited **	2,900	0	0.00*	0.00
<b>Total</b>		<b>6</b>	<b>0.00*</b>	<b>100.00</b>
<b>OTHER CURRENT ASSETS</b>		<b>2,818,796</b>	<b>9.85</b>	
<b>TOTAL ASSETS</b>		<b>28,958,667</b>	<b>101.20</b>	
<b>LESS: CURRENT LIABILITIES</b>		<b>342,107</b>	<b>1.20</b>	
<b>NET ASSETS</b>		<b>28,616,560</b>	<b>100.00</b>	

\*\* Non - Traded/Thinly Traded Securities

\* Less than 0.01%

++Less than rupees one thousand

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

FRANKLIN INDIA TAXSHIELD	
March 31, 2017	March 31, 2016
<b>Annexure 1</b>	
Asian Paints Limited	214,700
Bharti Airtel Limited	-
The Great Eastern Shipping Company Limited	19,459
ITC Limited	-
Infosys Limited	1,075,711
Kansai Nerolac Paints Ltd	194,255
Larsen & Toubro Limited	-
Mahindra & Mahindra Limited	1,401,183
Maruti Suzuki India Limited	106,027
Voltas Limited	309,075
Wipro Limited	-
	347,014
	<u>3,320,410</u>
	<u>3,222,216</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:

Asian Paints Limited	157,994	-
Bharti Airtel Limited	-	175,776
The Great Eastern Shipping Company Limited	15,884	-
Infosys Limited	530,991	61,363
ITC Limited	-	182,893
Kansai Nerolac Paints Ltd	163,169	-
Larsen & Toubro Limited	-	92,100
Mahindra & Mahindra Limited	1,116,464	210,971
Reliance Industries Limited	-	47,912
Voltas Limited	120,858	-
Wipro Limited	-	27,459
	<u>2,105,360</u>	<u>798,474</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 TAXSHIELD		
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
(a) Net Asset value, per unit			
Growth Plan	<b>489.8908</b>	412.2491	424.6269
Dividend Plan	<b>42.6284</b>	39.0671	44.0201
Direct Growth Plan	<b>507.2564</b>	422.5856	431.2271
Direct Dividend Plan	<b>44.4535</b>	40.2043	44.7822
(b) Gross Income:			
i) Income other than profit on sale of investment, per unit	<b>1.50</b>	1.39	1.17
ii) Loss on interscheme sale/transfer of investment, per unit	-	-	-
iii) Profit on sale of investment to third party, per unit	<b>10.46</b>	7.89	10.99
iv) Transfer to Revenue Account from past year's reserve per unit	-	-	-
(c) Aggregate of expense, write offs, amortisation and charges, per unit	<b>(2.42)</b>	(2.13)	(1.90)
(d) Net Income, per unit	<b>9.53</b>	7.15	10.25
(e) Net unrealised appreciation/(depreciation) in value of investments, per unit	<b>8.16</b>	(9.50)	21.91
(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	<b>2.45</b>	2.45	2.43
Direct Plan	<b>1.44</b>	1.51	1.68
(h) Ratio of Gross Income to Average Net Assets	<b>19.72</b>	(0.25)	43.12
(i) i) Highest repurchase price/NAV **			
Growth Plan	<b>490.2129</b>	447.5659	436.4624
Dividend Plan	<b>45.5775</b>	46.3981	47.9055
Direct Growth Plan	<b>507.5745</b>	455.9427	442.9560
Direct Dividend Plan	<b>47.0977</b>	47.3473	48.6203
ii) Highest resale price **			
Growth Plan	<b>490.2129</b>	447.5659	436.4624
Dividend Plan	<b>45.5775</b>	46.3981	47.9055
Direct Growth Plan	<b>507.5745</b>	455.9427	442.9560
Direct Dividend Plan	<b>47.0977</b>	47.3473	48.6203
iii) Lowest repurchase price/NAV **			
Growth Plan	<b>405.5759</b>	372.0099	275.7118
Dividend Plan	<b>38.4347</b>	35.2538	30.5185
Direct Growth Plan	<b>415.8219</b>	381.0010	278.0228
Direct Dividend Plan	<b>39.5607</b>	36.2482	30.7976
iv) Lowest resale price **			
Growth Plan	<b>405.5759</b>	372.0099	275.7118
Dividend Plan	<b>38.4347</b>	35.2538	30.5185
Direct Growth Plan	<b>415.8219</b>	381.0010	278.0228
Direct Dividend Plan	<b>39.5607</b>	36.2482	30.7976

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.