

**SCHEME INFORMATION DOCUMENT**

**Franklin India Fixed Maturity Plans – Series 6**  
A Close-Ended Debt Fund



| Fund Name   | Product Labeling  |  |  |
|---|---|--|--|
|   | This product is suitable for investors who are seeking* |  |  |
|   | Nature of scheme & indicative time horizon              | Brief about the investment objective & kind of product | Level of Risk  |
| Franklin India Fixed Maturity Plans – Series 6 – Plan C (1169 days) | Income over the term of the plan                        | A fund that invests in Debt/Money Market Instruments   | <p style="text-align: center;"><b>Riskometer</b></p> <p style="text-align: center;">Investors understand that their principal will be at Moderate risk</p> |

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

Offer of Units at Rs.10 each for cash during the New Fund Offer

| Name of the Plan  | New Fund Offer Opens on | New Fund Offer Closes on |
|---|-------------------------|--------------------------|
| Franklin India Fixed Maturity Plans – Series 6 – Plan C (1169 days) | March 11, 2019          | March 18, 2019           |

**Being a close-ended fund, the Scheme will not reopen for subscription**

This Scheme Information Document (SID) has 6 Fixed Maturity Plans (the "Plans") which are proposed to be listed on National Stock Exchange of India Limited.

|   |  |
|---|--|
| <b>Mutual Fund:</b> Franklin Templeton Mutual Fund                    | <b>Asset Management Company:</b> Franklin Templeton Asset Management (India) Pvt. Ltd. |
| <b>Trustee Company:</b> Franklin Templeton Trustee Services Pvt. Ltd. | <b>Sponsor:</b> Templeton International, Inc. (USA)                                    |

Address: Indiabulls Finance Centre, Tower 2, 12th and 13th Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400013

Website: [www.franklintempletonindia.com](http://www.franklintempletonindia.com)

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

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

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

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

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

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

This Scheme Information Document is dated February 26, 2019.

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### **DISCLAIMER OF NSE:**

As required, a copy of this Scheme Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter NSE/LIST/5064 dated January 02, 2019, permission to the Mutual Fund to use the Exchange's name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund's units are proposed to be listed subject to, the Mutual Fund fulfilling various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document; nor does it warrant that the Mutual Fund's units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its sponsors, its management or any scheme of the Mutual Fund.

Every person who desires to apply for or otherwise acquire any units of the Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

## 01. HIGHLIGHTS / SUMMARY OF THE SCHEME

|                             |   |
|-----------------------------|---|
| <b>Name of the Scheme</b>   | <b>Franklin India Fixed Maturity Plans – Series 6 (FIFMP-6)</b>   |
| <b>Nature of the Scheme</b> | A Close-ended debt fund   |
| <b>Investment Objective</b> | The investment objective of the Scheme is to seek to generate income by investing in a portfolio of fixed income securities/ debt instruments maturing on or before the maturity of the Scheme. However, there can be no assurance that the investment objective of the Scheme will be realized.  |
| <b>Plans &amp; Options</b>  | <p>The Scheme proposes to launch 6 Plans (A-F) under the Scheme of tenure ranging between 85 days and 3700 days. The duration of the Plans under the Scheme will be decided at the time of launch.</p> <p><b>Each Plan under the Scheme offers following option:</b></p> <ul style="list-style-type: none"> <li>• Growth,</li> <li>• Growth – Direct</li> <li>• Dividend (with Payout Facility only)</li> <li>• Dividend - Direct (with Payout Facility only)</li> </ul> <p>Further, Plan(s) with a maturity of over 365 days also offers following additional option:</p> <ul style="list-style-type: none"> <li>• Quarterly Dividend (Payout Option only)</li> <li>• Quarterly Dividend – Direct (Payout Option only)</li> </ul> <p>The face value of the Units is Rs.10 each.</p> <p>The investors must clearly indicate the Plan and Option (Growth or Dividend / Reinvestment or Payout) in the relevant space provided for in the Application Form. In the absence of such instruction, it will be assumed that the investor has opted for the <b>Default Plan</b> which shall be <b>Direct Plan</b> (for investments not routed through AMFI registered mutual fund distributor) and <b>Default Option</b>, which is <b>Growth</b>.</p> <p>Please refer to page 29 for details on Default Plan/Option</p>        |
| <b>Minimum Amount</b>       | <b>Subscription during NFO period:</b> Rs. 5,000/- and in multiple of Re. 1/- thereafter.   |
| <b>Load Structure*</b>      | <p>Entry – In accordance with the SEBI guidelines, no entry load will be charged by the Mutual Fund.</p> <p>Exit – Not Applicable.</p>  |
| <b>Liquidity</b>            | <p>The Scheme being offered through this Scheme Information Document is a close-ended debt fund. The Units of the Scheme will be listed on the Capital Market Segment of the National Stock Exchange of India Ltd. (NSE). The Units of the Scheme cannot be redeemed by the investors directly with the Fund until the Maturity / Final Redemption date.</p> <p>The Units can be purchased / sold during the trading hours like any other publicly traded stock, until the date of suspension of trading by stock exchange(s) where the Scheme / Plan is listed.</p> <p>The price of the Units in the market will depend on demand and supply at that point of time. There is no minimum investment, although Units are purchased in round lots of 1.</p> <p>The record date for determining the Unit holders whose name(s) appear on the list of beneficial owners as per the Depositories (NSDL/CDSL) records for the purpose of redemption of Units on Maturity / Final Redemption date (“Maturity Record Date”) will be one working day prior to the Maturity / Final Redemption date. The stock exchange(s) will suspend trading in Units one working day prior to the Maturity Record Date. No separate notice will be issued by the AMC informing about Maturity Record Date or Suspension of trading by the</p> |

|                                  |  |
|----------------------------------|--|
|                                  | <p>stock exchange. However, the Fund reserves the right to change the Maturity Record Date by issue of suitable notice. Please refer to para 'Trading and Settlement' on Page 33, 'Rolling Settlement' on Page 33 and section 'Redemption and Maturity' on Page 36, for further details.</p> <p>The redemption proceeds will be despatched to the unitholders within the regulatory time limit of 10 business days from the date of Maturity / Final redemption.</p>   |
| <b>Benchmark</b>                 | <p>For Plans with maturity period of 85 days up to 91 days - CRISIL Liquid Fund Index.</p> <p>For Plans with maturity period of above 91 days up to 3 years - CRISIL Short Term Bond Fund Index.</p> <p>For Plans with maturity period of above 3 years up to 7 years - CRISIL Composite Bond Fund Index.</p> <p>For Plans with maturity period of above 7 years – I- sec Libex Index.</p>   |
| <b>Transparency / Disclosure</b> | <ul style="list-style-type: none"> <li>• The NAV will be calculated for every Business Day and can be viewed on <a href="http://www.franklintempletonindia.com">www.franklintempletonindia.com</a> and <a href="http://www.amfiindia.com">www.amfiindia.com</a>. The first NAV shall be calculated and declared within 5 business days from the date of allotment of respective Plan(s)/Option(s) under the Scheme.</li> <li>• NAV will be calculated up to four decimal places using standard rounding criteria.</li> <li>• The Mutual Fund would disclose the half-yearly and annual results as per the SEBI Regulations.</li> <li>• The Mutual Fund shall disclose the scheme portfolios as on the last day of the month/ as on the last day of every half year ended March and September on <a href="http://www.franklintempletonindia.com">www.franklintempletonindia.com</a> and <a href="http://www.amfiindia.com">www.amfiindia.com</a> on or before the tenth day of the succeeding month.</li> </ul> |

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

## Plan launch Schedule

A. Under the Scheme, the Mutual Fund proposes to offer 6 Plans of tenure ranging between 85 days and 3700 days. The duration of the Plans under the Scheme will be decided at the time of launch.

### B. LAUNCH SCHEDULE OF THE PLAN(S) UNDER FRANKLIN INDIA FIXED MATURITY PLANS - SERIES 6

| Sr. No. | Name of the Plan  | New Fund Offer Opens | New Fund Offer Closes | Maturity Date/ Final Redemption Date* |
|---------|---|----------------------|-----------------------|---------------------------------------|
| 1.      | Franklin India Fixed Maturity Plans – Series 6 – Plan C (1169 days) | March 11, 2019       | March 18, 2019        | May 31, 2022                          |

\* Or immediately succeeding Business Day, if that day is not a Business Day.

Note: Allotment Date of respective Plan will be included while calculating the Maturity Date/Final Redemption Date.

The Trustee reserves the right to extend the closing date of the New Fund Offer Period, subject to the condition that the subscription list of the New Fund Offer of the Plan shall not be kept open for more than 15 days. The Trustee also reserves the right to close the Plans earlier by giving one day's notice.

MICR-CTS 2010 compliant cheques only upto Rs. 2 lakhs will be accepted till the end of business hours of March 18, 2019. Subscriptions for any amount can be made through Transfer cheques, National Electronic Fund Transfer (NEFT) and Real Time Gross Settlement (RTGS) requests till the end of business hours of March 18, 2019. Switch-in requests from equity schemes and fund of fund schemes will not be accepted. Switch-in requests from non-equity schemes will be accepted up to March 18, 2019, till the cut-off time applicable for switches.

### C. PLANS ALREADY LAUNCHED UNDER FRANKLIN INDIA FIXED MATURITY PLANS - SERIES 6

| Sr. No. | Name of the Plan  | New Fund Offer Opens | New Fund Offer Closes | Maturity Date/ Final Redemption Date* |
|---------|---|----------------------|-----------------------|---------------------------------------|
| 1.      | Franklin India Fixed Maturity Plans – Series 6 – Plan A (1190 days) | February 20, 2019    | February 25, 2019     | May 31, 2022                          |
| 2.      | Franklin India Fixed Maturity Plans – Series 6 – Plan B (1182 days) | March 01, 2019       | March 05, 2019        | May 31, 2022                          |

### D. BALANCE PLAN(S) TO BE LAUNCHED – 3 Plans

## 02. INTRODUCTION

### A. RISK FACTORS

#### STANDARD RISK FACTORS

- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rates of the securities in which the scheme invests fluctuates, the value of your investment in the scheme may go up or down.
- Past performance of the sponsors / the asset management company / mutual fund does not indicate or guarantee the future performance of the scheme of the mutual fund.
- There is no assurance or guarantee that the objective of the mutual fund will be achieved.
- Franklin India Fixed Maturity Plans – Series 6 is only the name of the scheme and do not in any manner indicate either the quality of the scheme or its future prospects and returns.
- The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of Rs.1 lakh made by it towards setting up the Fund.
- Investors in the Scheme are not being offered any guaranteed / assured returns.
- There is no guarantee or assurance on the frequency or quantum of dividends (which shall be at the discretion of the AMC/Trustee and also depend on the availability of adequate distributable surplus) although there is every intention to declare dividends in Dividend Plan.

#### SCHEME SPECIFIC RISK FACTORS

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

of the bond, which might result in the proceeds being invested at a lower rate. The additional risk from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.

7. **Liquidity or Marketability Risk:** This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk today is a characteristic of the Indian fixed income market. E.g. historically, the securitized debt securities segment has witnessed low liquidity. This could lead to higher costs for secondary market trading, if the fund witnesses volatile flows.
8. Risks of investing in floating rate debt instruments or fixed rate debt instruments swapped for floating rate return:
  - a. **Interest rate movement (Basis Risk):** As the fund will invest in floating rate instruments, these instruments' coupon will be reset periodically in line with the benchmark index movement. Normally, the interest rate risk of a floating rate instrument compared to a fixed rate instrument is limited. The changes in the prevailing rates of interest will likely affect the value of the Scheme's holdings until the next reset date and thus the value of the Scheme's Units. Increased rates of interest, which frequently accompany inflation and / or a growing economy, are likely to have a negative effect on the value of the Units. The value of securities held by the Scheme generally will vary inversely with changes in prevailing interest rates. The fund could be exposed to the interest rate risk (i) to the extent of time gap in resetting of the benchmark rates, and (ii) to the extent the benchmark index fails to capture the interest rate movement.
  - b. **Spread Movement (Spread Risk):** Though the basis (i.e. benchmark) gets readjusted on a regular basis, the spread (i.e. markup) over benchmark remains constant. This can result in some volatility to the holding period return of floating rate instruments.
  - c. **Settlement Risk (Counterparty Risk):** The floating rate assets may also be created by swapping a fixed return to a floating rate return. In such a swap, there may be an additional risk of counterparty who will pay floating rate return and receive fixed rate return.
9. Certain fixed income securities give an issuer the right to call its securities, before their maturity date, in periods of declining interest rates. The possibility of such pre-payment risk may force the fund to re-invest the proceeds of such investments in securities offering lower yields, thereby reducing the fund's interest income.
10. The scheme may invest in non-publicly offered debt securities. This may expose the scheme to liquidity risks.
11. Different types of securities in which the scheme would invest as given in the Scheme Information Document carry different levels and types of risks. Accordingly the scheme's risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher amount of risk than Government securities. Further even among corporate bonds, bonds which are AAA rated are comparatively less risky than bonds which are AA rated.
12. Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the scheme.

#### **Risks associated with Securitised Debts**

13. Different types of Securitised Debts in which the scheme would invest carry different levels and types of risks. Accordingly the scheme's risk may increase or decrease depending upon its investments in Securitised Debts. e.g. AAA securitised bonds will have low Credit Risk than a AA securitised bond. Credit Risk on Securitised Bonds may also depend upon the Originator, if the Bonds are issued with Recourse to Originator. A Bond with Recourse will have a lower Credit Risk than a Bond without Recourse. Underlying Assets in Securitised Debt may be the Receivables from Auto Finance, Credit Cards, Home Loans or any such receipts. Credit risk relating to these types of receivables depends upon various factors including macro-economic factors of these industries and economies. To be more specific, factors like nature and adequacy of property mortgaged against these borrowings, loan agreement, mortgage deed in case of Home Loan, adequacy of documentation in case of Auto Finance and Home Loan, capacity of borrower to meet its obligation on borrowings in case of Credit Cards and intentions of the borrower influence the risks relating to the assets (borrowings) underlying the Securitised Debts. Holders of Securitised Assets may have Low Credit Risk with Diversified Retail Base on Underlying Assets, especially when Securitised Assets are created by High Credit Rated Tranches. Risk profiles of Planned Amortisation Class Tranches (*PAC*), Principal Only Class Tranches (*PO*) and Interest Only Class Tranches (*IO*) will also differ, depending upon the interest rate movement and Speed of Pre-payments. A change in market interest rates/prepayments may not change the absolute amount of receivables for the investors, but affects the reinvestment of the periodic cash flows that the investor receives in the securitised paper.
14. Presently, secondary market for securitised papers is not very liquid. There is no assurance that a deep secondary market will develop for such securities. This could limit the ability of the investor to



- resell them. Even if a secondary market develops and sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure
15. Securitised transactions are normally backed by pool of receivables and credit enhancement as stipulated by the rating agency, which differ from issue to issue. The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables and there is no obligation of either the Issuer or the Seller or the originator, or the parent or any affiliate of the Seller, Issuer and Originator. No financial recourse is available to the Certificate Holders against the Investors' Representative. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall. On persistent default of an Obligor to repay his obligation, the Seller may repossess and sell the underlying Asset. However many factors may affect, delay or prevent the repossession of such Asset or the length of time required to realize the sale proceeds on such sales. In addition, the price at which such Asset may be sold may be lower than the amount due from that Obligor.

#### **Risks associated with derivatives**

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

#### **Risk associated with close ended Schemes**

- A close ended Scheme endeavors to achieve the desired returns only at the scheduled maturity of the Scheme. Investors who wish to exit/redeem before the scheduled maturity date may do so through the stock exchange mode, if they have opted to hold Units in demat form.
- Although Units of the respective Plan(s) as mentioned in this Scheme Information Document are to be listed on the Exchange(s), there can be no assurance that an active secondary market will develop or be maintained.
- Trading in Units of the respective Plan(s) on the Exchange(s) may be halted because of market conditions or for reasons that in view of Exchange Authorities or SEBI, trading in Units of the respective Plan(s) is not advisable. In addition, trading in Units of the Scheme is subject to trading halts caused by extraordinary market volatility and pursuant to Exchange and SEBI 'circuit filter' rules. There can be no assurance that the requirements of Exchange necessary to maintain the listing of Units of the respective Plan(s) will continue to be met or will remain unchanged.
- Any changes in trading regulations by the Stock Exchange(s) or SEBI may inter-alia result in wider premium/ discount to NAV.
- The Units of the respective Plan(s) may trade above or below their NAV. The NAV of the respective Plan(s) will fluctuate with changes in the market value of Plan's holdings. The trading prices of Units of the respective Plan(s) will fluctuate in accordance with changes in their NAV as well as market supply and demand for the Units of the respective Plan(s).
- The Units will be issued in demat form through depositories. The records of the depository are final with respect to the number of Units available to the credit of Unit holder. Settlement of trades,

repurchase of Units by the Mutual Fund on the maturity date / final redemption date will depend upon the confirmations to be received from depository(ies) on which the Mutual Fund has no control.

#### **Risk Mitigation Factors:**

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

#### **B. REQUIREMENT OF MINIMUM NUMBER OF INVESTORS**

Each Plan under the Scheme shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Plan(s). These conditions will be complied with immediately after the close of the NFO itself i.e. at the time of allotment. In case of non-fulfillment with the condition of minimum 20 investors, the Plan(s) shall be wound up in accordance with Regulation 39 (2) (c) of SEBI (MF) Regulations automatically without any reference from SEBI. In case of non-fulfillment with the condition of 25% holding by a single investor on the date of allotment, the application to the extent of exposure in excess of the stipulated 25% limit would be liable to be rejected and the allotment would be effective only to the extent of 25% of the corpus collected. Consequently, such exposure over 25% limits will lead to refund within 5 Business Days from the date of closure of the New Fund Offer.

#### **C. SPECIAL CONSIDERATIONS**

- Investment decisions made by the Investment Manager will not always be profitable or prove to be correct. Accordingly, the scheme is not intended as a complete investment program.
- Investors should review / study this Scheme Information Document carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial/ investment matters and are advised to consult their own professional advisor(s) as to the legal or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (sale, transfer, switch or redemption or conversion into money) of Units and to the treatment of income (if any), capitalization, capital gains, any distribution, and other tax consequences relevant to their subscription, acquisition, holding, capitalization, disposal (sale, transfer, switch or redemption or conversion into money) of Units within their jurisdiction / of nationality, residence, domicile etc. or under the laws of any jurisdiction to which they or any managed Funds to be used to purchase/gift Units are subject, and (also) to determine possible legal, tax, financial or other consequences of subscribing / gifting to, purchasing or holding Units before making an application for Units.
- Any tax liability arising post maturity on account of change in the tax treatment with respect to dividend distribution tax, by the tax authorities, shall be solely borne by the investor and not by the AMC, the Trustees or the Mutual Fund.
- Neither this Scheme Information Document nor the units have been registered in any jurisdiction. The distribution of this Scheme Information Document in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of this Scheme Information Document in certain jurisdictions are required to inform themselves about, and to observe, any such restrictions. No person receiving a copy of this Scheme Information Document or any accompanying application form in such jurisdiction may treat this Scheme Information Document or such application form as constituting an invitation to them to subscribe for Units, nor should they in any event use any such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements.
- No person has been authorised to give any information or to make any representations not confirmed in this Scheme Information Document in connection with this Offer or the issue of Units, and any information or representations not contained herein must not be relied upon as having been authorized by the Mutual Fund, the Investment Manager. Neither the delivery of this Scheme

Information Document nor any sale made hereunder shall, under any circumstances, create any implication that the information contained herein is correct as of the date of receipt of this document. The Investor is requested to check the credentials of the individual/firm he/she is entrusting his/her application form and payment to, for any transaction with the Fund. The Fund/Trustee or the AMC shall not be responsible for any acts done by the intermediaries representing or purportedly representing such investor.

- The AMC has obtained a certificate from SEBI to act as a Portfolio Manager under Securities and Exchange Board of India (Portfolio Managers) Rules and Regulations, 1993, vide registration No.INP000000464 and commenced the activity. The AMC has also obtained a No-Objection letter from SEBI under Regulation 24(2) of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 for commencing the Portfolio Managers activity. The AMC has obtained a certificate from SEBI to act as Registrar and Transfer Agent to the schemes of Franklin Templeton Mutual Fund under Securities and Exchange Board of India (Registrar to an issue and Share Transfer Agents) Regulations, 1993, vide registration No.INR000004165. SEBI has accorded its no objection for providing non-binding investment advisory services to the group/ subsidiaries of the sponsor company for Franklin Templeton group, which are established outside India and invest in securities as FIs or sub-accounts. The AMC has policies and systems in place to ensure that there is no conflict of interest between the aforesaid activities and to handle if any unavoidable conflict of interest, as envisaged in Regulation 24 of the SEBI (MF) Regulations, arises.

#### D. DEFINITIONS

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

|   |  |
|---|--|
| <b>Applicable NAV</b>                                     | “Applicable NAV” is the Net Asset Value per unit at which Units will be compulsorily redeemed on maturity of the respective Plan(s) under the Scheme.  |
| <b>Business Day</b>                                       | A day other than:<br>(i) Saturday and Sunday;<br>(ii) a day on which the banks in Mumbai and/or RBI are closed for business / clearing;<br>(iii) a day on which normal business could not be transacted due to storms, floods, bandhs, strikes or such other events as the AMC may specify from time to time;<br>(iv) a day on which sale and repurchase of units is suspended by the AMC;<br>(v) a day on which register of unitholders is closed;<br>(vi) a day which is a holiday/non-working day at an ISC or a Collection Centre. However, it will be non-business day for that location only.<br>(vii) A day on which the National Stock Exchange of India Limited is closed<br>The AMC reserves the right to declare any day as a Business Day or otherwise at any or all ISCs or Collection Centres. |
| <b>Entry / Sales Load</b>                                 | Load on subscriptions / purchases  |
| <b>Exit / Redemption Load</b>                             | Load on redemption / repurchase  |
| <b>Equity linked instruments</b>                          | Convertible bonds / debentures, warrants including warrants carrying the right to obtain shares, shares of different classes including preference shares, Foreign Currency Convertible Bonds (FCCB), Depository Receipts etc.  |
| <b>ISC</b>  | Investor Service Centre of the Asset Management Company  |
| <b>Collection Centres</b>                                 | The location (other than ISC) that is declared as an Official Point of Acceptance for all transactions but where no Investor or Distributor services are offered. These locations would only accept and acknowledge transactions as per SEBI guidelines.   |
| <b>Franklin Templeton Investments/ Franklin Templeton</b> | Franklin Templeton Mutual Fund, Franklin Resources Inc. and its subsidiary and associate entities including their employees, directors and key managerial persons.   |
| <b>Gilt / Government</b>                                  | As defined under Section 2(b) of the Securities Contracts (Regulation) Act, 1956, Government Security means a security created and issued, whether   |

|                                    |  |
|------------------------------------|--|
| <b>Securities</b>                  | before or after the commencement of this Act, by the Central Government or a State Government for the purpose of raising a public loan and having one of the forms specified in clause (2) of Section 2 of the Public Debt Act, 1944.<br>With effect from December 1, 2007, Government Securities are regulated under Government Securities Act, 2006, as amended or re-enacted from time to time. This Act will apply to all Government securities created and issued even prior to December 1, 2007. |
| <b>Money Market Instruments</b>    | Commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, usance bills, (repos / reverse repos), CBLO and any other like instruments as specified by the Reserve Bank of India from time to time including mibor linked securities, call products having unexpired maturity up to one year.  |
| <b>NAV</b>                         | Net Asset Value of the Units of the respective Plan(s) under the Scheme  |
| <b>SAI</b>                         | Statement of Additional Information of Franklin Templeton Mutual Fund  |
| <b>Scheme Information Document</b> | The document issued by Franklin Templeton Mutual Fund offering units of the Scheme   |
| <b>Repo / Reverse Repo</b>         | Sale/Purchase of Government Securities as may be allowed by RBI from time to time with simultaneous agreement to repurchase/resell them at a later date.   |
| <b>Scheme</b>                      | Franklin India Fixed Maturity Plans – Series 6 and each of the Plans launched thereunder. Each such Plan being a distinct entity is of the nature of a scheme under the SEBI (MF) Regulations.   |
| <b>Unit</b>                        | The interest of an investor, which consists of, one undivided shares in the Net Assets of the respective Plan(s) under the Scheme  |
| <b>Unitholder</b>                  | A person holding Units in respective Plan(s) under the Scheme  |

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

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

#### **E. DUE DILIGENCE CERTIFICATE**

It is confirmed that:

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

Sd/-  
Saurabh Gangrade  
Compliance Officer

Date: January 03, 2019  
Place: Mumbai

### 03. INFORMATION ABOUT THE SCHEME

#### A. NAME & TYPE OF THE SCHEME

**Franklin India Fixed Maturity Plans – Series 6**, a close-ended debt fund comprising thereunder several investment Plan(s). Each such Plan will be managed as a separate portfolio.

#### B. INVESTMENT OBJECTIVES & POLICIES

The objective of the Plan(s) under the Scheme is to seek to generate income by investing in a portfolio of fixed income securities/ debt instruments maturing on or before the maturity of the Scheme. However, there can be no assurance that the investment objective of the Scheme will be realized.

#### C. ASSET ALLOCATION PATTERN

Under normal circumstances, the broad investment pattern of the respective Plan(s) under the Scheme will be as follows:

For plans with tenure less than or equal to 400 Days:

| Type of Security                  | Normal Allocation | Risk Profile  |
|-----------------------------------|-------------------|---------------|
| Debt*# & Money Market Instruments | 0% - 100%         | Low to medium |

For Plans with tenure of 401 days up to 3 years:

| Type of Security         | Normal Allocation | Risk Profile  |
|--------------------------|-------------------|---------------|
| Debt Instruments*#       | 70% - 100%        | Low to medium |
| Money Market Instruments | 0% - 30%          | Low           |

For Plans with tenure greater 3 years:

| Type of Security         | Normal Allocation | Risk Profile  |
|--------------------------|-------------------|---------------|
| Debt Instruments*#       | 80% - 100%        | Low to medium |
| Money Market Instruments | 0% - 20%          | Low           |

\* including Government Securities, Securitised Debt up to 50% and exposure in derivatives up to a maximum of 50%. The Scheme shall not invest in foreign securitized debt.

# Includes CDs issued by All India Financial Institutions recognized by RBI, such as NABARD, SIDBI, Exim Bank, NHB for tenors in excess of one year.

The scheme may enter into derivatives in line with the guidelines prescribed by SEBI from time to time. The scheme may take exposure in derivatives up to a maximum of 50% of its AUM. The exposure limit per scrip/instrument shall be to the extent permitted by the SEBI Regulation for the time being in force. These limits will be reviewed by the AMC from time to time. Investment in derivatives shall be for hedging, portfolio balancing and such other purposes as maybe permitted from time to time. The cumulative gross exposure through debt (including money market instruments) and derivative positions shall not exceed 100% of the net assets of the scheme.

The Scheme will not invest/ have exposure in the following:

1. Foreign securities
2. Repos in corporate debt securities
3. Short Selling
4. Securities Lending
5. Credit Default Swaps transactions

The net assets of the Plan(s) under the Scheme will be invested in Debt, Money market instruments and Government Securities maturing on or before the maturity date of the respective Plan(s).

The asset allocation pattern described above may alter from time to time on a short-term basis on

defensive considerations, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors (i.e., for reasons other than downgrade in rating) and would, in such cases, shall be rebalanced from date of deviation within the period as specified in the table below:

| Tenure of the Plan | Rebalancing period |
|--------------------|--------------------|
| 85 days – 90 days  | 5 days             |
| 91 days – 180 days | 15 days            |
| More than 180 days | 30 days            |

Further, in case the portfolio is not re-balanced, justification for the same shall be placed before the investment committee and reasons for the same shall be recorded in writing. The investment committee shall then decide on the course of action. However, due to market action, if the values of debt/money market instruments appreciate/ depreciate resulting in deviation of the specified limits mentioned under asset allocation table and intended portfolio allocation respectively, the fund manager may or may not rebalance the portfolio and may run with the ongoing exposure.

However, if the asset allocation pattern is to be altered for other reasons, as this is a fundamental attribute, the procedure outlined in the paragraph on fundamental attributes below, shall be followed.

#### Intended Portfolio Allocation:

The Plan, Franklin India Fixed Maturity Plans-Series 6 – Plan C (1169 days), being launched under this SID, will invest in securities with floors and ceiling within a range of 5% of the intended allocation against each sub class of asset as indicated below in accordance with SEBI Circular No. Cir/ IMD/ DF/12 / 2011 dated August 1, 2011 as amended from time to time:

| Instrument  | % of Net Assets) |     |    |   |     |                |
|---|------------------|-----|----|---|-----|----------------|
|   | AAA              | A1+ | AA | A | BBB | Not applicable |
| Debt & Money Market Instruments                                     |                  |     |    |   |     |                |
| Certificates of Deposit (CDs)                                       | -                | 0-5 | -  | - | -   | -              |
| Commercial Papers(CPs)  | -                | 0-5 | -  | - | -   | -              |
| Usance Bills  | -                | -   | -  | - | -   | -              |
| Non - Convertible Debentures (NCDs)*                                | 95-100           | -   | -  | - | -   | -              |
| Government Securities/ Treasury Bills                               | -                | -   | -  | - | -   | 0-5            |
| CBLO/ Reverse Repos/ - Units of Debt or Liquid Mutual Funds Schemes | -                | -   | -  | - | -   | 0-5            |

\*Includes CDs issued by All-India Financial Institutions permitted by RBI from time to time.

#### Notes:

- The ratings indicated in the above table include "-" and "+". For eg. the AA rating shall also include AA- and AA+.
- All ratings will be considered at the time of investment. In case an instrument has more than one publicly available rating, the more conservative rating will be considered for the purpose of investment.
- Sectors in which the Scheme shall not invest - The Plan under the Scheme shall not invest in instruments issued by Gems & Jewelry and Airline companies.

There would be no variation between the intended portfolio allocation and the final portfolio, subject to the following:

- Deviation of the asset allocation in favour of higher rated instruments within the same instrument category to improve the portfolio credit quality.
- In case CPs/ NCDs of desired credit quality are not available or the Fund Manager is of the view that the risk reward analysis of such instruments are not in the best interest of the Unit holders, the Plan(s) may invest in highest rated CDs viz. A1+/ CBLOs/ Reverse Repos/ T-Bills.

- iii. At the time of building the portfolio post NFO and towards the maturity of the Plan, the monies may be kept in cash and invested largely in cash equivalents / liquid/ money market schemes / shorter tenor CDs.
- iv. During the tenure of the Plan(s), the above allocation may vary due to instances like (a) coupon inflow; (b) the instrument is called or bought back by the issuer (c) in anticipation of any adverse credit event. In case of such deviations, the Plan(s) may invest in highest rated CDs viz. A1+ / CBLOs/ Reverse Repos / T-Bills. Such deviation may continue till maturity of the Plan(s), if suitable CPs / NCDs of desired credit quality are not available.
- v. The above allocation may vary during the duration of the Scheme due to occurrence of any adverse credit events such as rating downgraded/default and/or if due to market action the values of debt/money market instruments appreciate/ depreciate. In case of such event, fund manager may rebalance the portfolio or continue to hold the instrument in the portfolio in the best interest of the unitholders.

In case of any deviation from floors and ceilings of the intended allocation (%) against each sub asset class/ ratings indicated in the above table and subject to point (i) to (v), the Fund Manager will rebalance the same within the period as specified in the table below. Further, in case the portfolio is not rebalanced, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action.

| Tenure of the Plan | Rebalancing period |
|--------------------|--------------------|
| 85 days – 90 days  | 5 days             |
| 91 days – 180 days | 15 days            |
| More than 180 days | 30 days            |

#### **D. WHERE WILL THE SCHEME INVEST**

Subject to the SEBI Regulations, investment objective and the asset allocation pattern mentioned above, the Scheme may invest in various types of instruments including, but not limited to, any of the following:

- (a) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills)
- (b) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government
- (c) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI / RBI from time to time
- (d) Domestic securitised debt, pass through obligations, various types of securitisation issuances including but not limited to Asset Backed Securitisation, Mortgage Backed Securitisation, single loan securitisation and other domestic securitisation instruments, and so on as may be permitted by SEBI from time to time.
- (e) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, CBLO, Repo, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time.
- (f) Domestic derivatives
- (g) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time
- (h) Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time.

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

#### **ADDITIONAL DISCLOSURES:**

##### **Credit evaluation policy of investments in debt securities:**

The group follows a disciplined investment process to meet Fund specific investment objectives. It aims to develop a well-diversified portfolio that maintains liquidity and credit risk in line with the objective of the scheme. The group evaluates all the investment proposals to ensure that credit risk is kept at the optimum level. Portfolios are constructed to endeavour to meet the obligations to investors are met on a timely basis.

Credit research is done on a regular basis for companies. It includes internal analysis of financial reports as well as rating rationale and other inputs from external agencies. This also helps to minimise credit migration risk and for generating relative value trade ideas.

Credit analysis of securities is an ongoing process. It is based on a strategic framework for credit analysis, which broadly divides the task into two categories: business risk and financial risk. The prime objective is to evaluate a borrower's ability and willingness to repay the debt on time. In order to assess business risk, the following factors are considered

- Outlook for the economy (domestic & global)
- Outlook for the industry
- Company specific factors

## **OVERVIEW OF DEBT MARKET**

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

The bond markets are developing fast with the rapid introduction of new instruments including derivatives. Foreign Institutional Investors are also allowed to invest in Indian debt markets now. The average trading volume in the market ranges between Rs.50,000 crores to Rs.70,000 crores, of which about 90% comprises of the government securities.

The various debt instruments currently available for investments are:

| <b>Instruments</b>                        | <b>Current Yields*</b> | <b>Liquidity</b> |
|---|------------------------|------------------|
| Central/State Government securities       | 6.60% to 8.30%         | Very high        |
| PSU Bonds/Corporate debentures            | 7.10% to 13.00%        | Medium – High    |
| Commercial Papers/Certificate of deposits | 6.90% to 10.50%        | High             |
| Call/Notice Money                         | 6.25% to 6.75%         | Very high        |
| Repo / CBLO                               | 6.00% to 6.70%         | Very high        |

\*Yields as of February 25, 2019

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

## **INVESTMENTS IN DERIVATIVE INSTRUMENTS**

### **Brief note on investment in derivative instruments**

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

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

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

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

### **Position Limits:**

The schemes may enter into derivative transactions in line with the guidelines prescribed by SEBI from



time to time. The scheme may take exposure in derivatives up to a maximum of 50% of its AUM. The exposure limit per scrip/instrument shall be to the extent permitted by the SEBI Regulation for the time being in force. These limits will be reviewed by the AMC from time to time.

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

The cumulative gross exposure through, debt and derivative positions should not exceed 100% of the net assets of the scheme. Exposure due to hedging positions may not be included in the above mentioned limit subject to the following:

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

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

#### **Purpose of investment:**

- Trading in derivatives by the scheme shall be restricted to hedging and portfolio balancing purposes.
- The scheme shall fully cover its positions in the derivatives market by holding underlying securities/cash or cash equivalents/option and/or obligation for acquiring underlying assets to honour the obligations contracted in the derivatives market.
- Separate records shall be maintained for holding the cash and cash equivalents/securities for this purpose.
- The securities held shall be marked to market by the AMC to ensure full coverage of investments made in derivative products at all time.

#### **Valuation:**

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

#### **Interest Rate Swaps:**

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

Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.

#### **➤ Purpose of Interest Rate Swaps:**

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

receiving a variable or floating stream of interest amount. The variable or floating part is determined on a periodical basis.

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

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

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

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

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

On December 1, they will calculate as explained below:

Entity A is entitled to receive daily compounded call rate for 92 days and pay 8% fixed.

Entity B is entitled to receive interest on Rs.20 crores @ 8% i.e. Rs.40.33 lakhs, and pay the compounded benchmark rate.

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

#### **Forward Rate Agreement (FRA)**

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

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

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

#### **Risks:**

Interest rate swaps and FRA require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that the derivative adds to the portfolio and the ability to forecast

failure of another party (usually referred to as the “counter-party”) to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mis-pricing or improper valuation of derivatives, the credit risk where the danger is that of a counter-party failing to honour its commitment, liquidity risk where the danger is that the derivative cannot be sold at prices that reflect the underlying assets, rates and indices, and price risk where the market price may move in adverse fashion.

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

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

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

## **INVESTMENT IN SECURITISED DEBT**

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

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

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

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

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

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

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

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

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

- Outlook for the industry

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

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

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

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

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

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

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

Underlying assets may include receivables from loans against cars, commercial vehicles, construction equipment or unsecured loans such as personal loans, consumer durable loans. The various factors

which will be usually considered while making investments in such type of securities include profile of the issuer, analysis of underlying loan portfolio – nature of asset class, seasoning of loans, geographical distribution of loans and coverage provided by credit-cum-liquidity enhancements.

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

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

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

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

#### Critical Evaluation Criteria

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

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

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

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

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

| Characteristics/ Type of Pool   | Mortgage Loan   | Commercial Vehicle and Construction Equipment | CAR             | 2 wheelers      | Micro Finance Pools | Personal Loans  | Single Sell down \$ | Others  |
|---|-----------------|---|-----------------|-----------------|---------------------|-----------------|---------------------|---|
| Approximate Average maturity (in Months)  | Upto 10 years   | Upto 5 years                                  | Upto 5 years    | Upto 48 months  | Upto 80 weeks       | Upto 3 years    | Case by case basis  | As and when new asset classes of securitized debt are introduced, the |
| Collateral margin (including cash, guarantees, excess interest spread, subordinate) | In excess of 3% | In excess of 4%                               | In excess of 4% | In excess of 4% | In excess of 5%     | In excess of 5% | Case by case basis  |   |

| Characteristics/ Type of Pool     | Mortgage Loan    | Commercial Vehicle and Construction Equipment | CAR              | 2 wheelers       | Micro Finance Pools         | Personal Loans   | Single Sell down \$ | Others  |
|-----------------------------------|------------------|---|------------------|------------------|-----------------------------|------------------|---------------------|---|
| tranche)                          |                  |   |                  |                  |                             |                  |                     | investments in such instruments will be evaluated on a case by case basis |
| Average Loan to Value Ratio       | 95% or lower     | 100% or lower **                              | 95% or lower     | 95% or lower     | Unsecured                   | Unsecured        | Case by case basis  |   |
| Average seasoning of the Pool     | Minimum 2 months | Minimum 2 months                              | Minimum 2 months | Minimum 2 months | Minimum 2 weeks             | Minimum 2 months | Case by case basis  |   |
| Maximum single exposure range *   | < 5%             | < 5%  | NA (retail pool) | NA (retail pool) | NA (Very Small retail pool) | NA (retail pool) | Not applicable      |   |
| Average single exposure range % * | < 5%             | < 5%  | < 2%             | < 1%             | < 1%                        | < 1%             | Not applicable      |   |

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

\*\* LTV Based on chassis value

\$ Broad evaluation criteria as per point 3 above

Notes:

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

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

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

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

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

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

Same as point 5 above.

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

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

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

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

- Fixed Income Team – Currently, the AMC has a 7 member team, which is responsible for credit research and monitoring and fund management, for all exposures including securitized debt.
- Ratings are monitored for any movement – Based on the cash flow report and Fixed Income Team's view, periodic review of utilization of credit enhancement shall be conducted and ratings shall be monitored accordingly.
- For legal and technical assistance with regard to the documentation of securitized debt instruments, the team can make use of resources within the internal legal team and if required take help of our external legal counsel as well.

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

## E. INVESTMENT STRATEGY

The principle strategy is to create a diversified basket of fixed income securities that are held to maturity. The maturities of the securities are intended to match the tenure of the scheme. The portfolio will be constructed with a focus on security level analysis.

## F. FUNDAMENTAL ATTRIBUTES

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

- **Type of scheme** – Please refer to the section "Name & Type of the Scheme".
- **Investment objective** – Please refer to the section "Investment Objectives & Policies".
- **Investment pattern, minimum and maximum asset allocation.** - Please refer to the section "Asset Allocation Pattern". The fund retains the option to alter the asset allocation on a short-term basis in the interest of unitholders on defensive considerations.
- **Liquidity provisions such as repurchase or redemption** – Please refer to the section 'Units and Offer'.
- **Aggregate fees and expenses charged to the scheme** - Please refer to the section 'Fees and Expenses of the Scheme'.
- **Any Safety Net of Guarantee provided** – None.

In accordance with Regulation 18(15A), the Trustee shall ensure that no change in the fundamental attributes of any scheme or the trust or fees and expenses payable or any other change which would

modify the scheme and affects the interest of unitholders, shall be carried out unless, -

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

## G. BENCHMARK

The Mutual Fund has identified the following as the benchmark for the Plan(s) under the Scheme:

| Benchmark   | Justification  |
|---|--|
| For Plans with maturity period of 85 days up to 91 days - <b>CRISIL Liquid Fund Index.</b>                | The Plan(s) under the Scheme intend to have a portfolio mix of instruments, which are mainly captured by CRISIL Liquid Fund Index, CRISIL Short Term Bond Fund Index, CRISIL Composite Bond Fund Index and I- sec Libex Index as applicable to the Plan(s) under the Scheme.<br>Hence, they are appropriate benchmarks for the Plan(s) under the Scheme. |
| For Plans with maturity period of above 91 days up to 3 years - <b>CRISIL Short Term Bond Fund Index.</b> |  |
| For Plans with maturity period of above 3 years up to 7 years - <b>CRISIL Composite Bond Fund Index.</b>  |  |
| For Plans with maturity period of above 7 years – <b>I- sec Libex Index.</b>                              |  |

The AMC / Trustee reserve the right to change / modify the benchmark by issuing an addendum.

## H. WHO MANAGES THE SCHEME

| Fund Manager        | Tenure of managing the scheme |
|---------------------|-------------------------------|
| Umesh Sharma        | Since inception               |
| Sachin Padwal-Desai | Since inception               |

The details of the Fund Manager(s) are as follows:

| Name   | Qualifications                | Functions & Experience  | Schemes Managed   |
|--|-------------------------------|---|---|
| <b>Umesh Sharma</b><br>Age: 41 years<br>Total Experience: 18 years | B.Com., C.A.,<br>C.S., C.F.A. | <b>Vice President &amp; Portfolio Manager</b><br>- Fixed Income (based at Mumbai).<br>Prior assignments: <ul style="list-style-type: none"> <li>• Portfolio Manager - Fixed Income, Religare Mutual Fund (2008-2010), responsible for managing fixed income bond portfolios</li> <li>• Portfolio Manager- Fixed Income, Lotus India Mutual Fund (2006-2008), responsible for managing fixed income bond portfolios.</li> <li>• Chief Manager, ICICI Bank (2005-2006), undertook analysing of investment opportunities in international USD bonds.</li> <li>• Manager – Fixed Income, JM Financial Mutual Fund (2003-2005), undertook macro research in order to gauge interest rate trends &amp; credit research.</li> <li>• Primary Dealer, UTI Mutual Fund (2000-2003), involved in analyzing and recommending investments in debt and equity.</li> </ul> | <ul style="list-style-type: none"> <li>• Franklin Government Securities Fund</li> <li>• Franklin India Dynamic Accrual Fund</li> <li>• Franklin India Banking &amp; PSU Debt Fund</li> <li>• Franklin India Floating Rate Fund</li> <li>• Franklin India Debt Hybrid Fund (Debt portion)</li> <li>• Franklin India Equity Hybrid Fund (Debt Portion)</li> <li>• Franklin India Pension Plan (Debt Portion)</li> <li>• Franklin India Fixed Maturity Plans – Series 1 to Series 5</li> </ul> |
| <b>Sachin Padwal-Desai</b><br>Age: 45 years<br>Total Experience:   | B.E., PGDM<br>(IIM-Bangalore) | <b>Vice President &amp; Portfolio Manager</b><br>- Fixed Income (based at Mumbai).<br>Prior assignments: <ul style="list-style-type: none"> <li>• ICICI Bank Ltd - Balance sheet Management, Interest rate risk</li> </ul>  | <ul style="list-style-type: none"> <li>• Franklin India Government Securities Fund</li> <li>• Franklin India Dynamic Accrual Fund</li> </ul>  |



| Name     | Qualifications | Functions & Experience   | Schemes Managed   |
|----------|----------------|--|---|
| 21 years |                | <p>management, SLR maintenance, liquidity management</p> <ul style="list-style-type: none"> <li>• Infosys Technologies Ltd – Software Engineer</li> <li>• Thermax Ltd – Designing, testing and approval of weldments on boilers and other pressure vessels.</li> </ul> | <ul style="list-style-type: none"> <li>• Franklin India Liquid Fund</li> <li>• Franklin India Savings Fund</li> <li>• Franklin India Ultra Short Bond Fund</li> <li>• Franklin India Banking &amp; PSU Debt Fund</li> <li>• Franklin India Debt Hybrid Fund (Debt portion)</li> <li>• Franklin India Equity Hybrid Fund (Debt Portion)</li> <li>• Franklin India Pension Plan (Debt Portion)</li> <li>• Franklin India Life Stage Fund of Funds (Debt Portion)</li> <li>• Franklin India Fixed Maturity Plans – Series 1 to Series 5</li> </ul> |

## I. INVESTMENT RESTRICTIONS

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

1. Investment in securities from the scheme's corpus would be only in transferable securities in accordance with Regulation 43 of Chapter VI of SEBI [Mutual Funds] Regulations, 1996.
2. The Scheme shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities; provided further that the Scheme may enter into derivatives transactions in a recognised stock exchange, subject to the framework specified by SEBI; provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.
3. The Mutual Fund shall, get the securities purchased or transferred in the name of the mutual fund on account of the concerned scheme, wherever investments are intended to be of long term nature.
4. No investment shall be made in any Fund of Funds scheme.
5. The mutual fund shall not advance any loans for any purpose.
6. The Scheme may invest in any other scheme without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund.
7. The Scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer, which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the SEBI Act, 1992. Such investment limit may be extended to 12% of the NAV with prior approval of the Board of Trustees and Board of the AMC, provided that such limit shall not be applicable for investment in government securities, treasury bills and collateralized borrowing and lending obligations. Further, investment within such limit can be made in mortgage backed securitised debt which are rated not below investment grade by a credit rating agency registered with SEBI.
8. The scheme shall not invest more than 10% of its NAV in unrated debt instruments issued by a single issuer and the total investment in such instruments shall not exceed 25% of the NAV of the scheme. All such investment shall be made with the prior approval of the Trustee and the Board of the AMC.
9. **a. Sector exposure** – The exposure in a particular sector (excluding investments in Bank CDs, CBLO, G-Secs, T-Bills, AAA rated securities issued by Public Financial Institutions and Public Sector Banks and Short Term Deposits of Schedule Commercial Banks) under the portfolio will not exceed 25% of the net assets on account of purchase.  
An additional exposure to financial services sector (over and above the limit of 25%) not exceeding 15% of the net assets of the Plan on account of purchase shall be allowed by way of increase in

exposure to Housing Finance Companies (HFCs) only.

Provided that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total investment/ exposure in HFCs shall not exceed 25% of the net assets of the Plan on account of purchase.

**b. Group exposure -**

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

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

10. Debentures, irrespective of any residual maturity period (above or below one year), shall attract the investment restrictions as applicable for debt instruments as specified under Clause 1 and 1A of Seventh Schedule to SEBI Regulations.
11. Transfers of investments from one Franklin Templeton Mutual Fund scheme to another will be done as follows:
  - such transfers will be done at the prevailing market price for quoted instruments on spot basis.
  - the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.
12. No investment shall be made in
  - any unlisted security of an associate or group company of the sponsor; or
  - any security issued by way of private placement by an associate or group company of the sponsor; or
  - the listed securities of group companies of the sponsor which is in excess of 25% of the net assets.
13. Pending deployment of funds in securities in terms of investment objectives of the Scheme, the Mutual Fund can invest the funds of the scheme in short term deposits of scheduled commercial banks in line with SEBI Circular dated April 16, 2007. The Scheme shall abide by the following guidelines for parking of funds in short term deposits:
  - "Short Term" for such parking of funds by mutual funds shall be treated as a period not exceeding 91 days.
  - Such short term deposits shall be held in the name of the scheme.
  - The scheme shall not park more than 15% of the net assets in Short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustees.
  - Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the mutual fund in short term deposits.
  - The scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
  - The Scheme shall not park funds in short-term deposit of a bank, which has invested in the Scheme.
  - Asset Management Company (AMC) shall not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks in case of liquid and debt oriented schemes.

The aforesaid limits are not applicable to term deposits placed as margins for trading in cash and derivatives market.
14. The scheme may consider investment in other financial market investments as per guidelines issued by the Central Government/SEBI/RBI from time to time.

It is further clarified that the investment restrictions will be applied to each Plan under the Scheme separately.

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

The investment restrictions specified as a percentage of net assets will be computed at the time of making the investment and it is clarified that changes need not be effected, merely by reason of appreciation or depreciation in value or by reason of factors beyond the control of the scheme (such as receipt of any

corporate or capital benefits or amalgamations). In case the limits are exceeded due to reasons beyond its control, the AMC shall adopt necessary measures of prudence to reset the situation having regard to the interest of the investors.

## **J. HOW HAS THE SCHEME PERFORMED**

This Scheme is a new scheme and does not have any performance track record.

### **Top 10 portfolio holdings by issuer and fund allocation towards various sectors**

This Scheme is a new scheme and does not have any existing portfolio holding.

**Scheme's latest monthly portfolio holding can be viewed on <http://bit.ly/2tnMV7G> under Monthly Portfolio Disclosure.**

## **PORTFOLIO TURNOVER**

The Scheme is closed-ended and it is expected to have a low turnover in the portfolio of the Plan(s).

### **Portfolio Turnover Ratio - Not Applicable**

## **INVESTMENT BY AMC IN THE SCHEME**

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

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

This Scheme is a new scheme and does not have any existing portfolio holding.

## **04. UNITS AND OFFER**

### **A. NEW FUND OFFER (NFO)**

This is the period during which a new scheme sells its units to the investors. The launch schedule of New Fund Offer of the Plan(s) under the Scheme has been detailed in the Table appearing on Page 6. Information with respect to the New Fund Offer for the Plan(s) under the Scheme (launched subsequent to the New Fund Offer of the Scheme) will be communicated to the investors by a notice displayed at Investor Service Centres and issue of advertisement in 2 newspapers i.e. in one national English daily newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated. The notice will be published at least 2 days before the respective launch date. Each Plan, when offered for sale, would be open for such number of days (not exceeding 15 days) as may be decided by the Trustee / AMC. In case the NFO Opening / Closing Date is subsequently declared as a non-Business Day, the following Business Day will be deemed to be the NFO Opening /Closing Date. The AMC also reserve the right to close the subscription list earlier by giving at least one day's prior notice in one English daily newspaper having nationwide circulation as well as a newspaper published in the language of the region where the head office of the mutual fund is situated.

The AMC retains a right to extend the NFO Closing Date subject to the condition that the NFO shall not be kept open for more than 15 days.

### **NFO Price**

This is the price per unit that the investors have to pay to invest during the NFO. All purchases during the

NFO of the respective Plan(s) under the Scheme will be at Rs.10/- per Unit.

### **Minimum Application Amount**

Rs.5,000/- and any additional amount in multiple of Re. 1/- thereafter.

### **Minimum and Maximum Target Amount**

This is the minimum amount required to operate the respective Plan(s) under the Scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return.

Each Plan under the Scheme seeks to collect Rs.20 crores as the minimum subscription and would retain any excess subscription collected.

If the respective Plan(s) do(es) not collect the minimum subscription during the New Fund Offer, refund will be made within 5 Business Days from the closure of the NFO. However, if AMC fails to refund the amount within 5 Business Days, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of 5 Business Days from the date of closure of the subscription period.

### **Transaction Charges**

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

#### **(i) First time investor in mutual funds:**

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

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

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

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

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

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

### **PLAN AND OPTIONS**

The Scheme proposes to launch 6 Plans (A-F) under the Scheme of tenure ranging between 85 days and 3700 days. The duration of the Plans under the Scheme will be decided at the time of launch.

#### **Each Plan under the Scheme offers following option:**

- Growth,
- Growth – Direct
- Dividend (with Payout Facility only)
- Dividend - Direct (with Payout Facility only)

Further, Plan(s) with a maturity of over 365 days also offers following additional option:

- Quarterly Dividend (Payout Option only)
- Quarterly Dividend – Direct (Payout Option only)

### **Growth Option/ Direct – Growth Option**

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

### **Dividend Option / Direct – Dividend Option**

Under the Dividend Option / Direct – Dividend Option, it is proposed to distribute the returns to the investors in the form of dividends out of distributable surplus. The AMC/Trustee may, at their discretion, approve the distribution of dividends out of distributable surplus to unit holders in the Dividend Option / Direct – Dividend Option whose names appear in the Register of Unit holders on the record date. This option provides Dividend payout facility only.

### **Direct investments**

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

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

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

### **DEFAULT PLAN/OPTION**

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

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

In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under **Growth Option**. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under **Growth - Direct** from the date of application without any exit load.

In the event of a discrepancy between the Scheme/Plan/Option mentioned in the Application Form by the applicant, then the application shall be liable to be rejected and amount will be refunded to the applicant.

### **DIVIDEND POLICY**

The Trustee may declare dividends in the scheme at any time and at such frequency (such as daily, weekly, monthly, quarterly, half-yearly, annually etc.) as it deems appropriate though there is no assurance or guarantee to the Unitholders as to the rate of dividend distribution nor that the dividend will be regularly paid. Distribution of dividend is subject to availability and adequacy of distributable surplus. The Trustees may declare dividends at any periodicity as it deems fit to the Unitholders in the Dividend Plan, whose names appear on the Unitholders' register on the record date.

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

Dividends will be distributed within 30 days of the declaration of the dividends and payments will be sent to the unit holder's registered name and bank account number (if provided).

Dividends will be paid by cheque, net of taxes as may be applicable, and payments will be in favour of the Unitholder's registered name or, if there is more than one registered holder, of the first-named registered holder on the original Application Form. To safeguard the interest of Unitholders from loss or theft of dividend cheques, investors are encouraged to provide the details of their bank account in the Application Form. Dividend cheques will be sent in accordance with such information. The Trustee may not declare a dividend at all in the event of inadequacy of distributable income. There is no assurance or guarantee to Unitholders as to the periodicity of dividend; rate of dividends distribution nor that dividend will be regularly paid.

### **Record dates for declaration of dividend**

The procedure of declaring dividend and fixing of record dates will be in accordance with SEBI circular dated April 4, 2006. In terms of the circular, the public notice for dividend and record date will not be necessary where the frequency of the dividend is from daily up to monthly.

### **Allotment of Units / Refund**

Subject to the Scheme receiving the minimum subscription, full allotment will be made to all valid applications received during the New Fund Offer (NFO). Allotment of Units on Application shall be made in the following manner:

- a) An Account Statement containing the number of Units allotted will be issued within 5 Business Days from the closure of the NFO. The Units allotted in electronic form will be credited to the investor's Beneficiary Account with a Depository Participant (DP) of CDSL or NSDL as per the details furnished by the investor in the Application Form within 5 Business Days from the closure of the NFO and an intimation / allotment advice specifying the number of units allotted to the investor. The Account Statement of the Beneficiary Account with the DP will be sent by the respective DP's as per their service standards.
- b) Refund of subscription money to applicants, in case applications are invalid or rejected will be made within 5 Business Days from the closure of the NFO without any return. No interest will be payable on any subscription money so refunded. If the Mutual Fund refunds the amount after 5 Business Days from the closure of the NFO, interest at the rate as may be prescribed by SEBI (presently 15% p.a.) shall be paid out of the assets of the AMC for the period thereafter. Refund orders will be marked "A/c Payee only" and drawn in the name of the applicant in the case of a sole applicant and in the name of the first applicant in all other cases.
- c) For applicants applying through the ASBA mode, on allotment, the amount will be unblocked in their respective bank accounts and account will be debited only to the extent required to pay for allotment of Units applied in the application form.

The allotment of units is subject to realisation of the payment instrument/ the payment in respect of switch-in units is received from the source scheme to destination scheme.

**The Trustee is entitled, in its sole and absolute discretion, to reject any Application.**

### **Fractional Units**

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

### **Who Can Invest**

The units under respective Plan(s) under the Scheme can be purchased by the following entities (subject to the applicable legislation/regulation governing such entities):

1. Adult individuals, either singly or jointly (not exceeding three), resident in India.
2. Parents/Guardian on behalf of minors.
3. Companies/ Domestic Corporate Bodies/ Public Sector Undertakings registered in India.
4. Charitable, Religious or other Trusts authorised to invest in units of mutual funds.

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

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

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

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

#### **AVAILABILITY OF FORMS**

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

The Application Forms for applications under the Applications Supported by Blocked Amount (ASBA) facility are available at the designated branches of Self certified Syndicate Banks (SCSB / ASBA Banks). A list of these banks is available on the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) or BSE website ([www.bseindia.com](http://www.bseindia.com)) or NSE website ([www.nseindia.com](http://www.nseindia.com)).

#### **Where can you submit the filled up Application Form**

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

A list of the addresses of the ISC and Collection Centres is given at the end of this Scheme Information Document.

The Application Forms for applications under the Applications Supported by Blocked Amount (ASBA) facility should be submitted at the designated branches of the ASBA Banks.

#### **How to apply**

During the NFO, investors can subscribe for the Units of the Scheme by completing the Application Form

and delivering it at any Investor Service Centre or Collection Centre. KYC complied investors can perform a web-based transaction to purchase units of the Scheme on website of the Mutual Fund ([www.franklintempletonindia.com](http://www.franklintempletonindia.com)) or through any other electronic mode introduced from time to time.

Investors will also have an option to make an application / payment under the Applications Supported by Blocked Amount (ASBA) facility. This facility is available to all investors eligible to invest in the schemes of the Mutual Fund and avail the ASBA facility, subject to the same being extended by all the concerned intermediaries involved in the ASBA process. The applications under ASBA facility will be governed by the directives issued by SEBI from time to time.

ASBA is an application containing an authorization given by the Investor to block the application money in his specified bank account towards the subscription of Units offered during the NFO of the Schemes. Thus, for an investor who applies through ASBA facility, the application money blocked towards the subscription of Units shall be debited to the extent of allotment from the bank account only if his/her application is accepted for allotment of Units. On allotment, units will be credited to the Investor's demat account as specified in the ASBA application form. For availing this facility, Investors are requested to check with the Designated Branches ("DBs") of the Self Certified Syndicate Banks ("SCSBs"). For list of Self Certified Syndicate Banks (SCSBs) and their Designated Branches (DBs) click on the following links below:

SEBI Website - <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>

BSE Website - <http://www.bseindia.com/Static/Markets/PublicIssues/scsb.aspx>

NSE Website - [http://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm)

Franklin Templeton Mutual Fund Website

### **Official Points of Acceptance of Transaction**

As per SEBI Circular SEBI/IMD/CIR No.11/78450/06 dated October 11, 2006, FTMF hereby declare all its branch offices [Investor Service Centres (ISC)], the designated branch offices of **Karvy Fintech Private Limited** (Karvy) and **Computer Age Management Services Private Limited** (CAMS) (termed as **Collection Centres**), the **MF Utilities India Private Limited (MFUI)** website [www.mfuonline.com](http://www.mfuonline.com), authorised MFUI Points of Service updated on [www.mfuindia.com](http://www.mfuindia.com) and FTMF's website ([www.franklintempletonindia.com](http://www.franklintempletonindia.com)) as the Official Points of Acceptance of Transactions ("OPAT"). Additionally, the Secured internet site hosted or managed by CAMS will also be OPAT in respect of the transactions routed through the distributors who have registered for this facility (in accordance with the terms and conditions, as may be prescribed from time to time). The "cut off time" mentioned in the Scheme Information Document shall be reckoned at these official points. All transaction (purchase/redemption/switch) applications must be demonstrably received by the Mutual Fund at these OPAT.

Further in case of transactions done through the stock exchange infrastructure, all the Eligible Stock Brokers will be considered as the OPAT for the transactions done under this facility. The cut-off timing and applicability of NAV for the transaction will be determined in accordance with the provisions of SEBI circular no. SEBI/IMD/CIR No.11/78450/06 dated October 11, 2006. The day and time of receipt of the transaction application by FTMF will be based on the time stamping as evidenced by the confirmation slip generated by the stock exchange infrastructure.

### **SMS based transaction facility**

Investors can transact in schemes of Franklin Templeton Mutual Fund (except Franklin India Pension Plan) through SMS.

In order to avail this facility, the Unitholder(s) should submit SMS transaction registration form along with NACH registration form at the nearest Franklin Templeton branch or ISC.

Investors can send a transaction SMS only through the registered mobile number with the predefined keywords only (available on [www.franklintempletonindia.com](http://www.franklintempletonindia.com)). This facility shall be available subject to the terms and conditions as detailed in the SMS transactions registration form.

The Trustee/Asset Management Company of FTMF reserves the right to modify or discontinue any of these facilities at any time in future on a prospective basis.

Please refer to the SAI and the Key Information Memorandum / Application Form for the instructions.



### **Option to receive allotment and hold units in demat form:**

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

However, this facility is not available for investment under Switch facility.

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

### **LISTING**

Being a closed - end scheme, as per SEBI guidelines, the Units of the Scheme will be listed on one or more recognised stock exchange(s) within 5 Business Days from the Date of Allotment.

It is proposed to list the Units on National Stock Exchange of India Ltd. (NSE). The AMC has received in-principle approval from NSE for listing of Units, vide letter ref. NSE/LIST/5064 dated January 02, 2019.

The Mutual Fund may at its sole discretion list the Units under the respective Plan(s) on any other recognized Stock Exchange(s) at a later date.

The AMC/Trustee reserves the right to delist the units of the Plan(s) under the Scheme from a particular stock exchange provided the units are listed on atleast one stock exchange.

### **Trading and Settlement:**

Buying or selling of Units by investors can be made from the secondary market on the stock exchange in dematerialised form only. Units can be bought or sold on the stock exchange on all the trading days at market prices, which may be at a premium/discount to the NAV of the Scheme depending upon the demand and supply of Units at the stock exchange. The minimum number of Units that can be bought or sold on the stock exchange will be 1 (one) unit. The trading will be as per the normal settlement cycle.

Since the trading of Units on the stock exchange is permitted only in electronic (demat) form, an investor who purchases or sells the Units on the stock exchange will be required to have a beneficiary account with a Depository Participant of NSDL/CDSL.

### **Rolling Settlement**

The Fund intends to follow the same settlement pattern and practices of the stock exchange. The Pay-in and Pay-out of funds and the Units will take place within 2 working days after the trading date. The pay-in and pay-out days for funds and securities are prescribed as per the settlement cycle.

### **MANDATORY INFORMATION**

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

**It is mandatory for all investors (including joint holders, NRIs, POA holders and guardians in the**

**case of minors) to furnish such documents and information as may be required to comply with the Know Your Customers (KYC) policies under the AML Laws. Applications without such documents and information may be rejected.**

In terms of SEBI circulars dated April 27, 2007, April 03, 2008 and June 30, 2008 read with SEBI letter dated June 25, 2007, **Permanent Account Number (PAN) would be the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction**, except (a) investors residing in the state of Sikkim; (b) Central Government, State Government, and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government) and (c) investors participating only in micro-pension. SEBI, in its subsequent letter dated July 24, 2012 has conveyed that investments in mutual fund schemes [including investments through Systematic Investment Plan (SIP)] of up to Rs.50,000/- per year per investor shall be exempted from the requirement of PAN.

Accordingly, where the aggregate of lump sum investment (fresh purchase and additional purchase) and SIP instalments by an investor in a financial year i.e., April to March does not exceed Rs.50,000/- (referred to as "Micro investment"), it shall be exempt from the requirement of PAN. However, a duly verified/attested copy of such document(s) as may be prescribed by the AMC/Trustee from time to time, needs to be submitted as the proof of identification in lieu of PAN Card copy.

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

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

Thus, submission of PAN is mandatory for all existing as well as prospective investors (including all joint applicants/holders, guardians in case of minors, POA holders and NRIs but except for the categories mentioned above) for investing with mutual funds from this date. Investors are required to register their PAN with the Mutual Fund by providing the PAN card copy. E-PAN issued by CBDT can also be provided by FPI.

**All investments in Franklin Templeton Mutual Fund need to comply with the PAN and KYC requirements as stated above, failing which the applications are liable to be rejected.** It is clarified that all categories of investors seeking exemption from PAN still need to complete the KYC requirements stipulated by the AMC/Trustee from time to time, irrespective the amount of investment.

#### **Non acceptance of Third party Payment**

The Mutual Fund/AMC shall not accept subscriptions with Third Party payment instruments in the schemes, except in following cases:

- (a) Payment by Parents/Grand-Parents/related persons on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding Rs.50,000/- (each regular purchase);
- (b) In case of investment in the name of a minor, payment by the person registered as Guardian in the minor's Folio irrespective the amount of investment;
- (c) Payment by Employer on behalf of employee for lump sum/one-time subscription or deductions out of expense reimbursement;
- (d) Payment by Employer towards subscription in the name of employees as bonus/incentive paid in form of mutual fund units; and
- (e) Custodian on behalf of a client;
- (f) Payment by Asset Management Company to a Distributor empanelled with it on account of commission/incentive etc. in the form of the Mutual Fund Units of the Funds managed by such AMC through Systematic Investment Plans or lump sum / one-time subscription, subject to compliance with SEBI Regulations and Guidelines issued by AMFI, from time to time;
- (g) Payment by Corporate to its Agent/ Distributor/ Dealer (similar arrangement with Principal-agent relationship), on account of commission/ incentive payable for sale of its goods/services in form of mutual fund units through lump sum/ one-time subscription.

For this purpose (i) Third Party payment shall mean payment made through instruments issued from an

account other than that of the beneficiary investor. It is clarified that in case of payments from a joint bank account, the first holder of the mutual fund folio has to be one of the joint holders of the bank account from which payment is made; and (ii) 'related persons' shall mean such persons as may be specified by the AMC from time to time.

The investors making an application under the exception cases mentioned above need to submit such declarations and other documents / information as may be prescribed by the AMC from time to time, without which applications for subscriptions for units will be rejected / not processed / refunded.

KYC is mandatory for all investors (guardian in case of minor) and the person making the payment i.e. third party.

The AMC may specify such procedures for registration of one or more bank accounts of the investor for their mutual fund folio/accounts and its verification, as may be deemed appropriate from time to time.

## **SPECIAL PRODUCTS AVAILABLE**

### **Exchanges / Switch**

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

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

Unitholder may request the switch of a certain specified Rupee amount or of a certain number of Units (or All units). Investors so desiring to switch may submit a switch request indicating therein the details of the scheme from which switch is to be made (Source Scheme) and the scheme to which the switch is to be made (Destination Scheme). Applications for switch as above should specify the amount / Units to be switched from out of the Units held in any of the existing Schemes of the Fund. The switch request will be subject to the minimum application size and other terms and conditions of the Source Scheme as well as the Destination Scheme. Switch requests will be honoured to the extent permitted by the credit balance (free from any lock-in, lien or encumbrance) in the Unitholder's account. The number of Units so switched will be subtracted from the Unitholder's account and a statement to this effect will be issued to the Unitholder. In the case where a rupee amount is specified or deemed to be specified for switch, Franklin Templeton will redeem that many units as would give the net switch amount requested for, after deducting securities transaction tax and exit load as applicable from time to time.

For effecting the switch / exchange, the units of source scheme/plan will be redeemed at the applicable NAV (subject to applicable load) and the net proceeds shall be invested in the destination scheme/plan at the applicable NAV. The applicable NAV will depend upon the date and time at which the switch request is accepted as evidenced by the electronic date / time stamp affixed at any ISC or Collection Centre and will be subject to the cut-off time and other terms of the respective schemes.

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

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

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

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

### **(i) Switching from any schemes of the Mutual Fund to FIFMP-6**

The facility to switch from any Franklin Templeton Mutual Fund scheme into FIFMP-6 is available only

during the NFO of FIFMP-6. Investors who hold Units in any open-end schemes launched of the Mutual Fund and also investors who hold Units in any closed-end scheme launched, may switch all or part of their holdings (free from any lock-in, lien or encumbrance) into FIFMP-6 during the NFO. The switch from any closed-end fund will be subject to applicable repurchase and/or maturity date of the respective Scheme(s) or Plan(s) and will be permitted only on such dates. The Applicable NAV for switching out of the existing open-end funds will be the NAV of the Business Day on which the switch request, complete in all respects, is accepted by the AMC, subject to the cut-off time and other terms specified in the Scheme Information Documents of the respective existing open-end schemes during the NFO. Similarly the applicable NAV for switching out of the existing close-end funds will be the applicable NAV (after considering applicable loads) on the specified repurchase date for such Plan(s), subject to the switch request, complete in all respects, being accepted by the AMC, and subject to the availability of repurchase facility and other terms specified in the Scheme Information Document of the respective existing closed-end Schemes.

For any application of switch-in from any open-end Franklin Templeton Scheme into FIFMP-6, received on any date during the NFO, the application will be deemed to have been received on the last date of the NFO and will be processed accordingly. However, in case the last date of the NFO is a non-Business Day for the Source Scheme, the application will be deemed to have been received on the last Business Day for the Source scheme immediately preceding the last date of the NFO and will be processed accordingly. In case the Source Scheme is a closed-end scheme or an interval scheme that offers limited redemption facility, which is available only during the stipulated redemption periods, the switch application will be deemed to have been received on the last day of the relevant redemption window (or on the last day of the NFO if the relevant redemption window closes after the NFO closure) and processed accordingly.

Since the application money for subscription to the Units of FIFMP-6 should be in multiples of Rs.10/- only, the amount switched from any Franklin Templeton scheme to FIFMP-6 (irrespective of whether the switch request specifies a certain Rupee amount or number of Units – including All Units) will be restricted to an amount which is a multiple of Rs.10/- and the balance amount would, at the discretion of the AMC, be retained in the source scheme or paid to the investor.

#### **(ii) Switch from this Scheme to any other eligible schemes of the Mutual Fund**

Upon maturity of the FIFMP-6, investors who hold Units of the Scheme may switch all or part of their holdings to any other open-end/closed-end scheme(s) (where switch-in is permitted) of the Mutual Fund. Such switch will be permitted only on maturity of the Scheme. Investors so desiring to switch may submit a switch request in writing (in the prescribed format if so required by the Mutual Fund/AMC) clearly indicating therein the details of the scheme(s) to which the switch is to be made and also the amount/Units to be switched from out of the Units held in this Scheme. The switch request will be subject to the minimum application size and other terms and conditions under this Scheme Information Document and the terms and conditions of the Scheme to which the amount is switched into. The switch request should be submitted within such time limit as may be specified by the Mutual Fund / AMC, subject to applicable Regulations.

#### **REDEMPTION AND MATURITY**

Being a closed end scheme, the AMC / Mutual Fund shall not repurchase the Units before the maturity of the Scheme in terms of SEBI circular No. SEBI/IMD/CIR NO.12/147132/08 dated December 11, 2008. Investors wishing to exit may do so through stock exchange mode.

The Scheme shall be fully redeemed at the end of its tenure from the Date of Allotment, unless rolled over as per SEBI guidelines.

Upon maturity, the Units outstanding will be automatically redeemed at the NAV of the Date of Maturity and proceeds will be paid to the Unitholder, without any further reference from the Unitholder.

In case the Units are held in physical form, the Unitholders need not surrender the Account Statement / Unit Certificate(s) for redemption on maturity. The Account Statement / Unit Certificates shall automatically stand cancelled on the maturity date and the redemption amount shall be paid to the Unitholders. For the units held in electronic form, the units will be extinguished with the depository and the redemption amount will be paid on the maturity date, at the prevailing NAV on that date. The maturity amount will be paid to the Unitholders whose names appear on the Register of Unitholders on the respective maturity dates, at the prevailing NAV on that date.

However, in case of the Units on which any lien or encumbrance is marked and such lien or encumbrance is subsisting on the Date of Maturity, the Unitholder will be required to procure a release of their lien / encumbrance pending which, the maturity proceeds will not be paid. The Unitholder shall not be entitled for any interest or compensation for any delayed or non-payment of the maturity proceeds till such time the Unitholder provides proof of the release of the lien / encumbrance to the satisfaction of the AMC/Mutual Fund.

Please note that if the Date of Maturity falls on a Non-Business Day or if the banks / stock exchanges remain closed on account of strike or any other unforeseen reason on the maturity Date, then the Scheme/Plan will mature on the following Business Day.

## **ROLL OVER**

The Trustee may, at its discretion, roll over the Scheme upon maturity. The Scheme may be allowed to be rolled over if the purpose, period and other terms of the roll over and all other material details of the Scheme including the likely composition of assets immediately before the roll over, the net assets and net asset value of the scheme, are disclosed to the unitholders and a copy of the same has been filed with the SEBI.

Provided further, that such roll over will be permitted only in case of those unitholders who express their consent in writing and the unitholders who do not opt for the roll over or have not given written consent shall be allowed to redeem their holdings in full at net asset value based price.

## **Suspension of Sale / Redemption**

The indicative list of circumstances under which sale and/or redemption or switching of units may temporarily be suspended on the stock exchange(s) on which the Units of the respective Plan(s) are listed, is as follows:

1. During the period of Book Closure.
2. In the event of any unforeseen situation that affects the normal functioning of the stock exchange(s).
3. If so directed by SEBI.

## **Facility for subscription, redemption and switch of units through stock exchange infrastructure:**

Franklin Templeton offers the facility to subscribe and redeem the units of schemes of Franklin Templeton Mutual Fund through the infrastructure of the National Stock Exchange of India Ltd. ("NSE") and BSE Ltd. ("BSE"). This facility is offered in terms of SEBI circulars and the guidelines issued by NSE and BSE in this regard from time to time.

This facility is available in all Plan(s) covered under this Scheme Information Document.

The salient features of this facility are as follows:

1. Eligible investors – This facility is currently available only to Individuals residing in India and non-individuals incorporated in India.
2. This facility for subscription [fresh purchase, additional purchase], redemption and switch of units of the eligible schemes is available for new investors as well as existing investors. The investors can subscribe, redeem and switch the units of the eligible schemes of Franklin Templeton Mutual Fund through the infrastructure of BSE Limited i.e. BSE StAR MF Platform through their RIAs.
3. In order to facilitate the transactions under this facility, NSE has launched Mutual Fund Service System ("MFSS") & NMF II and BSE has introduced BSE StAR MF platform. All trading members, clearing members and non-member Mutual Fund Distributors (MFD) who are registered with NSE, BSE and the Association of Mutual Funds in India ("AMFI") as Mutual Fund Advisors and are empanelled as distributor with Franklin Templeton Asset Management (India) Pvt. Ltd., the AMC, ("Eligible Stock Brokers" / "Eligible Clearing Members"/ "Eligible MFD") will be eligible to offer this facility to the investors.
4. Eligible investors who are willing to transact under this facility are required to register themselves with the Eligible Stock Broker / Eligible Clearing Members/ Eligible MFD.
5. All the Eligible Stock Brokers, Eligible Clearing Members and Eligible MFD will be considered as the Official Point of Acceptance of Transaction ("OPAT") for the transaction done under this facility. The cut-off timing and applicability of NAV for the transaction will be determined in accordance with the provisions of SEBI circular no. SEBI/IMD/CIR No.11/78450/06 dated October 11, 2006. The day and time of receipt of the transaction application by FTMF will be based on the time stamping as evidenced by the confirmation slip generated by the stock exchange infrastructure.
6. The investors have an option to hold the units in physical form (account statement) or dematerialised form. International Security Identification Numbers (ISIN) in respect of the plans/option of the eligible

schemes have been created and admitted in the National Securities Depository Ltd. (“NSDL”) and Central Depository Services (India) Ltd. (“CDSL”). Units shall be allotted in physical form or dematerialised form as per the request of the investor.

**7. For units issued in physical form (represented by Account Statement)**

7.1 Investors desirous of transacting (subscription or redemption) through the stock exchange infrastructure should approach an Eligible Stock Broker/ Eligible Clearing Members along with the duly filled in Application Form and other documents (including PAN and KYC) as required. For subscriptions, the payment of subscription money should be made to the Eligible Stock Broker/ Eligible Clearing Members. In case of Eligible MFD, the payment of subscription should be made directly to Clearing corporation (NCCL/CCL).

7.2 Dispatch of Account Statements and payment of redemption proceeds will be made by the Mutual Fund directly to the investor as per the normal service standard. The redemption payout will be made to the investor’s bank account as registered with the AMC based on the information furnished by the investor.

7.3 In case the investor wishes to dematerialise the units held in physical form, the AMC will facilitate the same with the Registrar, Depositories and Depository Participants.

**8. For units issued in dematerialised form**

8.1 Investors desirous of investing in dematerialised form need to have a Beneficiary Account with a Depository Participant (DP).

8.2 Investors desirous of transacting (subscription or redemption) through the stock exchange infrastructure should place the order with an Eligible Stock Broker or Eligible Clearing Member or Eligible MFD as currently followed for secondary market activities. For subscriptions, the payment of subscription money should be made to the Eligible Stock Broker or the Eligible Clearing Member or the Clearing Corporation. Investors shall receive units through broker/clearing member’s pool account. FTMF would credit the units into broker/clearing member’s pool account and broker/clearing member in turn to the respective investor’s demat account. For subscriptions received through Eligible MFD, the units will be credited directly to Investors scheme Account.

8.3 Completion of the PAN, KYC, FATCA, UBO and third party payment verification requirements of the Depository/ Depository Participant will be considered to be adequate compliance with the guidelines issued by SEBI in this regard for investment in mutual funds.

8.4 For redemptions, investors shall receive redemption amount through broker/clearing member’s pool account. Payment of redemption proceeds will be made by FTMF to the broker/clearing member and broker/clearing member in turn to the respective investor.

8.5 For redemption done through Eligible MFD, the redemption amount will be made by FTMF directly to Clearing corporation and in turn to the investor’s registered bank account.

8.6 Payment of redemption proceeds to the broker/clearing members by FTMF shall discharge FTMF/the AMC of its obligation of payment to individual investor. Similarly, in case of subscription, crediting units into broker/clearing member pool account shall discharge FTMF/the AMC of its obligation to allot units to individual investor.

8.7 Additionally, the Depository Participants (DP) of National Securities Depository Ltd. (“NSDL”) and Central Depository Services (India) Ltd. (“CDSL”) who are registered with the Association of Mutual Funds in India (“AMFI”) as Mutual Fund Advisors and are empanelled as distributor with Franklin Templeton Asset Management (India) Pvt. Ltd., the AMC, (“Eligible DPs”) can process redemption requests of the investors holding Beneficiary Account with the respective DP, in accordance with the guidelines issued by SEBI/NSDL/CDSL from time to time. For this purpose, all the Eligible DPs will be considered as the Official Point of Acceptance of Transaction (“OPAT”) for the redemptions done under this facility. The cut-off timing and applicability of NAV for the transaction will be determined in accordance with the guidelines issued by SEBI/NSDL/CDSL from time to time. For such redemptions, the payment of redemption proceeds will be made by the AMC/FTMF directly to the investor as per the normal service standard and will be made to the investor’s bank account based on the information furnished by the depositories.

8.8 The Account Statement of the Beneficiary Account with the DP will be sent by the respective DPs as per their service standards. The Account Statement issued by the DPs will be considered as adequate compliance of the requirements specified by SEBI for mutual funds with respect to dispatch of account statement to investors.

8.9 In case the investor wishes to re-materialise the units held in demat form, the AMC will facilitate the same with the Registrar, Depositories and Depository Participants.

9. For any complaints or grievances against the Eligible Stock Broker/Eligible Clearing Member/ Eligible MFD with respect to the transactions done through the stock exchange infrastructure, the investor should contact either the concerned Eligible Stock Broker/Eligible Clearing Member or the investor grievance cell of the respective stock exchange. For non-commercial transactions/service requests such as change in address, change in bank mandate, issue of duplicate account statements etc., the investors should approach any of the Franklin Templeton Investor Service Centres in case the units

are held in physical form and to their respective Depository Participant (DP) in case the units are held in demat form.

10. Applications which are incomplete or invalid in any respect or are conditional or ambiguous are liable to be rejected.
11. The investors will have to comply with the PAN and KYC requirements as prescribed by SEBI/BSE/NSE/NSDL/CDSL/Franklin Templeton Mutual Fund from time to time.
12. The facility shall be subject to the terms and conditions specified and guidelines issued by SEBI/BSE/NSE from time to time.
13. The Trustee/AMC reserves the right to change/modify or discontinue the facility at any time in future.

## **ACCOUNTS STATEMENTS**

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

### **A) Consolidated Account Statement**

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

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

#### **1. Unitholders who hold Demat Account**

The Account Statement containing details relating to all financial transactions (purchase, redemption, switch, systematic investment plan, systematic transfer plan, systematic withdrawal plan, dividend transfer plan, dividend payout, dividend reinvestment and bonus transactions) made by the unitholder across all mutual funds and transaction in dematerialised securities across demat accounts of the Unitholder will be sent by the Depositories, for each calendar month within 10th day of the succeeding month to the unitholders in whose folios transactions have taken place during that month.

CAS shall be sent every half yearly (September/ March), on or before 10th day of succeeding month, detailing holding at the end of the six month, to all such Unitholders in whose folios and demat accounts there have been no transactions during that period.

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

#### **2. Unitholders who do not hold Demat Account**

The Account Statement containing details relating to all financial transactions (purchase, redemption, switch, systematic investment plan, systematic transfer plan, systematic withdrawal plan, dividend transfer plan, dividend payout, dividend reinvestment and bonus transactions) made by the unitholder across all mutual funds where PAN of the investor is registered and holding at the end of the month including transaction charges, commission, if any, paid to the distributor, will be sent for each calendar month within 10th day of the succeeding month to the unitholders in whose folios transactions have taken place during that month.

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

Unitholders in whose folios no transaction has taken place during the last six months prior to the date of generation of account statement, the CAS detailing holding across all schemes of all mutual funds where PAN of the investor is registered, shall be sent at the end of every six months

(i.e. September/ March), on or before 10th day of succeeding month. Such CAS shall reflect the closing balance and value of the Units as at the end of the month.

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

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

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

**For normal transactions during ongoing sales and repurchase:**

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

**Half-yearly Statement:**

- The AMC shall provide the Account Statement to the Unitholders who are not having Valid PAN and have not transacted during the last six months prior to the date of generation of account statements. The Account Statement shall reflect the latest closing balance and value of the Units across all schemes in the respective folio, prior to the date of generation of the account statement.

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

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

**Dividend**

The dividend warrants shall be dispatched or the dividends would be otherwise distributed to the unitholders within 30 days of the date of declaration of the dividend.

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

**Redemption**

The redemption/maturity proceeds shall be dispatched to the unitholders within 10 working days from the date of maturity.

**Delay in payment of redemption / maturity proceeds / dividend**

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

**C. PERIODIC DISCLOSURES**

**Net Asset Value (NAV)**

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

The NAV shall be normally calculated for all Business Days.

The Mutual Fund is required to declare the NAV of the Scheme on every Business Day on AMFI's website [www.amfiindia.com](http://www.amfiindia.com) by 9.00 p.m. (current time limit for uploading NAV as per the SEBI guidelines) and also on our website [www.franklintempletonindia.com](http://www.franklintempletonindia.com). Unitholders may provide a specific request to Mutual Fund/ AMC to receive the latest available NAVs through SMS.



The publishing of NAV and sale and redemption prices as outlined above are as per the prevailing SEBI Regulations and are subject to change from time to time.

### **Redemption and Sale Prices**

While determining the prices of the units, the scheme shall ensure that the repurchase price is not lower than 93% of the Net Asset Value and the sale price is not higher than 107% of the Net Asset Value.

Provided further that the difference between the repurchase price and the sale price of the unit shall not exceed 7% calculated on the sale price.

## **PORTFOLIO / FINANCIAL RESULTS DISCLOSURE**

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

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

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

Mutual Fund shall publish an advertisement every half-year disclosing the hosting of the half-yearly statement of its schemes portfolio on its website and on the website of AMFI. Such advertisement shall be published in the all India edition of at least two daily newspapers, one each in English and Hindi. Mutual Fund shall provide a physical copy of the statement of its scheme portfolio, without charging any cost, on specific request received from a unitholder.

## **ANNUAL REPORT**

As required by the SEBI Regulations, the Fund will mail the scheme wise annual report or an abridged summary thereof to all the unitholders as soon as practical after 31st March each year but not later than four months thereafter, as the Trustee may decide. In case of unitholders whose e-mail addresses are available with the Mutual Fund, the annual report or the abridged summary, as the case may be, would only be sent by email and no physical copies would be mailed to such unitholders. However, those unitholders who still wish to receive physical copies of the annual report/abridged summary notwithstanding their registration of e-mail addresses with the Fund, may indicate their option to the AMC in writing and AMC shall provide the same without charging any cost. For the rest of the investors, i.e. whose email addresses are not available with the mutual fund, the AMC shall send physical copies of scheme annual reports or abridged summary to those unitholders who have 'opted-in' to receive physical copies. The AMC shall display the link of the scheme annual reports or abridged summary prominently on the Fund's website and AMFI website and make the physical copies available to the investors at its registered office at all times.

### **Associate Transactions**

Please refer to Statement of Additional Information (SAI)

### **Taxation**

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

The following summary outlines the key tax implications applicable to unit holders based on the relevant

provisions under the Income-tax Act, 1961 ('Act') and the amendments made by the Finance Act, 2018 (collectively called 'the relevant provisions').

**A) Tax implications to unitholders under Income Tax Act:**

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

Definitions under the Act

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

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

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

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

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

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

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

**Tax on income on units:**

Tax on income on units other than sale/ redemption (including Dividend) – Nil.

Tax on income on sale/redemption of units:

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

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

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

\* plus surcharge and health and education cess as may be applicable.

### Provisions regarding Dividend income and Bonus

Losses arising from the sale/redemption of units purchased within 3 months prior to the record date (for entitlement of dividends) and sold within 9 months after such date, is disallowed to the extent of income on such units (other than on sale/redemption) is claimed as tax exempt.

If an investor purchases units within 3 months before the record date (for entitlement of bonus) and sells/redeems the units within 9 months after that date, and by virtue of holding the original units, he becomes entitled to bonus units, then the loss arising on transfer of original units shall be ignored for the purpose of computing his income chargeable to tax. In fact, the loss so ignored will be treated as cost of acquisition of such bonus units.

#### Note 1:

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

| Slab  | Tax rate *   |
|---|--|
| Total income upto Rs.250,000 <sup>#</sup>             | Nil  |
| More than Rs.250,000 <sup>#</sup> but upto Rs.500,000 | 5 percent of excess over Rs 250,000                                |
| More than Rs.500,000 but upto Rs.1,000,000            | 20 percent of excess over Rs. 500,000 + Rs.12,500 <sup>\$</sup>    |
| Exceeding Rs.1,000,000                                | 30 percent of excess over Rs 1,000,000 + Rs.1,12,500 <sup>\$</sup> |

\* plus surcharge, if applicable and health and education cess

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

<sup>\$</sup> Similarly for resident senior citizens of sixty years of age and above but below eighty years of age, Rs.12,500 has to be read as 10,000 and Rs.1,12,500 has to be read as Rs. 1,10,000. And for resident senior citizens of eighty years of age and above Rs. 12,500 has to be read as Nil and Rs.1,12,500 has to be read as Rs. 100,000

A resident individual (whose total income does not exceed Rs.350,000) can avail rebate under section 87A. It is deductible from income tax before calculating education cess. The amount of rebate available would be 100% of income-tax chargeable on his total income or Rs.2,500, whichever is less.

The corporate tax rate for domestic companies is 30 per cent [plus applicable surcharge and health and education cess]. However, the tax rate applicable to foreign companies is 40 per cent [plus applicable surcharge and education cess]. Further, the FA 2018 provides that in case of a domestic company, where the total turnover or gross receipts of such company for financial year 2016-17 does not exceed Rs 250 crores, the rate of tax shall be 25 percent [plus applicable surcharge and education cess].

The tax rate for partnership firms, including LLPs is 30 per cent [plus applicable surcharge and education cess].

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

#### Schemes other than equity oriented fund:

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

\* plus surcharge and health and education cess as may be applicable.

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

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

In absence of any information of total income of a unit holder being a non-resident, taxes shall be deducted at source after considering the highest rate of applicable surcharge for the respective financial year

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

The Finance Act 2016 has amended section 206AA of the Act to provide that the provisions section 206AA shall not apply to non-residents in respect of payment of interest on long-term bonds as referred to in section 194LC and any other payment subject to such conditions as may be prescribed.

The CBDT, vide its notification dated 24 June 2016, has clarified that the provisions of section 206AA shall not apply to non-residents in respect of payment on transfer of capital assets provided the non-residents provide the following information to the payer of such income:

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

#### **Dividend Distribution Tax (DDT)**

The Mutual Fund will be required to pay dividend distribution tax ('DDT') as follows on the dividends distributed by the Scheme:

- DDT to be paid on funds other than equity oriented funds , a money market mutual fund , a liquid fund at the following rates:

For income distributed to any individual or a Hindu Undivided family  
at **29.12%** (including surcharge and health and education cess) on dividend distributed

For income distributed to any other person  
at **34.944%** (including surcharge and health and education cess) on dividend distributed

**Income distribution tax payable by the distributing company/mutual fund would be at the rates specified above on the net amount of dividend distributed (i.e. the taxes would be grossed up)**

#### **B) Securities Transaction Tax (STT)**

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

**For further details, please refer to the SAI.**

#### **INVESTOR SERVICES**

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

investor can contact the Investor Service Cell at the following address:

**Investor Services, Franklin Templeton Mutual Fund**

Unit 301, III Floor, Campus 4B, RMZ Millenia Business Park, 143 Dr. MGR Road, Kandanchavadi, Chennai 600096

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

**E-mail:** service@franklintempleton.com

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

**Grievances under ASBA Facility:**

All grievances relating to the ASBA facility may be addressed to the respective SCSBs, giving full details such as name, address of the applicant, number of Units applied for, counterfoil or the application reference given by the SCSBs, DBs or their Controlling Branches, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Investor.

**COMPUTATION OF NAV**

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

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

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

Valuation of the scheme's assets, calculation of the scheme's NAV and the accounting policies & standards will be subject to such norms and guidelines that SEBI may prescribe from time to time. For the detailed Valuation Policy and the accounting policy of the AMC, please refer the Statement of Additional Information.

**05. FEES AND EXPENSES OF THE SCHEME**

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

**NFO EXPENSES**

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationary, bank charges etc. The entire sales, marketing and such other expenses connected with sales and distribution of scheme during the New Fund Offer shall be borne by the AMC.

**ANNUAL SCHEME RECURRING EXPENSES:**

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

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

The maximum annual recurring expenses that can be charged to the Scheme, excluding issue or redemption expenses, whether initially borne by the mutual fund or by the asset management company, but including the investment management and advisory fee shall be within the limits stated in Regulations 52 read with SEBI circular no. CIR/IMD/DF/21/2012 dated September 13, 2012, as follows:

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

|                    |                   |                   |                   |
|--------------------|-------------------|-------------------|-------------------|
| First Rs.100 crore | Next Rs.300 crore | Next Rs.300 crore | Over Rs.700 crore |
| 2.25%              | 2.00%             | 1.75%             | 1.50%             |

Pursuant to SEBI (Amendment) Regulation, 2018 dated December 13, 2018, effective April 01, 2019 the total expenses charged shall not exceed 1% of the daily net assets of the scheme including the investment management and advisory fee.

(II) In addition to the above, the following costs or expenses may be charged to the Scheme, namely-

(a) brokerage and transaction costs which are incurred for the purpose of execution of trade and is included in the cost of investment, not exceeding 0.12% in case of cash market transactions and 0.05% in case of derivatives transactions; the securities transaction tax (STT) will continue to be included in the cost of investment and will not come under the limit of 0.12% mentioned above.

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

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

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

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

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

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

Within such total recurring expenses charged to the scheme as above, the investment management and advisory fee (charged as a percentage of daily net assets) would be as decided by the AMC from time to time, provided that the investment management and advisory fee shall not exceed the aggregate of expenses charged under clause (I) and (II)(c) above.

The total annual recurring expenses of the Scheme including the investment management and advisory fee (together with additional management fee wherever applicable) shall not exceed the limit stated in Regulation 52 read with aforesaid SEBI circular dated September 13, 2012, as explained above.

In terms of aforesaid SEBI circular dated September 13, 2012, the AMC shall annually set apart at least 0.02% on daily net assets within the maximum limit of recurring expenses as per Regulation 52 for investor education and awareness initiatives.

Any excess over these specified ceilings would be borne by the AMC.

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

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

The AMC has estimated the following recurring expenses for the first Rs.100 crores of Average Daily Net Assets:

| Particulars  | % of Average Daily Net Assets |
|--|-------------------------------|
| Recurring expenses permissible under Regulation 52(6)(c)(i): | (a) + (b) - not               |

| Particulars   | % of Average Daily Net Assets          |
|---|--|
| (a) Investment Management and Advisory Fee  | exceeding 2.25% of daily net assets    |
| (b) Expenses -  |  |
| - Custodial Fees  |  |
| - Registrar & Transfer Agent Fees including cost related to providing accounts statement, dividend/redemption cheques/warrants etc., Listing Fees   |  |
| - Marketing & Selling Expenses including distributor /agent Commission, brokerage & transaction Cost pertaining to the distribution of units and statutory advertisements   |  |
| - Costs related to investor communications  |  |
| - Expenses towards investor education and awareness initiatives (at least 0.02%)  |  |
| - Fees and Expenses of Trustees / Audit Fees  |  |
| - Costs of fund transfer from location to location  |  |
| - Goods and Service Tax on expenses other than investment and advisory fees   |  |
| - Brokerage and transaction costs (including Goods and Service Tax) incurred for the purpose of execution of trade in excess of 0.12%(in case of cash market transactions) /0.05% (in case of derivatives transactions) |  |
| - Other permissible expenses  |  |
| (c) Goods and Service Tax on investment and advisory fees   | At actual                              |
| (d) Expenses in case of inflows from retail investors from cities beyond Top 30 cities charged proportionately under Regulation 52(6A)(b) (refer II(b) above)   | not exceeding 0.30% of daily net asset |

Pursuant to SEBI (Amendment) Regulation, 2018 dated December 13, 2018, effective April 1, 2019 the total expenses charged shall not exceed 1% of the daily net assets of the scheme.

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

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

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

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

| Illustration of expenses and impact on the return   |              |             |              |
|---|--------------|-------------|--------------|
|   | Amount       | Units       | NAV Per Unit |
| Opening Investment and NAV Per Unit for the Day (a) | 1,000,000.00 | 100,000.000 | 10.0000      |
| Closing Investment and NAV Per Unit for the Day (b) | 1,100,000.00 | 100,000.000 | 11.0000      |
| NAV Movement (c = a – b)                            | 100,000.00   |             | 1.0000       |
| Return for the Day after expenses (d = (c / a) %)   | 10.0000%     |             | 10.0000%     |
| TER % (e)   | 2%           |             |              |
| Expenses for the Day (f = (b * e)/365 days)         | 60           |             | 0.0006       |
| Impact on Return due to Expenses % (g = (f / a) %)  | 0.0060%      |             |              |
| Value of investment prior to expense (h = b + f)    | 1,100,060    |             | 11.0006      |
| Return prior to expenses for the Day (i = d + g)    | 10.0060%     |             |              |

**Notes:**

- *The above illustration is provided only to explain the impact of expense ratio on scheme's returns, and not to be construed as providing any kind of investment advice or guarantee on returns on investments*
- *The Expense are charged on the closing asset under management, and are subject to change on a periodic basis*
- *The investments under 'Direct' shall have a lower expense ratio excluding distribution expenses, commission, etc., and no commission shall be paid on investments under Direct Plan. The Direct Plan shall also have a separate NAV.*
- *The tax impact has not been considered in the above illustration. In view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.*

**LOAD STRUCTURE**

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

|   | <b>As % of NAV</b>   |
|---|--|
| Sales / Entry load on purchase / subscription | 0%   |
| Exit Load on redemption / repurchase          | 0%   |
| Load on Switch / Exchange                     | Switch-in: Same as entry load<br>Switch-out: Same as exit load |

In accordance with the requirements specified by the SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009 no entry load will be charged for purchase/additional purchase/switches accepted by the Mutual Fund.

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

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

For the information of the investors, any introduction / change of load in the Scheme may be put up on the website of the Mutual Fund. The addendum detailing the changes may be circulated among the Investor Service Centres / Distributors / Brokers under directions to display it at their respective offices in form of a Notice and attach it to the copies of Scheme Information Documents and Key Information Memorandum (if required) already in stock. The addendum may be published by way of a public notice or advertisement in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated. The addendum may also be sent via e-mail to the unitholders who have registered their e-mail i.d. with the Mutual Fund. The load may also be disclosed in the account statement issued after the introduction of such load.

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

**Credit of exit load to scheme:**

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

**Load on bonus/dividend re-investment units:** In terms of SEBI circular SEBI/IMD/CIR No.14/120784/08 dated March 18, 2008, no entry and exit load shall be charged on bonus units or units allotted on reinvestment of dividend.



## 06. RIGHTS OF UNITHOLDERS

Please refer the SAI for details.

## 07. GENERAL UNITHOLDER INFORMATION

### FOLIO / ACCOUNT NUMBER

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

### RESPONSE TIMES

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

| <u>Activity</u>                     | <u>From date of receipt</u> |
|-------------------------------------|-----------------------------|
| Account Statement Mailing/e-mailing | 5 working days              |
| Dispatch of redemption proceeds     | 10 working days             |
| Dispatch of dividend payout         | 30 days                     |

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

### SCHEME TO BE BINDING ON THE UNITHOLDERS

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

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

- All disclosures regarding penalties and action(s) taken against foreign Sponsor(s) may be limited to the jurisdiction of the country where the principal activities (in terms of income / revenue) of the Sponsor(s) are carried out or where the headquarters of the Sponsor(s) is situated. Further, only top 10 monetary penalties during the last three years shall be disclosed. - **NIL**
- In case of Indian Sponsor(s), details of all monetary penalties imposed and/ or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years shall also be disclosed –
  - In March-April 2014, Franklin Templeton Asset Management (India) Pvt. Ltd. (the Company) made a proprietary investment of Rs. 5,00,000 into MF Utilities India Pvt. Ltd (MFU) to acquire 4.54% of MFU's equity shares (the "Investment") under the belief that the investment falls under automatic approval route under the FEMA laws. In 2016, the Foreign Investment Promotion Board (FIPB) observed that the investee company's activities were of such a nature that the Company should have sought prior approval for its Investment. The Company thereafter sought and received post facto approval for the Investment from the FIPB and approached RBI to compound the contravention. As directed by RBI vide its Compounding order No. 703/2017 dated December 6, 2017, the company has paid INR 53,000/- (INR Fifty three thousand only) to compound the matter.
  - In connection with an inspection carried out by the Registrar of Companies (ROC) in 2010 and the

response filed by the company in 2011, the company and some of its directors including ex-directors received a show-cause notice dated 17-Dec-2017 from the office of the ROC. The show cause notice indicated observations made by the inspection team about some irregularity under section 193 of Companies Act 1956. Further to the approval obtained from the Board of Directors, the Company has applied to compound the violation under section 621A/441 of Companies Act 1956/2013.

- ❑ Details of all enforcement actions taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party. The details of the violation shall also be disclosed -

SEBI vide its Adjudication order No. NP/JS/AO/4-6/2016 dated November 29, 2016, levied a total penalty of Rs. 10,00,000/- (Rs. Ten lakhs only) on Franklin Templeton Mutual Fund (FTMF), Franklin Templeton Trustee Services Private Ltd (Trustee) and Franklin Templeton Asset Management (I) Pvt. Ltd. (AMC). In the order, the adjudicating officer concluded that while the Investment Committee constituted by the AMC had discharged its functions, use of the term "Informal Group" to describe the constitution of Investment Committee (IC) and the inclusion of International CIO based outside India as a member of the IC were in violation of SEBI Circular MFD/CIR/15/19133/2002 dated September 30, 2002 read with Regulation 10(a) of SEBI (Mutual Funds) Regulations 1996 and Regulation 25(18) of SEBI (Mutual Funds) Regulations, 1996.

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

#### **INTERNATIONAL OPERATIONS**

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

TII is not involved in litigation incidental to the business of Franklin Templeton Mutual Fund.

#### **INDIAN OPERATIONS**

- The AMC is involved from time to time in litigation relating to claims arising in the normal course of business. The Company is of the opinion that the ultimate resolution of such claims will not materially affect its business or financial position.
- ❑ Any deficiency in the systems and operations of the Sponsor(s) and/ or the AMC and/ or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency, shall be disclosed: **Nil**

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

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

The Scheme under this Scheme Information Document was approved by the Trustee vide its resolution dated December 18, 2018. It is ensured by the Trustee that the Scheme has received in-principle approval for listing on January 02, 2019 from NSE and that the appropriate disclosures pertaining to listing of Units is made in this Scheme Information Document.

For **FRANKLIN TEMPLETON ASSET MANAGEMENT (INDIA) PVT. LTD.**  
Investment Manager: FRANKLIN TEMPLETON MUTUAL FUND

Sd/-  
Sanjay Sapre  
President

## DIRECTORY

|   |   |   |
|---|---|---|
| <b>Sponsor</b><br>Templeton International, Inc.<br>300 S.E. 2nd Street, 11th Floor,<br>Fort Lauderdale, FL 33301,<br>USA.   | <b>Investment Manager</b><br>Franklin Templeton Asset<br>Management (India) Pvt. Ltd.<br>Indiabulls Finance Centre,<br>Tower 2, 12th and 13th Floor,<br>Senapati Bapat Marg,<br>Elphinstone Road (West),<br>Mumbai 400013 | <b>Trustee</b><br>Franklin Templeton Trustee<br>Services Pvt. Ltd.<br>Indiabulls Finance Centre, Tower 2,<br>12th and 13th Floor, Senapati<br>Bapat Marg, Elphinstone Road<br>(West), Mumbai 400013 |
| <b>Registrars</b><br>Franklin Templeton Asset<br>Management (India) Pvt. Ltd.<br>Unit 301, III Floor, Campus 4B,<br>RMZ Millenia Business Park,<br>143 Dr. MGR Road,<br>Kandanchavadi<br>Chennai 600096 | <b>Custodians</b><br>Citibank, N.A.<br>11th Floor, First International<br>Financial Centre (FIFC) C-54 &<br>C-55, G Block, Bandra Kurla<br>Complex, Bandra (East),<br>Mumbai – 400 098                                    | <b>Auditors</b><br>S. R. Batliboi & Co. LLP<br>12th Floor, The Ruby, 29 Senapati<br>Bapat Marg, Dadar (W), Mumbai –<br>400 028  |

### Franklin Templeton Branch Offices (Investor Service Centres)

| Name of the Branch | Address   |
|--------------------|---|
| Ahmedabad          | 202 Abhijit-III, Opp. Mayor's Bungalow, Mithakhali Six Roads Navrangpura, Ahmedabad 380009<br>Fax: (079) 26462685     |
| Allahabad          | S N Tower, 4C Maharishi Dayananad Marg, Opp. Radio Station, Civil Lines, Allahabad-211001                             |
| Bangalore          | 26-27, 1st floor, Northern Area West Wing, Raheja Towers MG Road, Bangalore – 560001. Fax-080-67149595                |
| Bhubaneswar        | 77, Kharavel Nagar, Unit III, Janpath, Bhubaneswar 751001<br>Fax: (0674) 2531026                                      |
| Bhopal             | Guru Arcade, 2nd Floor, Ramgopal Maheshwari Marg, Plot No.153, M P Nagar Zone 1, Bhopal – 462011                      |
| Chandigarh         | S.C.O 413-414, 1st Floor, Sector 35-C, Chandigarh - 160022<br>Fax: (0172)-2622341                                     |
| Chennai            | Century Centre, 75 T.T.K. Road, Alwarpet, Chennai 600018<br>Fax: (044) 24987790                                       |
| Cochin (Kochi)     | 41/418-C, Chicago Plaza, First Floor, Rajaji Road, Ernakulam, Cochin 682035<br>Fax: (0484) 2373076                    |
| Coimbatore         | 424-C Red Rose Towers, Second Floor, D. B. Road, R. S. Puram, Coimbatore 641002<br>Fax: (0422) 2470277                |
| Dehradun           | Shop No. 5 , 1st Floor, Swaraj Complex, Opp. Hotel Madhuban, Rajpur Road, Dehradun—248001<br>Fax: (0135) 2719873      |
| Guwahati           | ITAG Plaza, 2nd Floor, Office No. 2C, G.S. Road, Main Road, ABC, Guwahati – 781005                                    |
| Hyderabad          | Unit No 402, 6-3-1085/1 4th Floor, Dega Towers Rajbhavan Road, Somajiguda , Hyderabad-500 082<br>Fax: (040) 23400030  |
| Indore             | 101, Starlit Towers, Opp. State Bank of India, Head Office, 29/1 Y. N. Road, Indore 452001<br>Fax: (0731) 4201507     |
| Jaipur             | 250 Ganpati Plaza, M. I. Road, Jaipur 302001<br>Fax: (0141) 5114178   |
| Jalandhar          | BX III 455, Shakti Tower, Upper Basement, Below Vishal Mega Mart, G. T. Road, Jalandhar 144001<br>Fax: (0181) 5080783 |
| Jamshedpur         | Fair Deal Complex, 1st Floor, Office Unit 1B, Main Road, Opp. Ram Mandir,   |

|               |  |
|---------------|--|
|               | Bistupur, Jamshedpur-831001  |
| Kanpur        | Office No.208-09, 14/113 KAN Chambers Civil Lines, Kanpur 208001<br>Tel: (0512) 6454091/92   |
| Kolkata       | 2D & 2E Landmark Building, Second Floor, 228-A, A.J.C. Bose Road, Kolkata 700020<br>Fax: (033) 44000561  |
| Lucknow       | 2 Uttam Palace, First Floor, 3 Sapru Marg, Lucknow 226001<br>Fax: (0522) 2231104/06566766  |
| Ludhiana      | SCO-37, First Floor, Feroze Gandhi Market, Ludhiana 141001<br>Fax: (0161) 3012101  |
| Madurai       | Suriya Towers, 1st floor, Door No 272 /273, Good Shed Street, Madurai 625001<br>Fax: (0452) 2350144  |
| Mangalore     | First Floor, Manasa Towers, M. G. Road, Kodialbail, Mangalore 575003<br>Fax: (0824) 2493749  |
| Mumbai        | (a) Unit No.202/203/204, 2nd Floor, Dalamal Tower, Plot No. 211, Free Press Journal Marg, Nariman Point, Mumbai - 400 021<br><br>Fax: (022) 22810923<br>(b) Indiabulls Finance Centre, Tower 2, 13th Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400013<br>Fax: (022) 66391284 |
| Nagpur        | Shop No. 3 & 4, Ground Floor, Maharshi Shivpad Complex, Plot No. 262, West High Court Road, Bajaj Nagar, Nagpur 440010<br>Fax: (0712) 2242238  |
| Nashik        | 2nd Floor, Bedmutha's Navkar Heights, New Pandit Colony, Near Rajiv Gandhi Bhavan, Saharanpur Road, Nashik 422002<br>Fax: (0253) 2574329   |
| New Delhi     | 707-710, 7th Floor, Ashoka Estate Building, 24 Barakhamba Road, New Delhi 110001<br>Fax: (011) 23752019  |
| Patna         | 505 Ashiana Hariniwas Apartments, Dak Bungalow Road, Patna 800001<br>Fax: (0612) 2201762   |
| Panjim        | J N Chambers, Third floor, Opp. Mahalaxmi Chambers, Dr. Shirgaonkar Road, Panaji, Goa 403001   |
| Pune          | 401, Karan Selene, above Yes Bank, 187, Bhandarkar Road, Pune 411004<br>Fax: (020) 25665221  |
| Raipur        | Shop No. 310, 3rd Floor, Lalganga Shopping Mall, G. E. Road, Raipur 492001<br>Fax: (0771) 4033614  |
| Rajkot        | Ankur Building, 1/B, 1st floor, Dr. Radhakrishna Road, Nr. Moti Tanki Chowk, Rajkot - 360001   |
| Ranchi        | Saluja Tower, 6th Floor, Peepe Compound, Sujata Chowk, Main Road, Ranchi – 834001  |
| Salem         | 214/215, Second Floor, Kandaswarna Shopping Mall, Sarada College Road, Salem 636016<br>Fax: (0427) 2446854   |
| Surat         | HG-29 International Trade Centre, Majura Gate Cross Road Signal, Ring Road, Surat 395002<br>Fax: (0261) 2473744  |
| Trichy        | Arun Arcade, 75/1, First Floor, First Cross, North East Extension, Thillainagar, Trichy 620018<br>Fax: (0431) 2760013  |
| Vadodara      | 104-107 Spenta Complex, First Floor, Opposite Pizza Hut, Near Ambedkar Circle, Race Course Road, Vadodara 390007<br>Fax: (0265) 2356038  |
| Varanasi      | 4th Floor, Kuber Complex, Rathyatra Crossing, Varanasi 221010<br>Fax: (0542) 6454370/71  |
| Vijayawada    | White House, First Floor, Room # 2, M. G. Road, Vijayawada 520010<br>Fax: (0866) 6695550   |
| Visakhapatnam | 204, First Floor, Eswar Plaza, Dwaraka Nagar, Visakhapatnam 530016<br>Fax: (0891) 6666806  |

**National Call Centre:**

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

**Collection Centres:****A) Branch Offices of Karvy Fintech Pvt. Ltd.**

| Name of the Branch              | Address   |
|---------------------------------|---|
| Agra                            | 17/2/4, 1st Floor, Deepak Wasan Plaza, Opp Megdoot Furnitures, Sanjay Place, Behind Holiday Inn, Agra - 282 002 |
| Anand (Gujarat)                 | B-42 Vaibhav Commercial Center; Near TVS Down Town Show Room Grid, Char Rasta, Anand 380001                     |
| Aurangabad (Maharashtra)        | Ramkunj, Railway Station Road, Near Osmanpura Circle, Near N-Mart Aurangabad 431005                             |
| Balasore (Odisha)               | M S Das Street, Gopalgaon, Balasore 756001  |
| Bankura (West Bengal)           | Ground Floor, Ambika Market Complex, Natunganj, Bankura 722101  |
| Bellary (Karnataka)             | Shree Gayathri Towers, #4, 1st Floor, K.H.B.Colony, Gopaldaswamy Mudaliar Road, Gandhi Nagar, Bellary - 583103  |
| Bhavnagar (Gujarat)             | 303, sterling point, Waghawadi road, Bhavnagar - 364001   |
| Bhopal (Madhya Pradesh)         | Kay Kay Business Centre, Above City Bank, 133, Zone 1, M. P. Nagar, Bhopal 462011                               |
| Calicut (Kerala)                | First floor, Savithri building, Opp. Fathima hospital, Bank road, Calicut – 673001, Kerala                      |
| Chinsurah-Hooghly (West Bengal) | J. C. Ghosh Sarani, Banga Gara, Near Bus Stand, Chinsura 712101   |
| Erode (Tamil Nadu)              | No. 4, KMY Salai, Veerappan Traders Complex, Opp. Erode Bus Stand, Sathy Road, Erode 638003                     |
| Gaya (Bihar)                    | 54 Lal Kothi Compound, Shree Krishna Road, 2nd Floor, North Side, Near Royal Surya Hotel, Gaya - 823001         |
| Gurgaon (Haryana)               | Shop No. 18, Ground Floor, Sector 14, Opp. AKD Tower, Near Huda Office, Gurgaon 122001                          |
| Haridwar (Uttaranchal)          | 8, Govind Puri, Opp. LIC – 2, Above Vijay Bank, Main Road, Ranipur More, Haridwar - 249401                      |
| Jalgaon (Maharashtra)           | 269, Jaee Vishwa, 1st Floor, Baliram Peth, Above United Bank Of India, Near Kishor Agencies, Jalgaon 425001     |
| Jalpaiguri (West Bengal)        | DBC Road, Opp Nirala Hotel, Jalpaiguri - 735101   |
| Jamnagar (Gujarat)              | 136-137-138 Madhav Palaza, Opp. SBI Bank, Near Lal Bunglow, Jamnagar 361001                                     |
| Korba (Chatisgarh)              | 1st Floor, City Centre, 97 IRCC, Transport Nagar, Korba-495677  |
| Kurnool (Andhra Pradesh)        | Shop No.43, 1st Floor, S V Complex, R S Road, Near SBI Main Branch, Kurnool 518004                              |
| Malappuram (Kerala)             | First Floor, Peekays Arcade, Down Hill, Malappuram - 676505   |
| Mirzapur (Uttar Pradesh)        | Abhay Yatri Niwas, 1st Floor, Abhay Mandir, Above HDFC Bank, Dankin Gunj, Mirzapur - 231001.                    |
| Nadiad (Gujarat)                | 104/105, Near Paras Cinema, City Point Nadiad, Nadiad - 387001  |
| Nanded (Maharashtra)            | Shop No.4, Santakripa Market, G G Road, Opp. Bank of India, Nanded - 431601                                     |
| Nizamabad (Telangana)           | HNo:5-6-430, Above Bank of Baroda First Floor, Beside HDFC Bank, Hyderabad Road, Nizamabad - 503003             |
| Pondicherry                     | First Floor, No.7, Thiayagaraja Street, Pondicherry 605001  |
| Shillong (Meghalaya)            | Annex Mani Bhawan, Lower Thana Road, Police Bazar, Shillong 793001  |
| Silchar (Assam)                 | N.N. Dutta Road, Chowchakra Complex, Premtala, Silchar - 788001   |
| Trichur (Kerala)                | 2nd Floor, Brother's Complex, Near Dhana Laxmi Bank Head Office, Naikkanal Junction, Trichur 680001             |

|                     |  |
|---------------------|--|
| Trivandrum (Kerala) | 2nd Floor, Akshaya Towers, Sasthamangalam, Trivandrum 695010 |
|---------------------|--|

B) Branch Office of **Computer Age Management Services Pvt. Ltd.**

| Name of the Branch         | Address   |
|----------------------------|---|
| Agartala (Tripura)         | Krishnanagar Advisor Chowmuhani (Ground Floor), Agartala - 799 001  |
| Agra (Uttar Pradesh)       | No.8, 2nd Floor, Maruti Tower, Sanjay Place, Agra 282002  |
| Ahmedabad (Gujarat)        | 111-113, 1st Floor - Devpath Building Off C G Road, Behind Lal Bungalow, Ellis Bridge, Ahmedabad 380006   |
| Ahmednagar (Maharashtra)   | B, 1+3, Krishna Enclave Complex, Near Hotel Natraj, Nagar-Aurangabad Road, Ahmednagar 414001  |
| Ajmer (Rajasthan)          | AMC No. 423/30, Near Church Brahampuri, Opp. T B Hospital, Jaipur Road, Ajmer 305001  |
| Akola (Maharashtra)        | Opp. RLT Science College, Civil Lines, Akola 444001   |
| Aligarh (U.P.)             | City Enclave, Opp. Kumar Nursing Home, Ramghat Road, Aligarh 202001   |
| Allahabad (Uttarpradesh)   | 30/2, A&B, Civil Lines Station, Besides Vishal Mega Mart, Strachey Road, Allahabad 211001   |
| Alleppey (Kerala)          | Doctor's Tower Building, Door No. 14/2562, 1st floor, North of Iorn Bridge, Near Hotel Arcadia Regency, Alleppey - 688 001  |
| Alwar (Rajasthan)          | Plot No -256 A , Scheme number 1, Arya Nagar, Alwar - 301001  |
| Amaravati (Maharashtra)    | 81, Gulsham Tower, 2nd Floor, Near Panchsheel Talkies, Amaravati 444601   |
| Ambala (Haryana)           | Opposite PEER Bal Bhavan Road, Ambala 134003  |
| Amritsar (Punjab)          | SCO - 18J, ' C' Block, Ranjit Avenue, Amritsar 140001   |
| Anand (Gujarat)            | 101, A.P. Tower, Next to Nathwani Chambers, B/h Sardar Gunj, Anand 388001   |
| Anantapur (Andhra Pradesh) | 15-570-33, 1st Floor, Pallavi Towers, Opp. Canara Bank, Subhash Road Anantapur 515001   |
| Andheri (Maharashtra)      | 351, Icon, 501, 5th floor, Western Express Highway, Andheri East, Mumbai – 400 069  |
| Ankleshwar (Gujarat)       | Shop No - F -56 First Floor, Omkar Complex, Opp. Old Colony, Near Valia Char Rasta, GIDC Ankleshwar- Bharuch 393002   |
| Asansol (West Bengal)      | Block – G 1st Floor P C Chatterjee Market Complex, Rambandhu Talab P O Ushagram Asansol 713303  |
| Bangalore (Karnataka)      | a.Trade Centre, 1st Floor 45, Dikensen Road ( Next to Manipal Centre ) Bangalore 560042<br>b. 17/1,-(272) 12th cross road, First floor, Wilson garden, Bangalore-560027 |
| Bankura (West Bengal)      | Cinema Road, Nutanganj, Beside Mondal Bakery, PO & District, Bankura 722101   |
| Bareilly (Uttarpradesh)    | F-62-63, Second Floor Butler Plaza, Civil Lines Bareilly-243001   |
| Belgaum (Karnataka)        | Classic Complex, Block no 104, 1st Floor, Saraf Colony, Khanapur Road, Tilakwadi, Belgaum - 590 006.  |
| Bhagalpur (Bihar)          | Krishna 1st Floor, Near Mahadev Cinema, Dr.R.P.Road, Bhagalpur 812002   |
| Bharuch (Gujarat)          | A-111, First Floor, R K Casta, Behind Patel Super Market, Station Road, Bharuch -392001   |
| Bhatinda (Punjab)          | 2907 GH, GT Road, Near Zila Parishad, Bhatinda - 151 001  |
| Bhavnagar (Gujarat)        | 305 – 306 Sterling Point, Waghawadi Road, Opp. HDFC BANK, Bhavnagar 364002  |
| Bhilai (Chhattisgarh)      | 1st Floor, Plot No.3, Block No.1 Priyadarshini Pariswar west, Behind IDBI Bank, Nehru Nagar Square, Bhilai – 490020 Chhattisgarh  |
| Bhilwara (Rajasthan)       | Indra Prasta Tower, 2nd floor, Syam Ki Sabji Mandi, Near Mukerjee Garden, Bhilwara - 311 001  |
| Bhopal (Madhya Pradesh)    | Plot no 10, 2nd Floor, Alankar Complex, Near ICICI Bank, MP Nagar, Zone II, Bhopal 462011   |
| Bhuj (Gujarat)             | Office No. 4-5, First Floor RTO Relocation Commercial Complex –B Opp. Fire Station, Near RTO Circle, Bhuj-Kutch- 370001   |

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| Bikaner (Rajasthan)        | Behind Rajasthan Patrika, In front of Vijaya bank 1404, Amar Singh Pura, Bikaner -334 001  |
| Bilaspur (Chattisgarh)     | Shop No. B - 104, First Floor Narayan Plaza, Link Road Bilaspur, Chattisgarh – 495001  |
| Bohorompur (West Bengal)   | 107/1, A C Road, Ground Floor, Bohorompur, Murshidabad, Pin - 742103, West Bengal  |
| Bokaro (Jharkhand)         | Mazzanine Floor F-4, City Centre, Sector 4, Bokaro Steel City, Bokaro 827004   |
| Borivali (Maharashtra)     | Hirji Heritage, 4th Floor, Office no 402, Landmark: Above Tribhuwandas Bhimji Zaveri (TBZ), L.T. Road, Borivali – West Mumbai - 400 092    |
| Burdwan (West Bengal)      | 1st Floor Above Exide Showroom 399 G T Road Burdwan-713101 West Bengal   |
| Chandrapur (Maharashtra)   | Opp Mustafa Decor, Near Bangalore Bakery, Kasturba Road, Chandrapur, Maharashtra - 442 402   |
| Chennai (Tamil Nadu)       | Ground Floor No.178/10, Kodambakkam High Road, Opp. Hotel Palmgrove Nungambakkam, Chennai 600034   |
| Coimbatore (Tamil Nadu)    | No. 1334, Thadagam Road, Thirumoorthy Layout, R S Puram, (Behind Venakteshwara Bakery), Coimbatore – 641002                                |
| Cuttack (Orissa)           | Near Indian Overseas Bank, Cantonment Road, Mata Math, Cuttack 753001  |
| Davenegere (Karnataka)     | 13, 1st Floor, Akkamahadevi Samaj Complex, Church Road, P.J.Extension, Devengere 577002  |
| Delhi (New Delhi)          | 7-E, 4th Floor Deen Dayaal Research Institute Building, Swami Ram Tirath Nagar, Near Videocon Tower Jhandewalan Extension New Delhi 110055 |
| Dhanbad (Jharkhand)        | Urmila Towers, Room No: 111(1st Floor), Bank More Dhanbad 826001   |
| Dhule (Maharashtra)        | H. No. 3140 J.B. Road Near Tower Garden Opp Liberty Furniture Dhule – 424001 Maharashtra   |
| Durgapur (West Bengal)     | Plot No 3601 Nazrul Sarani City Centre Durgapur – 713216 West Bengal   |
| Dibrugarh (Assam)          | Amba Complex, Ground Floor, H S Road, Dibrugarh - 786001   |
| Faridhabad (Haryana)       | B-49, 1st Floor Nehru Ground, Behind Anupam Sweet House, NIT Faridhabad 121001   |
| Firozabad (Uttar Pradesh)  | 53,1st Floor, Shastri Market, Sadar Bazar, Firozabad - 283203  |
| Gandhidham (Gujarat)       | S-7, Ratnakala Arcade, Plot No. 231, Ward 12/B, Gandhidham - 370 201   |
| Ghatkopar (Maharashtra)    | Platinum Mall, Office No.307, 3rd floor, Jawahar Road, Ghatkopar East, Mumbai 400 077  |
| Ghaziabad (Uttarpradesh)   | B-11, LGF RDC, Rajnagar, Ghaziabad- 201002 Uttar Pradesh   |
| Gorakhpur (Uttarpradesh)   | Shop No. 5 & 6, 3rd Floor, Cross Road Mall, A D Tiraha, Bank Road, Gorakhpur – 273001  |
| Guntur (Andhra Pradesh)    | Door No 5-38-44 5/1 BRODIPET, Near Ravi Sankar Hotel, Guntur 522002  |
| Guwahati (Assam)           | Piyali Phukan Road, K. C. Path, House No – 1, Rehabari , Guwahati – 781008   |
| Gwalior (Madhya Pradesh)   | G-6 Global Apartment, Kailash Vihar Colony, Opp. Income Tax Office, City Centre Gwalior 474002   |
| Hisar (Haryana)            | 12, Opp. Bank of Baroda, Red Square Market, Hisar - 125 001  |
| Hosur (Tamil Nadu)         | No.9/2, 1st Floor, Attibele Road HCF Post, Behind RTO office Mathigiri Hosur 635110  |
| Hubli (Karnataka)          | No.204 - 205, 1st Floor ' B ' Block, Kundagol Complex Opp. Court, Club Road Hubli 580029   |
| Hyderabad (Andhra Pradesh) | 208, II Floor Jade Arcade Paradise Circle Secunderabad 500003  |
| Jabalpur (Madhya Pradesh)  | 8, Ground Floor, Datt Towers Behind Commercial Automobiles Napier Town Jabalpur 482001   |
| Janakpuri (Delhi)          | 306, 3rd Floor, DDA -2 Building, District Centre, Janakpuri, New Delhi -110058   |
| Jammu (J & K)              | JRDS Heights, Lane Opp. S&S Computers, Near RBI Building, Sector 14, Nanak Nagar Jammu 180004  |

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| Jamnagar (Gujarat)              | 207, Manek Centre, P N Marg, Jamnagar – 361001  |
| Jamshedpur (Jharkhand)          | Millennium Tower, "R" Road Room No:15 First Floor, Bistupur Jamshedpur 831001   |
| Jaunpur (Uttar Pradesh)         | 248, Fort Road, Jaunpur-222001, Uttar Pradesh   |
| Jhansi (Uttar Pradesh)          | 372/18 D, 1st Floor above IDBI Bank, Beside V-Mart, Near "RASKHAN" Gwalior Road, Jhansi – 284001 Uttar Pradesh        |
| Jodhpur (Rajasthan)             | 1/5, Nirmal Tower, Ist Chopasani Road, Jodhpur 342003   |
| Junagadh (Gujarat)              | "Aastha Plus", 202-A, 2nd Floor Sardarbag road, Near Alkapuri, Opp. Zansi Rani statue, Junagadh 362001                |
| Kadapa (Andhra Pradesh)         | Bandi Subbaramaiah Complex D.No:3/1718, Shop No: 8 Raja Reddy Street, Besides Bharathi Junior College, Kadapa 516001  |
| Kakinada (Andhra Pradesh)       | D No-25-4-29, 1st floor, Kommireddy Vari Street, Beside Warf Road, Opp. Swathi Medicals, Kakinada - 533001            |
| Kalyani (West Bengal)           | A - 1/50 Block A Kalyani Dist Nadia, Kalyani 741235   |
| Kannur (Kerala)                 | Room No. 14/435, Casa Marina Shopping Centre, Talap, Kannur - 670 004   |
| Karimnagar (Telangana)          | HNo.7-1-257, Upstairs S B H Mankammathota, Karimnagar 505001  |
| Karnal (Haryana)                | 29 Avtar Colony Behind Vishal Mega Mart Karnal – 132001 Haryana   |
| Karur (Tamil Nadu)              | 126 G, V.P.Towers, Kovai Road Basement of Axis Bank, Karur 639002   |
| Kharagpur (West Bengal)         | "Silver Palace" OT Road, Inda- Kharagpur, G.P-Barakola, P.S- Kharagpur Local, Pin-721305 Dist-West Midnapore          |
| Kolhapur (Maharashtra)          | 2 B, 3rd Floor, Ayodhya Towers Station Road, Kolhapur 416001  |
| Kolkata (West Bengal)           | Saket Building, 44 Park Street, 2nd Floor, Kolkata 700016   |
| Kolkata( Central) (West Bengal) | 2A, Ganesh Chandra Avenue Room No.3A Commerce House"(4th Floor), Kolkata 700013                                       |
| Kollam (Kerala)                 | Kochupilamoodu Junction Near VLC, Beach Road, Kollam 691001   |
| Kota (Rajasthan)                | B-33 'Kalyan Bhawan Triangle Part ,Vallabh Nagar, Kota 324007   |
| Kottayam (Kerala)               | Thamarapallil Building,<br>Door No - XIII/658, M L Road, Near KSRTC Bus Stand Road, Kottayam – 686001                 |
| Kumbakonam (Tamil Nadu)         | Jailani Complex 47, Mutt Street, Kumbakonam - 612 001   |
| Mapusa (Goa)                    | Office no.CF-8, 1st Floor, Business Point Above Bicholim Urban Co-op Bank Angod, Mapusa 403507                        |
| Margao (Goa)                    | F4- Classic Heritage, Near Axis Bank, Opp. BPS Club, Pajifond, Margao Goa - 403 601                                   |
| Mathura (Uttar Pradesh)         | 159/160 Vikas Bazar, Mathura - 281 001  |
| Meerut (Uttarpradesh)           | 108 Ist Floor Shivam Plaza Opposite Eves Cinema, Hapur Road Meerut 250002   |
| Mehsana (Gujarat)               | 1st Floor, Subhadra Complex Urban Bank Road Mehsana 384002  |
| Moradabad (Uttarpradesh)        | H 21-22, 1st Floor Ram Ganga Vihar Shopping Complex, Opposite Sale Tax Office, Moradabad – 244001 Uttarpradesh        |
| Mumbai (Maharashtra)            | Rajabahdur Compound, Ground Floor Opp Allahabad Bank, Behind ICICI Bank 30, Mumbai Samachar Marg, Fort, Mumbai 400023 |
| Muzaffarnagar (Uttar Pradesh)   | F26/27-Kamadheni Market, Opp Lic Building, Ansari Road, Muzaffarnagar - 251001  |
| Muzzafarpur (Bihar)             | Brahman toli, Durgasthan Gola Road, Muzaffarpur 842001  |
| Mysore (Karnataka)              | No.1, 1st Floor CH.26 7th Main, 5th Cross (Above Trishakthi Medicals) Saraswati Puram, Mysore 570009                  |
| Navsari (Gujarat)               | 16,1st Floor, Shivani Park, Opp. Shankheswar Complex Kaliawadi, Navsari 396445  |
| Nellore (Andhra Pradesh)        | 9/756, I Floor Immadisetty Towers Ranganayakulapet Road, Santhapet, Nellore 524001                                    |



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| Noida (Uttar Pradesh)        | E-3, Ground floor, sector 3 , Near Fresh food factory , Noida – 201301   |
| Palakkad (Kerala)            | 10 / 688, Sreedevi Residency, Mettupalayam Street, Palakkad - 678 001  |
| Panipat (Haryana)            | SCO 83-84, 1st Floor, Devi Lal Shopping Complex, Opp RBS Bank, G T Road, Panipat 132103  |
| Panjim (Goa)                 | Lawande Shamalkar Bhavan, 1st Floor,Office No.2, Next to Mahalakshmi Temple, Panaji – 403001 Goa   |
| Patiala (Punjab)             | 35, New Lal Bagh, Opposite Polo Ground, Patiala- 147001  |
| Pathankot (Punjab)           | 13 - A, 1st Floor, Gurjeet Market Dhangu Road, Pathankot – 145001  |
| Pitampura (Delhi)            | Aggarwal Cyber Plaza – II, Commercial Unit No 371, 3rd floor, Plot No C-7, Netaji Subhash Place, Pitampura, New Delhi 110034                       |
| Pune (Maharashtra)           | Vartak Pride , 1st floor, Survy No 46,City Survy No 1477, Hingne Budruk D. P Road, Behind Dinanath Mangeshkar Hospital, Karvenagar, Pune - 411 052 |
| Rajahmundry (Andhra Pradesh) | Door No: 6-2-12, 1st Floor,Rajeswari Nilayam Near Vamsikrishna Hospital, Nyapathi Vari Street, T Nagar, Rajahmundry 533101                         |
| Ranchi (Jharkhand)           | 4,HB Road No: 206, 2nd Floor Shri Lok Complex, H B Road Near Firayalal, Ranchi 834001  |
| Ratlam (Madhya Pradesh)      | Dafria & Co 18, Ram Bagh Near Scholar's School, Ratlam 457001  |
| Rohtak (Haryana)             | SCO – 34, Ground Floor, Ashoka Plaza, Delhi Road, Rohtak – 124001  |
| Rourkela (Orissa)            | 1st Floor Mangal Bhawan Phase II Power House Road, Rourkela 769001   |
| Saharanpur (Uttar Pradesh)   | I Floor, Krishna Complex Opp. Hathi Gate Court Road, Saharanpur 247001   |
| Salem (Tamil Nadu)           | No.2, I Floor Vivekananda Street, New Fairlands, Salem 636016  |
| Sambhalpur (Odisha)          | Opp. Town High School, Sansarak, Sambalpur - 768 001   |
| Sangli (Maharashtra)         | Jiveshwar Krupa Bldg, Shop. No.2, Ground Floor, Tilak Chowk, Harbhat Road, Sangli - 416 416  |
| Satara (Maharashtra)         | 117 / A / 3 / 22, Shukrawar Peth Sargam Apartment, Satara 415002   |
| Shimla (Himachal Pradesh)    | I Floor, Opp. Panchayat Bhawan Main gate Bus stand, Shimla 171001  |
| Shimoga (Karnataka)          | No.65 1st Floor Kishnappa Compound, 1st Cross, Hosmane Extn, Shimoga – 577201 Karnataka  |
| Siliguri (West Bengal)       | 78, Haren Mukherjee Road, 1st floor, Beside SBI Hakimpara, Siliguri – 734001   |
| Sitapur (Uttar Pradesh)      | Arya Nagar Near Arya Kanya School, Sitapur 261001  |
| Sri Ganganagar (Rajasthan)   | 18 L Block, Sri Ganganagar - 335 001   |
| Srikakulam (Andhra Pradesh)  | Door No 4-4-96, First Floor, Vijaya Ganapathi Temple Back Side, Nanubala Street, Srikakulam - 532 001  |
| Solapur (Maharashtra)        | Flat No 109, 1st Floor,A Wing Kalyani Tower 126 Siddheshwar Peth Near Pangal High School Solapur 413001  |
| Sreerampur (West Bengal)     | 47/5/1, Raja Rammohan Roy Sarani PO. Mallickpara, District Hoogly Sreerampur -712203   |
| Tambaram (Chennai)           | III Floor, B R Complex, No.66, Door No. 11A, Ramakrishna Iyer Street, Opp. National Cinema Theatre, West Tambaram, Chennai – 600045                |
| Tinsukia (Assam)             | Bhowal Complex, Ground Floor, Durgabari Rangagora Road, Near Dena Bank, PO Tinsukia, Dist Tinsukia, Assam - 786 125                                |
| Thane (Maharashtra)          | 1st floor, Dev Corpora, Office no. 102, Cadbury Junction, Eastern Express way, Thane (West) – 400 601  |
| Tirupur (Tamil Nadu)         | 1(1), Binny Compound, 2nd Street, Kumaran Road, Tirupur 641601   |
| Tirunelveli (Tamil Nadu)     | No. 51/72, I Floor , K.A.P Complex, (Nachiyar Super Market-Upstairs) Trivandrum Road, Palayamkottai, Tirunelveli – 627002                          |
| Tirupathi (Andhra Pradesh)   | Shop No : 6,Door No: 19-10-8 Opp to Passport Office, AIR Bypass Road Bhavani Nagar, Tirupati 517501  |
| Udaipur (Rajasthan)          | Shree Kalyanam, 50, Tagore Nagar, Sector – 4, Hiranmagri, Udaipur – 313001   |

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|                                 | Rajasthan   |
| Vashi<br>(Maharashtra)          | BSEL Tech Park, B-505, Plot no 39/5 & 39/5A, Sector 30A, Opp. Vashi Railway Station, Vashi, Navi Mumbai – 400705          |
| Valsad (Gujarat)                | 3rd floor Gita Nivas, opp Head Post Office Halar Cross Lane Valsad 396001   |
| Vapi (Gujarat)                  | 208, 2nd Floor HEENA ARCADE Opp. Tirupati Tower, Near G.I.D.C Char Rasata Vapi 396195                                     |
| Vasco Da Gama<br>(Goa)          | No DU 8, Upper Ground Floor, Behind Techoclean Clinic, Suvidha Complex, Near ICICI Bank, Vasco da gama 403802             |
| Vellore (Tamil Nadu)            | No.1, Officer's Line 2nd Floor, MNR Arcade Opp. ICICI Bank, Krishna Nagar Vellore 632001                                  |
| Warangal<br>(Telangana)         | A.B.K Mall, Near Old Bus Depot road BVSS Mayuri Complex F-7, 1st Floor, Ramnagar,Hanamkonda Warangal 506001               |
| Yamuna Nagar<br>(Haryana)       | 124-B/R, Model Town, Yamuna Nagar - 135 001   |
| Aurangabad<br>(Maharashtra)     | 2nd Floor, Block No.D-21-D-22, Motiwala Trade centre, Nirala Bazar, New Samarth Nagar, Opp.HDFC Bank, Aurangabad - 431001 |
| Ballari<br>(Karnataka)          | No.18/47/A, Govind Nilaya, Ward No.20, Sangankal Moka Road, Gandhinagar, Ballari - 583102                                 |
| Berhampur<br>(Orissa)           | Kalika temple Street, Adjacent to SBI Bazar Branch, Berhampore, Dist-Ganjam - 760002                                      |
| Darbhanga<br>(Bihar)            | Ground Floor, Belbhadrapur, Near Sahara Office, Laheriasarai Tower Chowk, Laheriasarai, Darbhanga - 846001.               |
| Haldia<br>(West Bengal)         | 1st Floor, New Market Complex, Durgachak Post Office, Durgachak, Haldia - 721602  |
| Haldwani<br>(Uttarkhand)        | Durga City centre, Nainital Road, Haldwani - 263139   |
| Hoshiarpur<br>(Punjab)          | Near Archies Gallery, Shimla Pahari Chowk, Hoshiarpur - 146001  |
| Khammam<br>(Telangana)          | Shop No: 11 - 2 - 31/3, 1st floor, Philips Complex, Balajinagar, Wyra Road,Near Baburao Petrol Bunk, Khammam - 507001     |
| Malda<br>(West Bengal)          | Daxhinapan Abasan, Opp Lane of Hotel Kalinga,SM Pally, Malda - 732101   |
| Moga<br>(Punjab)                | Gandhi Road, Opp Union Bank of India, Moga -142001  |
| Rae Bareli<br>(Uttar Pradesh)   | 17, Anand Nagar Complex, Opposite Moti Lal Nehru Stadium SAI Hostel Jail Road, Rae Bareilly-229001                        |
| Roorkee<br>(Uttarkhand)         | 22, Civil Lines, Ground Floor, Hotel Krish Residency, Roorkee - 247667  |
| Shahjahanpur<br>(Uttar Pradesh) | Bijlipura, Near Old Distt Hospital, Jail Road , Shahjahanpur - 242001   |
| Solan<br>(Himachal Pradesh)     | 1st Floor, Above Sharma General Store, Near Sanki Rest house, The Mall, Solan - 173212                                    |
| Tiruvalla<br>(Kerala)           | 24/590-14, C.V.P Parliament Square Building, Cross Junction, Tiruvalla - 689101   |
| Trichur<br>(Kerala)             | Room No. 26 & 27Dee Pee Plaza, Kokkalai, Trichur - 680001   |
| Trivandrum<br>(Kerala)          | R S Complex, Opp of LIC Building, Pattom PO, Trivandrum - 695004  |