The Hindu Business Line Pg 14, 30th Nov 2020

Six debt schemes of Franklin Templeton get ₹1,895 cr

OUR BUREAU
Mumbai, November 29

The six suspended debt schemes of Franklin Templeton have received ₹1,895 crore in the fortnight ended Friday, with inflows from pre-payment alone accounting for ₹1,664 crore, while maturities and coupon payments added up the rest.

Overall inflow in Nov

With this, the overall inflow in November was about ₹2,836 crore.

In all, the six schemes have received ₹11,576 crore from maturities, pre-payments, and coupon payments since it was first suspended in April.

The six debt schemes had an asset under management of ₹25,000 crore before they were suspended.

In all, the schemes have received ₹11,576 crore from maturities, pre-payments, and coupon payments since they were first suspended in April

The four debt schemes – Franklin India Low Duration Fund, Ultra Short Bond, Dynamic Accrual and Credit Risk Fund – have ₹7,226 crore surplus cash after paying out for the loan availed to meet the redemption pressure before the schemes were suspended for trading.

The two debt funds – Franklin India Short term Income plan and Income Opportunity Fund – have loan outstanding of ₹943 crore and ₹497 crore, and could not repay the loan despite receiving ₹440 crore and ₹138 crore in the second half of November.

The Karnataka High Court had ordered the fund house not to use the money to repay loans. Post the judgment of Karnataka High Court, the fund house had considered all possible options over the last few weeks to start returning money to unit holders in the shortest possible time in an orderly manner, said Franklin Templeton in a statement on Saturday.

This included the option of seeking unit holders' consent according to the High Court order.

However, it said after detailed deliberations, it was decided to seek judicial intervention from the Supreme Court to ensure appropriate implementation of the law in the best interest of unit holders, it added.