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FRANKLIN TEMPLETON

Shut MF schemes get ₹5,000 cr since closure

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FRANKLIN TEMPLETON MUTUAL Fund's six shut schemes have received about ₹5,000 crore from maturities, pre-payments and coupon payments since the announcement of their closure in April.

The schemes have received ₹708 crore during August 1-14. This takes the total cash flows received to date since April 24 to ₹4,988 crore, Franklin Templeton MF said in a statement.

The company shut six debt mutual fund schemes on April 23, citing redemption pressure and lack of liquidity in the bond market. The schemes together have an estimated ₹25,000 crore as assets under management (AUM). These include Franklin India Low Duration Fund, Franklin India Dynamic Accrual Fund, Franklin India Credit Risk Fund, Franklin India Short Term Income Plan, Franklin India Ultra Short Bond Fund, and Franklin India Income Opportunities Fund.

Of the six schemes, Franklin India Ultra Short Bond Fund and Franklin India Dynamic Accrual Fund have 21% and 12% of their respective AUMs available in cash to distribute to unit holders. This is subject to a successful unit holder vote.

According to a Karnataka High Court order, the e-voting and unit holders meet will remain suspended until further directions. "This is very crucial as active monetisation of assets of the schemes and distribution of investment proceeds to the unitholders will be possible only after successful e-voting," the statement noted.

Besides, the fund house said borrowing levels in the other schemes continued to decline with Franklin India Low Duration Fund and Franklin India Credit Risk Fund closer to becoming cash positive.