

March 10, 2026

Franklin Templeton Asset Management (India) Private Limited: [ICRA]AAAmfs assigned to Franklin India Low Duration Fund

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Franklin India Low Duration Fund	-	-	[ICRA]AAAmfs; Assigned
Total	-	-	

*Instrument details are provided in Annexure-I

Rationale

Rationale and key rating drivers

ICRA has assigned a rating of [ICRA]AAAmfs to Franklin India Low Duration Fund of Franklin Templeton Asset Management (India) Private Limited (the asset management company; AMC). As per the Scheme Information Document (SID) filed with the Securities and Exchange Board of India (SEBI), it is an open-ended scheme investing in debt and money market instruments with Maculay duration of portfolio between 6 to 12 months. The credit risk score of the scheme, based on the allocated portfolio, was comfortably within ICRA's benchmark limits for the assigned rating level.

MF ratings incorporate ICRA's assessment of the creditworthiness of a debt MF scheme's investment portfolio. These ratings are a symbolic representation of the credit risk in the underlying investments or the degree of safety regarding the timely receipt of payments from the investments made by the MF schemes. The ratings do not indicate AMC's and/or any of its scheme's willingness and/or ability to make timely redemptions to its investors. The ratings also do not address market risks and hence should not be construed as an indication of the expected returns, prospective performance of the MF scheme, and the ability to redeem investments at the reported net asset value (NAV) or volatility in its past returns, as all these are influenced by market risks.

ICRA's assessment of debt MF schemes are guided by the credit ratings of the individual investments and the relative share of investments in the overall assets under management (AUM) of the scheme and the maturity schedule of such investments. ICRA's MF ratings are not a reflection on the quality of the management of the AMC or its financial performance, reputation and other business practices including investment strategies, pricing, marketing, and distribution activities. Furthermore, the ratings are not a reflection of whether the AMC or the fund is compliant with the applicable regulatory requirements.

The credit matrix is a tool used by ICRA for analysing the investment portfolio of the debt MF schemes by assessing the portfolio's aggregate credit quality while reviewing the credit quality of each underlying debt security. The portfolio's weighted average credit quality is compared with a benchmark credit score corresponding to the higher of the weighted average maturity of the scheme's portfolio or the maturity predefined by ICRA for the scheme category. The rating outcome corresponds to the rating level for which the portfolio's weighted average credit score is less than the benchmark credit score associated with the rating level. Further, the lowest rating of the investments of the scheme acts as the floor for its rating.

Once an MF scheme is rated and the rating is accepted, ICRA reviews the underlying investment portfolios for the credit scores on an ongoing basis. To this end, ICRA relies on the information provided by the AMC and/or publicly available sources. ICRA reviews the MF's ratings on a monthly basis or earlier, if required, which involves an evaluation of the rating corresponding to the portfolio credit score in relation to the existing rating outstanding. If the portfolio credit score meets the benchmark score the existing rating, the rating is retained. If the portfolio credit score has a negative breach from the benchmark credit score for the existing rating, ICRA communicates the same to the fund manager/product manager and/or other officials of the concerned AMC before the end of the next month, and provides 30 working days from the date of such communication to

bring the portfolio credit score within the benchmark credit score for maintaining the existing rating level. If the investment composition of the fund is realigned to bring the portfolio credit score within the benchmark credit score, the rating is retained. However, if the portfolio continues to breach the benchmark credit score for the existing rating level, the rating is revised to reflect the change in the portfolio’s credit quality.

In case of sharp breaches of the benchmark credit score (for instance due to a multi-notch downgrade in the underlying investment) and/or if ICRA believes that the breach may not get rectified within a month of the ongoing review, the rating is generally corrected immediately without giving a month’s time for rebalancing the portfolio. If the AMC corrects its portfolio, post the rating downgrade of the scheme, or the credit score improves in any manner subsequent to the downgrade, making the scheme eligible for an upgrade, ICRA may consider a rating upgrade only if the credit score is maintained consistently for a period of at least three months.

Liquidity position: : Not applicable

Rating sensitivities

Positive factors – Not applicable

Negative factors – ICRA could downgrade the rating of the scheme if the credit quality of the underlying investment deteriorates or the size of the AUM declines, which may result in an increase in the share of lower rated investments, leading to a breach in the threshold for the rating level.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Mutual Funds
Parent/group Support	NA
Consolidation/standalone	NA

About the company

Franklin Templeton Asset Management (India) Private Limited commenced operations in India in September 1996. It manages the above-mentioned mutual fund schemes of Franklin Templeton Mutual Fund. The fund had an average AUM of ~Rs. 1,26,715¹ crore for the quarter ended December 31, 2025.

Franklin India Low Duration Fund

Launched in March 2025, Franklin India Low Duration Fund is an open-ended low duration debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 6 months to 12 months. The scheme’s AUM stood at Rs. 370 crore on January 30, 2026.

¹Source: <https://www.amfiindia.com/aum-data/average-aum>

Key financial indicators (audited): Not applicable

Status of non-cooperation with previous CRA: Not applicable

Any other information

None

Rating history for past three years

Instrument	Current rating(FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	March 10, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Franklin India Low Duration Fund	Long term	-	[ICRA]AAAmfs	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Franklin India Low Duration Fund	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance/ Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA	Franklin India Low Duration Fund	NA	NA	NA	NA	[ICRA]AAAmfs

Source: Company

Annexure II: List of entities considered for consolidated analysis: Not applicable

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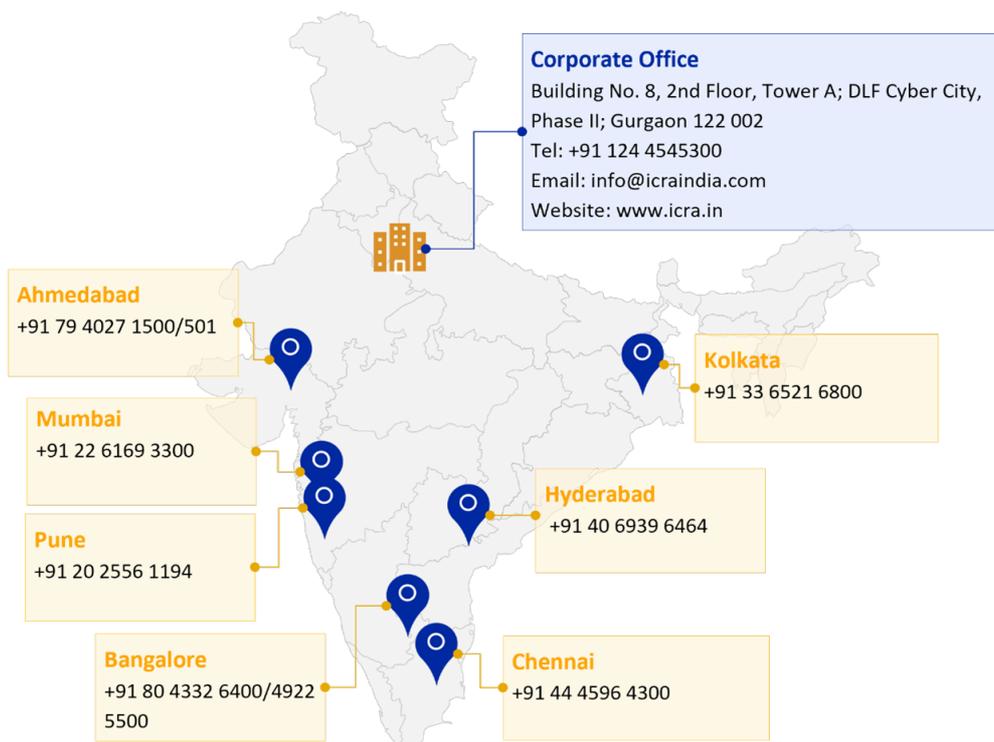


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