

# Franklin India Small Cap Fund

## Fund Snapshot

Morningstar Category	India Fund Small-Cap
Fund Size (INR bn)	140
Inception Date	1/1/2013
Annual Report Net Expense Ratio	0.91
Morningstar Rating Overall	★★★★
Manager Name	Multiple
Minimum Investment (INR)	5,000
Morningstar Analyst Rating	Neutral

## Manager Biography & Fund Strategy

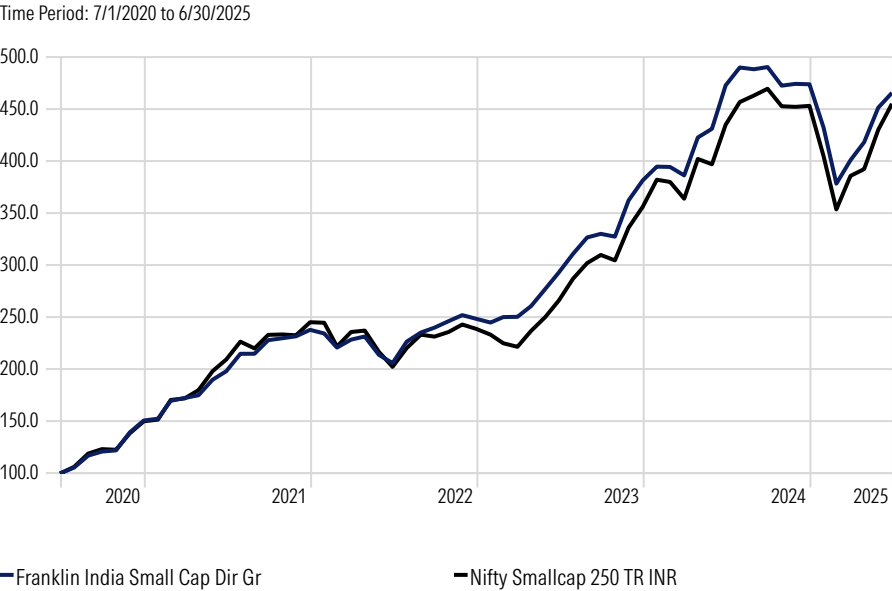
The fund is co-managed by portfolio manager Akhil Kalluri and R. Janakiraman, head of equities at Franklin Templeton, with Akhil now in the lead role. Akhil, an experienced analyst, has been leading the fund since March 2025, after serving as co-manager alongside Janakiraman from September 2022. Janakiraman, a seasoned investment professional and old hand at the firm, managed this strategy from February 2011 to February 2025. He currently operates in a supervisory capacity as a co-manager on this fund.

This is a small-cap fund, and pleasingly, its investment strategy has remained consistent despite the change in leadership. Fundamental research continues to form the backbone of the investment process. Although Akhil follows a valuation-conscious approach while investing, he can be flexible where companies meet his core investment criteria and demonstrate strong long-term growth potential. The team places significant weight on qualitative factors such as management quality and corporate governance, complemented by in-depth business analysis to evaluate industry growth potential, competitive landscape, entry barriers, and scalability.

On the quantitative side, Akhil targets companies with consistent and sustainable earnings growth, low leverage, and healthy return on equity. His approach is primarily bottom-up, with limited influence from top-down macro factors. The portfolio typically holds 70–75% in small-cap stocks. He prefers constructing a diversified portfolio of 70-80 stocks, with the top 10 stocks largely accounting for 25%-35% of assets. While investing, Akhil seeks mispriced growth opportunities, especially in companies affected by external factors rather than weakening fundamentals. He also steers clear of excessively leveraged companies, emphasizing balance sheet resilience.

The fund has encountered some performance challenges in the short-term; however, its long-term performance is noteworthy.

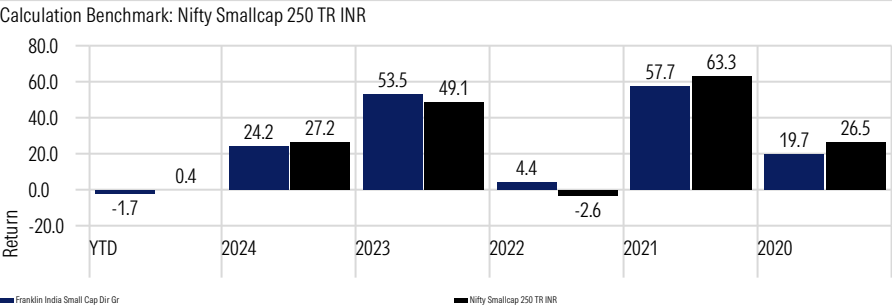
## Investment Growth



## Trailing Returns

Data Point: Return	Calculation Benchmark: Nifty Smallcap 250 TR INR	YTD	1 Year	3 Years	5 Years	10 Years
Franklin India Small Cap Dir Gr		-1.74	-1.52	31.22	36.00	17.73
Nifty Smallcap 250 TR INR		0.44	4.62	30.98	35.38	16.55

## Calendar Year Returns



## Top Holdings

Portfolio Date: 6/30/2025

	Equity Style Box	Position Market Value	Portfolio Weighting %
Aster DM Healthcare Ltd Ordinary Shares		4,368.69	3.12
Brigade Enterprises Ltd		4,293.47	3.07
Karur Vysya Bank Ltd		3,707.85	2.65
Equitas Small Finance Bank Ltd Ordinary Shares		3,225.58	2.30
Eris Lifesciences Ltd Registered Shs		3,143.36	2.25
CCL Products (India) Ltd		2,769.77	1.98
Kalyan Jewellers India Ltd		2,758.94	1.97
Deepak Nitrite Ltd		2,758.03	1.97
Zensar Technologies Ltd		2,713.30	1.94
PNB Housing Finance Ltd		2,503.33	1.79

## Equity Sectors

