

# Franklin investors slam Amfi

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Investor group Chennai Financial Markets and Accountability (CFMA) has alleged that the Association of Mutual Funds in India (Amfi) is acting against unit holders of Franklin Templeton Mutual Fund (FTMF) and trying to protect the fund house's management against the FIR lodged with the economic offences wing (EOW) of the Chennai police.

"Amfi has been a mute spectator since the FTMF scam broke in April and has now suddenly rushed to defend the fund house by calling an FIR registered against it as a 'dangerous and undesirable precedent'," the investor group observed.

CFMA said it was surprising that Amfi wanted Securities and Exchange Board of India (Sebi) to govern and execute all



actions pertaining to MFs, including criminal cases. "Amfi was deliberately feigning ignorance about the fact that banks, which are regulated by the Reserve Bank of India, get prosecuted by law enforcement agencies like the EOW or CBI in case of criminal cases involving loss to depositors as in the case of YES Bank, PMC Bank, etc."

CFMA alleged that Amfi was under-

mining a lawfully registered FIR when it was not privy to the forensic audit. It added that the performance of bodies like Amfi needed closer examination to stop recurrence of risks like FTMF and to ensure that the body protects investors.

"It is rather intriguing as to why Amfi showed a complete lack of interest towards the pain and suffering of 3 lakh (300,000) unit holders and remained a mute spectator during the entire proceedings in the last six months but has now suddenly sprung up against the FIR registered against Franklin Templeton," it said.

In a letter to the Sebi a few days ago, Amfi had said that asset management companies were concerned that bona fide decisions of MFs, which could go wrong, could be construed as criminal action.