

27th September 2020

Pg 1

Fraud case on Franklin Templeton

The city police have registered an FIR against several executives of Franklin Templeton for hatching a criminal conspiracy to defraud three lakh investors by causing wrongful loss to them and other offences under the IPC. At least ₹28,000 crore investors' money is stuck after the fund closed six debt schemes in April this year. **P6**

Pg 6

FIR against mutual fund on plaint from investors

TIMES NEWS NETWORK

Chennai: The Chennai police on Friday registered a first information report (FIR) naming several executives of Franklin Templeton on a complaint by a group of investors that ₹28,000 crore of three lakh investors was stuck because the mutual fund abruptly closed down six debt schemes in April this year.

The FIR by the economic offences wing (EOW) names Santosh Das Kamath, managing

director and chief investment officer of Franklin Templeton Asset Management India Pvt Ltd (FTAMIL), Sanjay V Sapre, its whole-time member, and Jayaram Subramaniam Iyer, Vivek Kudva, RV Subramaniam and Pradip P Shah, directors of FTAMIL and Franklin Templeton Trustee Services Pvt Ltd (FTTSPIL).

The EOW registered the FIR after investigating a complaint filed by the Chennai Financial Markets & Accountability (CFMA), an investors'

group, and a few others in May this year.

A Franklin Templeton spokesperson said, "We have not seen a copy of the First Information Report (FIR) and are not in a position to comment on specific details".

It said the CFMA has levelled baseless allegations. "The press release issued by CFMA citing the FIR, is replete with various misleading and baseless allegations, besides being inappropriate, as the matter is currently sub-judice", the spo-

kesperson added.

After the six debt schemes were closed, a larger number of investors all over the country had dragged Franklin Templeton to court demanding refund of their investments, especially after Franklin Templeton claimed that two of the funds, Franklin India Low Duration Fund and Franklin India Credit Risk Fund, turned cash-positive on August 31.

Since then, the six schemes have received over Rs 6,486 crore, said the CFMA which is

fighting for retirees who had parked their hard-earned savings in the various schemes of Franklin Templeton expecting a safe and better return on their investments as promised by the global fund house that manages over Rs 1.16 lakh crore in mutual funds in India and \$700 billion globally.

The CFMA is also contemplating filing of Class Action Suit against Franklin Templeton globally. According to CFMA, Franklin Templeton has a more than Rs 1,00,000

crores of assets under management with 30-40 lakh unit-holders.

On September 11, some investors filed an intervening application before the Karnataka High Court to direct FTAMIL to return money to those who invested in the schemes that had turned cash-positive. An RTI query has already revealed that Franklin Templeton did not take any approval from the capital market regulator before winding up its six debt schemes.