

SC transfers FT cases to Karnataka HC

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transferred within two weeks to the Karnataka high court, which will need to finish hearing the cases in three months.

During the pendency of the hearing, the interim stay on e-voting granted by Gujarat high court will continue, the apex court said. The final order has not been uploaded.

"The Supreme Court said that all the matters should be transferred to divisional bench of Karnataka high court for a fresh hearing. The court also refused to interfere with the interim order," said Paritosh R. Gupta of Gupta Law Associates, counsel for the petitioners, Khambatta family, the promoter directors of Rasna Pvt. Ltd.

The Supreme Court's ruling to transfer all the cases to a new bench is to ensure that the matter is heard afresh with a new perspective.

Franklin Templeton had filed a special leave petition in the Supreme Court after the stay granted by the Gujarat high court on the e-voting process, a requirement under Securities and Exchange Board of India (Sebi) norms on winding up of mutual fund schemes. This voting would have authorized either the trustees of Franklin or Deloitte to monetize underlying assets.

The stay was granted on 3 June by the Gujarat high court and a plea to vacate the stay by Franklin was rejected by the court on 8 June. This delayed the entire winding up process as the e-voting was to begin on 9 June.

Franklin Templeton had decided to wind up its six debt schemes on 23 April owing to severe illiquidity and redemption pressures.

In its plea in the Supreme Court, Franklin argued it was critical that the unitholders' meeting and e-voting be allowed to proceed in accordance with the mutual fund regulations, so that liquidity may be provided to small investors at the earliest. Further, the stay is delaying the return of money to unitholders of the schemes and causing hardships to innumerable unitholders in the Schemes including retail/small unitholders.

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SC transfers all Franklin cases to Karnataka HC

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MUMBAI

The Supreme Court on Friday directed the transfer of all pleas related to Franklin Templeton India shuttering six of its debt funds to the Karnataka high court, but declined to lift a Gujarat court stay on the e-voting process for winding up the schemes.

In an oral order, the court ruled that all the court cases being heard in Gujarat high court, Madras high court and Delhi high court will now be

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