

Disposes of SLP by fund against Gujarat HC order on staying e-voting to close schemes

SC Transfers all Pleas Against Franklin's Move to K'taka HC

Our Bureau

Mumbai: The Supreme Court has disposed of a special leave petition (SLP) by Franklin Templeton against a Gujarat High Court order that had stayed the e-voting process to close the six debt schemes. The apex court also transferred all investor petitions against Franklin's move to scrap the schemes filed in various courts to the bench of the Karnataka High Court. All the matters will be clubbed together and will be decided within 3 months.

Almost Rs26,000 crore of investor money is stuck in the six Franklin debt schemes, in which redemptions have been stopped indefinitely since April 23 to wind up the schemes.

The Supreme Court ruled that cases being heard in various high courts—Madras, Delhi and Gujarat—be transferred to the Karnataka High Court within two weeks. The interim stay on the e-voting process that unitholders have to complete to start the process of closing down the funds will continue.

When contacted, senior counsel C Aryama Sundaram, who is representing the fund house, con-

firmed the development.

"The top court said that all the high court matters should be transferred to the divisional bench of the Karnataka High Court. The special leave petition filed has been disposed of without granting any interim relief," said Paritosh R Gupta of Gupta Law Associates.

The Securities & Exchange Board of India (Sebi) has also challenged the Gujarat High Court's order and its interpretation of winding up rules in the Supreme Court, which will be also heard at the Karnataka High Court along with other matters.

An email to Franklin Templeton did not get any response.

The Gujarat High Court had last week put Franklin Templeton's electronic voting process for winding up of the debt schemes on hold following a petition that the asset manager's trustees did not seek unitholders' consent before scrapping them. Investors have also filed cases against the fund house in other cities like Chennai and Delhi.

After this decision, the e-voting which was scheduled to happen on June 9-11 has been suspended.

