

Guj HC stays Franklin MF's unitholder meet, e-vote

TIMES NEWS NETWORK

Ahmedabad: In a relief to investors of Franklin Templeton Mutual Fund, the Gujarat high court on Wednesday stayed the fund house's plan to conduct e-voting and hold a unitholder meeting to determine their views on the winding-up process of six debt funds.

Justice Gita Gopi issued a notice to Sebi and Franklin Templeton's three companies in response to a petition filed by senior citizens. The petitioners' Rs 6.6-crore investment was stuck in the company's schemes after it announced the winding-up in April. It has announced the winding-up of six debt funds worth Rs 28,000 crore.

"We are examining the matter and will take appropriate steps as may be required. We continue to follow due process, both in making investment decisions and in the

SEEKS REPLIES

winding up of these schemes. We have acted in the best interest of our investors and in accordance with all regulations," a Franklin Templeton spokesperson said.

The company had issued notices to its investors on May 28, asking them to participate in e-voting and in unit holders' e-meeting to be held between June 9 and 11. The high court has stayed this notice and the action proposed in it. The court has sought a response from Sebi and the company by June 12.

Areez and Persis Khambhatta approached the HC and challenged Franklin Templeton's decision to wind up the debt funds and its assurance to its investors of certain liquidity over five years. Their advocates submitted that investments were made in debt funds, considered to be less risky because they are less volatile than other equity mutual funds. Khambhatta's lawyers argued that Franklin Templeton's decision to close down the schemes is merely to protect itself from the consequences of deeds of its managers and their mismanagement of funds.