

SC asks Sebi to appoint observer for e-voting in FT case

PTI

feedback@livemint.com

NEW DELHI

The Supreme Court on Wednesday asked the Securities and Exchange Board of India (Sebi) to appoint an observer for overseeing the e-voting process, scheduled in the last week of December, for winding up of Franklin Templeton's six mutual fund schemes. The apex court said that its 3 December order, in which it had said that "for the time being, there will be stay of redemption payment to the unit holders", would continue in the meantime.

A bench comprising Justices S. Abdul Nazeer and Sanjiv Khanna posted the matter for hearing in the third week of January.

The apex court is hearing an appeal filed by Franklin Templeton against the Karnataka high court order which stopped the fund house from winding up its debt fund schemes without prior consent of the investors.

When Mehta urged the court that Sebi's appeal be listed for hearing in a day or two, the bench said, "We can list the matter for hearing in January".

On 7 December, Franklin Templeton Mutual Fund had said it has sought consent of the unit-holders for the orderly winding up of the six fixed income schemes.

The electronic voting will take place from 26-28 December and the meeting of unit-holders of relevant schemes on 29 December, Franklin Templeton MF had said in a statement.

On 3 December, the apex court had asked Franklin Templeton to initiate steps within one week for calling a meeting of unit-holders to seek their consent for closure of six mutual fund scheme. The bench had observed that the issue is big and people wanted a refund.

"In the meanwhile, without prejudice to the rights and contentions of all parties, the trustees are permitted to call meeting of unit holders to seek their consent/approval. Steps in this regard be taken within a period of one week from today", the bench had said in its last week order.

Sebi had told the bench that the market regulator has no role in the winding up process but had written to the Reserve Bank of India in this regard.