Twitter Thread by RS Sharma Advocate



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Franklin Investors are asking if they vote YES when will they get back full payment & what is time limit for winding up. This thread answers their questions which none is answering and all investors want to know

Investors need to refer to #SEBI Rule 14.5 which governs Distribution of Proceeds realized by MF from investments which are illiquid at time of winding up

If amounts are realized from illiquid investment after 2 years of winding up it has to be transferred to Investor Education Fund

Hence the mutual fund is required to sell all bonds within 2 years of winding up i.e. 23rd April 2020. So investors will get back entire amount by 22nd April 2022.

So Winding Up Process cannot continue indefinitely as is being misunderstood by most of investors Experts & even MF

Bonds which have maturity date beyond 22nd April 2022 will be required to be sold prior to it and proceeds will also be required to be distributed prior to it

Even entire recovery from defaulting bonds will also be required to be done and distributed by 22nd April 2022

Those asking whether they should Vote Yes or No may note voting Yes is in interest of investors

SEBI needs to step in with directions that if #FT is unable to sell any illiquid unlisted bond at FMV such Bonds should be transferred to #FT which should pay unit holders

such transfer of bonds is to be done well in time so that the deadline of 22nd April 2022 for distribution of proceeds is not over

Retired Investors should be happy to note that they will get back their money by 22nd April 2022 and they dont have to wait indefinitely

Retired Judge of High Court is required to be appointed to oversee winding up process so that interests of investors are protected and entire proceeds are recovered and distributed by deadline

When Viral Filaments Bond defaulted Templeton India AMC took these bonds in its book owning its liability for loss under Section 15 of Indian Trusts Act, 1882

SEBI & Investors need to ask for similar action in case of default & illiquid bonds to get maximum value in winding up of schemes