



प्रेस विज्ञप्ति
PRESS RELEASE

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Caution to investors

Investors should not deal with unauthorized Portfolio Management Services providers

It has come to the notice of SEBI that some entities are soliciting the general public to entrust their funds and securities to them and offering portfolio management and advisory services without obtaining certificate of registration from SEBI to act as a portfolio manager.

Recently, upon coming across one complaint, it was observed by SEBI that one entity, viz. KE Consulting Group was offering unauthorized portfolio management services through its website. To protect the interest of investors and to prevent such unauthorized services from being offered to investors, SEBI has passed an order against the entity and its proprietor Mr. Manish Thakkar. The entities have been directed to cease and desist from undertaking the portfolio management activities, directly or indirectly, in any manner whatsoever. Further, they have been restrained from accessing the securities market in any manner. They have also been directed to resolve all pending complaints against them. Details of the [order](#) are available on SEBI website <http://www.sebi.gov.in>

Investors are advised to take the following precautions while availing portfolio management services:

- Check whether the entity is registered with SEBI as a portfolio manager. [Names of registered portfolio managers](#) and their details are available on SEBI website <http://www.sebi.gov.in>
- A Portfolio Management Service is an agreement based service between the portfolio manager and the client. Before taking up an assignment of portfolio management, the portfolio manager must enter into an agreement in writing with the client clearly defining inter se relationship and setting out mutual rights, liabilities and obligations.
- Ensure that the Portfolio Manager provides a Disclosure Document to the client giving details about the services offered at least two days prior to entering into the agreement.

- The Portfolio Manager may offer either discretionary or non- discretionary services or both. He may even offer only advisory services. Under discretionary services, the Portfolio Manager has full discretion to manage client funds/securities as per the agreement. Client may offer any suggestions to Portfolio Manager; however the final decision with respect to the investment would lie with the Portfolio Manager. Under non-discretionary services, client shall have the full discretion in respect of investment/disinvestment of his money or securities. The Portfolio Manager may provide his advice or suggestions and may offer execution in respect of investment; however the final decision with respect to investment shall lie with the client.
- Once client decides to opt for a Portfolio Management Service, client shall have to bring the minimum investment amount of ` 25 Lakhs. The client may also provide securities as investment, provided that the total value of investment including securities is at least ` 25 lakhs. No SEBI registered portfolio manager can accept any initial investment from client of less than ` 25 lakhs.
- The Portfolio Manager cannot guarantee or assure the returns on client investment.

Mumbai

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