



PR No. 30/2022

**SEBI cautions public against unauthorized money mobilization by entities
claiming to provide Portfolio Management Services**

It has come to the notice of SEBI that some entities are collecting money from the public claiming to provide Portfolio Management Services. These entities have been luring the public, with a promise of high returns, through pamphlets and social media platforms. It is observed that in such schemes, the entities have been mobilizing money in relatively smaller amounts and promising assured returns. Some of the entities have names similar to that of SEBI registered intermediaries, misleading the public, as though the fund raising is genuine and done by entities registered with SEBI.

SEBI, therefore, cautions investors not to fall prey to such unauthorised money collection. While investing in securities market, investors are advised to deal only with SEBI registered intermediaries. Further, SEBI registered intermediaries including Portfolio Managers (who manage Portfolio Management Schemes) cannot offer products with assured or fixed return on investment. Many such unauthorised schemes are run like Ponzi schemes without any real investment made in the securities market.

As per SEBI (Portfolio Managers) Regulations, 2020, a Portfolio Manager shall be a body corporate, registered with SEBI and shall have a contract/agreement with a client to undertake management or administration of a portfolio of securities or funds of the client. Further, a Portfolio Manager cannot accept funds or securities worth less than rupees fifty lakh from the client and cannot promise any guaranteed or assured return, either directly or indirectly.

Public is advised to do proper due diligence before trusting their money in such unauthorized schemes.

Mumbai

October 03, 2022