



CIRCULAR

Cir. /IMD/DF-1/16/2012

July 16, 2012

All Portfolio Managers

Dear Sir/ Madam,

Sub: Portfolio Managers – Deployment of clients fund in liquid Mutual Funds.

1. SEBI has received representation from various portfolio managers seeking clarification regarding investment in short term liquid Mutual Funds by portfolio managers.
2. It is hereby clarified that pending investment of funds, any short term deployment of funds in liquid Mutual Funds for the purpose of cash management shall be maintained on the lines as specified by the SEBI circular no. IMD/DoF-I/PMS/Cir-4/2009 dated June 23, 2009.
3. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with the provisions of Regulation 39 of the SEBI (Portfolio Managers) Regulations, 1993, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
4. This circular is available on SEBI website at www.sebi.gov.in under the category "Legal Framework" and under "Info for" Portfolio Managers.

Yours faithfully,

Maninder Cheema
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