

BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
SETTLEMENT ORDER NOS. SO/MC/HP/2021-22/6448-49 and
SO/MC/HP/2021-22/6451-57

1. **PenBrook Capital Advisors Private Limited (PAN: AAGCP3459B)**
having address at – Peninsula Land Limited, 503, 5th floor, Peninsula Tower-1, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai - 400013
2. **Rajeev Piramal (PAN: AAEP7727R)** having address at – Peninsula Land Limited, 503, 5th floor, Peninsula Tower-1, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai - 400013
3. **Narendra Aneja (PAN: AADPA5229J)** having address at – Peninsula Land Limited, 503, 5th floor, Peninsula Tower-1, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai - 400013
4. **Sridhar Rengan (PAN: ACZPR2381L)** having address at – Peninsula Land Limited, 503, 5th floor, Peninsula Tower-1, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai - 400013
5. **Chetan Desai (PAN: AACPD5693G)** having address at – Peninsula Land Limited, 503, 5th floor, Peninsula Tower-1, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai - 400013
6. **Peninsula Brookfield Trustee Private Limited (PAN: AAGCP3469D)**
having address at – Peninsula Land Limited, 503, 5th floor, Peninsula Tower-1, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai - 400013
7. **Urvi Ashok Piramal (PAN: AAJPP8861F)** having address at – Peninsula Land Limited, 503, 5th floor, Peninsula Tower-1, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai - 400013
8. **Anuj Ranjan (PAN: AUTPR5763Q)** having address at – Peninsula Land Limited, 503, 5th floor, Peninsula Tower-1, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai - 400013

9. **Prashant Sagwekar (PAN: AVUPS1958E)** having address at – Peninsula Land Limited, 503, 5th floor, Peninsula Tower-1, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai - 400013

In the matter of Peninsula Brookfield India Real Estate Fund, AIF

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') initiated adjudication proceedings against PenBrook Capital Advisors Private Limited (Noticee 1/Investment Manager), Rajeev Piramal (Noticee 2), Narendra Aneja (Noticee 3), Sridhar Rengan (Noticee 4), Chetan Desai (Noticee 5), Peninsula Brookfield Trustee Private Limited (Noticee 6/Trustee), Urvi Ashok Piramal (Noticee 7), Anuj Ranjan (Noticee 8) and Prashant Sagwekar (Noticee 9) pursuant to investigation in the matter of Peninsula Brookfield India Real Estate Fund, AIF (AIF–Penbrook). Noticees 1 to 9 are collectively referred to as '**Noticees/Applicants**'.
2. Adjudication proceedings were initiated against
 - a) Noticees 1 to 9 under section 15HB of SEBI Act, 1992, (hereinafter referred to as, '**SEBI Act**') for alleged violations of Regulation 10(c), 10(d), 13(4) of SEBI (AIF) Regulations, 2012 (hereinafter referred to as '**AIF Regulations**') and Regulation 7(1)(a) of AIF Regulations read with provisions of SEBI circular no. CIR/IMD/DF/14/2014 dated June 19, 2014.
 - b) Noticee 9 under section 15HB of SEBI Act for alleged violations of Regulation 11(2) of AIF Regulations and Provisions of SEBI circular no. CIR/MIRSD/66/2016 dated July 21, 2016 read with Circular No. CIR/MIRSD/120/2016 dated November 10, 2016, SEBI Master circular No. SEBI/HO/MIRSD/DOP/CIR/P/2019/113 dated October 15, 2019 and Circular No. CIR/IMD/DF/14/2014 dated June 19, 2014.

3. SEBI appointed the undersigned as Adjudicating Officer (hereinafter referred to as “AO”) under Section 15-I of the SEBI Act read with Rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter be referred to as the '**Adjudication Rules**'), vide order dated December 11, 2020 to inquire into and adjudge under section 15HB of the SEBI Act, the aforesaid alleged violations against the Noticees. The appointment of the AO was communicated vide order dated December 17, 2020.
4. Show Cause Notice No. EAD5/MC/HP/2021/6512 dated March 19, 2021 (hereinafter be referred to as, the “**SCN**”) was served upon the Noticees under Rule 4(1) of the Adjudication Rules read with Section 15-I of the SEBI Act, to show cause as to why an inquiry should not be held and penalty not be imposed against them under Section 15HB of SEBI Act for the aforesaid alleged violations.
5. The allegations levelled against the Noticees in the SCN are summarized as below:
6. AIF-PenBrook provided a list of 326 investors along with the information pertaining to committed amount and contributed amount by the investors as well as Investment Manager. The minimum contribution by the investors were verified and it was observed that 198 investors made commitment of Rs.1 crore, however, contribution of only Rs.94,00,000 was made by each of them. It was informed by AIF-PenBrook that the fund had made drawdown of Rs.94,00,000 only, against the commitment of Rs.1 crore. These 198 investors were neither employees nor directors of the AIF-PenBrook or employees or directors of the Manager. About 61% of the investors had made contribution less than Rs.1 crore.
7. It was observed that the Noticee 1 (Investment Manager), made commitment of Rs.5 crore in the fund. The investment manager's

commitment was disclosed in the placement memorandum to the investors. It was mentioned in the Compliance Test Report ('CTR') submitted by AIF-PenBrook to its sponsor / trustee that "The Manager or Sponsor has a continuing interest in the AIF of five crore rupees in the form of investment in the AIF and such interest is not through the waiver of management fees". However, the Investment Manager contributed an amount of Rs.4.70 crore only as against required Rs.5 crore.

8. It was also observed that the associate/related companies/entities of AIF-PenBrook, i.e. Peninsula Brookfield Employee Benefit Trust contributed / invested only Rs.94,00,000/- and Peninsula Investment Management Company Limited contributed/invested Rs.1,09,98,000/-. However, both these entities were neither sponsor nor investment manager of AIF-PenBrook who shall have continuing interest in the Fund as prescribed in the AIF Regulations.
9. In view of the above, it was alleged that Noticees violated the provisions of Regulation 10(c) and 10(d) of AIF Regulations by accepting investment of value less than Rs.1 crore from 198 investors and by not having continuing interest of five crore rupees in the form of investment in the Alternative Investment Fund.
10. The contribution agreement dated July 19, 2013 between Noticee 6 and Peninsula Brookfield Investment Managers Private Limited and its client mentions that "The Fund shall have an initial term of 4 (Four) years from the Initial Closing Date. The contributor expressly agrees that the term of the Fund may be extended for 1 (One) year, at the recommendation of the Investment Manager.....". During inspection AIF-PenBrook informed that the contents of contribution agreement with all the investors are same.
11. As per the Private Placement Memorandum dated April 30, 2013 submitted by AIF-PenBrook in response to the questionnaire to the inspection notice dated August 09, 2019, it was observed that AIF-PenBrook is a close-

ended scheme with tenure of 4 years from the date of Initial Closing extendable up to 1 year. It was observed from the copy of independent auditor BSR & Associates LLP report for the financial year ended on March 31, 2019 that the first and final closing date of the fund was August 23, 2013.

12. The fund informed that they have obtained an extension of one more year and the same was approved by 2/3rd of the investors. The said extended period expired on August 22, 2019. It was observed from the email communication dated July 19, 2019 sent by AIF-Penbrook to its investors that the fund has sought consent of the investors to extend the tenure of the fund for a further period of 1.5 years i.e. till February 23, 2021. Vide its communication dated August 20, 2019, AIF-Penbrook informed its investors that they have received requisite consent of the investors for extension of the term of the fund for an additional period of 1 and half year i.e. till February 23, 2021.
13. The initial closing date of the scheme was August 23, 2013 and the tenure of the scheme as per Private Placement Memorandum (4 years + 1 year) expired on August 22, 2018. It was observed that after informing SEBI that the fund may have initial term of 5 (five) years from the initial closing date subject to extension for a maximum of 2 (Two) periods of 1(one) year each, AIF-PenBrook did not implement the same and therefore, the tenure of AIF-PenBrook was in terms of PPM i.e. 4 years from the date of Initial Closing extendable up to 1 year. The initial closing date of the fund was August 23, 2013.
14. Further, it was mentioned in the CTR provided to the sponsor / trustee that there has been extension of the tenure of the Fund and the same was not more than two years. The said information provided in the CTR was not correct and misleading.
15. As per AIF Regulations, the tenure of the fund can be extended up to two years subject to approval of two-thirds of the unit holders by value of their

investment in the Alternative Investment Fund. The said period expired on August 22, 2018 as per provisions of PPM and it was observed that the fund had not liquidated all its investments nor had it initiated process for liquidation of all its investments as per aforesaid provisions of AIF Regulations.

16. In view of the above, it was alleged that Noticees violated the provisions of Regulation 13(4) of AIF Regulations by extending the tenure of the fund beyond the permissible period in the Regulations read with provisions in Private Placement Memorandum of AIF-PenBrook.
17. At end of financial year, AIF-PenBrook prepared the CTR and submitted to its Sponsor / Trustee. It was mentioned in the CTR that AIF-PenBrook had complied with the provisions of AIF Regulations, however, the same was not correct as following non-compliances were observed:
 - i. Noticees did not have continuing interest of five crore rupees in the form of investment in the Alternative Investment Fund.
 - ii. Noticees extended the tenure of the fund more than the permissible period (4 years + 1 year) in the Regulations read with provisions in Private Placement Memorandum of AIF-PenBrook.
18. The said compliance test report did not reflect the non-compliances in regard to the regulations mentioned above. Further, the trustee and its directors failed to ensure that the information submitted by the investment manager and its compliance officer are true.
19. In view of the above, it was alleged that Noticees violated the provisions of Regulation 7(1)(a) read with the provisions of SEBI circular no. CIR/IMD/DF/14/2014 dated June 19, 2014.
20. AIF-PenBrook did not include information regarding disciplinary history in its Private Placement Memorandum as required under Regulation 11(2) and had not communicated the same to the investors as prescribed vide

SEBI Circular dated June 19, 2014. Further, as advised vide circular dated June 19, 2014, AIF-PenBrook did not send the annexure containing detailed tabular example of how the fees and charges shall be applicable to the investor including the distribution waterfall within 30 days to the investors.

21. AIF-PenBrook vide its letter dated June 16, 2015 had requested for informal guidance from SEBI seeking clarification on certain provisions of SEBI Circular dated June 19, 2014. In this regard, informal guidance to AIF-PenBrook was provided by SEBI vide letter dated July 09, 2015. The required disclosures as prescribed vide SEBI Circular dated June 19, 2014 were made by AIF-PenBrook to the investors vide its letter dated February 10, 2016 i.e. after a delay of more than six months even after receipt of informal guidance in this regard.
22. AIF-PenBrook obtained registration with Central KYC Registry on August 02, 2019, and thereby failed to adhere to the timelines prescribed in SEBI circular no. CIR/MIRSD/66/2016 dated July 21, 2016 read with Circular No. CIR/MIRSD/120/2016 dated November 10, 2016 in respect of Page 15 of 17 uploading KYC data of the existing individual clients with CKYCR by December 31, 2016.
23. SEBI Master circular No. SEBI/HO/MIRSD/DOP/CIR/P/2019/113 dated October 15, 2019 regarding guideline on Anti-Money Laundering Standards and combating the Financing of Terrorism / Obligations of Securities Market Intermediaries under the PMLA, 2002 and rules framed thereunder, inter-alia, states that any intermediary registered under Section 12 of SEBI Act shall have to adhere to client account opening procedures and maintain records of such transactions as prescribed by the Prevention of Money Laundering Act, 2002 ("PMLA") and rules notified there under. As per clause 2.11 of the said circular, the intermediary has to appoint Principal Officer and Designated Director for ensuring compliance with provisions of PMLA and communicate the details of designated director to Financial Intelligence Unit – India (FIU – IND). Further, as per clause 1.3,

an intermediary shall regularly review the policies and procedures on the prevention of Money Laundering. While AIF- PenBrook has Anti Money Laundering Policy ('AML') in place), however, it neither confirmed whether it had communicated the information pertaining to Principal Officer and Designated Director to FIU-IND nor could it provide a copy of such communication sent to FIU-IND informing details of designated director and Principal Officer to FIU-IND for ensuring compliance with provisions of PMLA.

24. AIF-PenBrook appointed Noticee 9 as Compliance Officer who is also part of the Key Investment Team. In view of the above non-compliances, it was alleged that Noticee 9 had failed to monitor the compliance of various requirements of AIF Regulations i.e. with respect to Regulation 10(c), 10(d), 11(2), 13(4), provisions regarding SEBI circular no. CIR/MIRSD/66/2016 dated July 21, 2016 read with Circular No. CIR/MIRSD/120/2016 dated November 10, 2016 in respect of uploading KYC data of the existing individual clients with CKYCR by December 31, 2016, SEBI Master circular No. SEBI/HO/MIRSD/DOP/CIR/P/2019/113 dated October 15, 2019, Circular No. CIR/IMD/DF/14/2014 dated June 19, 2014.
25. Subsequent to issuance of the SCN, application dated May 17, 2021 was received from the Noticees for settlement under SEBI (Settlement Proceedings) Regulations, 2018.
26. The said application was placed before The Internal Committee of SEBI (hereinafter be referred to as, the "IC") in meeting held on August 03, 2021. Pursuant to IC meeting, the Applicants, vide email dated August 12, 2021 submitted revised settlement terms.
27. Pursuant to this the matter was placed before the High Powered Advisory Committee (hereinafter be referred to as, the "HPAC"). HPAC examined the same and considering the facts and circumstances of the case, in its

meeting held on November 09, 2021 recommended that the matter may be settled upon payment of Rs.63,75,000/- (Rupees Sixty Three Lakh Seventy Five Thousand only) as settlement amount for Noticees 1 to 9 jointly and Rs.21,25,000/- (Rupees Twenty One Lakh Twenty Five Thousand only) as settlement amount for Noticee 9 as per the settlement terms. The recommendation of the HPAC was approved by a Panel of the Whole Time Members of the SEBI on November 22, 2021 and the same was communicated to the Applicants on November 26, 2021.

28. Thereafter, Noticees vide email dated December 03, 2021, informed about the remittance of the settlement amount. The Noticees 1 to 9 made a payment of Rs.63,75,000/- (Rupees Sixty Three Lakh Seventy Five Thousand only) jointly by way of NEFT on November 30, 2021 and Noticee 9 made a payment of Rs.21,25,000/- (Rupees Twenty One Lakh Twenty Five Thousand only) by way of RTGS on December 03, 2021 towards settlement amount as per the settlement terms approved by the Panel of Whole Time Members.
29. In view of the aforesaid, in exercise of powers conferred under Section 15JB of the SEBI Act read with Regulation 23(1) of the SEBI (Settlement Proceedings) Regulations, 2018, it is hereby ordered that adjudication proceedings initiated against PenBrook Capital Advisors Private Limited (Noticee 1/Investment Manager), Rajeev Piramal (Noticee 2), Narendra Aneja (Noticee 3), Sridhar Rengan (Noticee 4), Chetan Desai (Noticee 5), Peninsula Brookfield Trustee Private Limited (Noticee 6/Trustee), Urvi Ashok Piramal (Noticee 7), Anuj Ranjan (Noticee 8) and Prashant Sagwekar (Noticee 9) under the aforesaid SCN dated March 19, 2021, are hereby disposed of.
30. This order is without prejudice to the rights of SEBI to take enforcement actions including restoring or initiating the proceedings in respect to which this settlement order was passed against the Applicants, if :

- i. any representations made by the Applicants in the present settlement proceedings are subsequently found to be untrue; or
 - ii. the Applicants breach any of the clauses/conditions of undertakings/waivers filed during the present settlement proceedings.
31. This settlement order passed on this 28th day of January 2022 shall come into force with immediate effect.
32. In terms of Regulation 25 of SEBI (Settlement Proceedings) Regulations, 2018, a copy of this order is being sent to the Applicants / Noticees and for publication on the website of SEBI.

Date: January 28, 2022

Place: Mumbai

**MANINDER CHEEMA
ADJUDICATING OFFICER**