

SECURITIES AND EXCHANGE BOARD OF INDIA
SETTLEMENT ORDER
IN RESPECT OF

Applicant No.	Settlement Application No.	Applicant	PAN
1	8055/2024	Acacia II Partners, LP	AALFA7270M
2	8052/2024	Acacia Partners, LP	AALFA7272K
3	8054/2024	Acacia Institutional Partners, LP	AALFA7287Q
4	8056/2024	Acacia Conservation fund LP	ABCFA8290P
5	8057/2024	Acacia Banyan Partners	AAGCA6900N
6	8051/2024	Conifer Management, LLC	AAHCC4006E

IN THE MATTER OF ACACIA GROUP OF FPIs

1. Acacia II Partners LP, Acacia Partners LP, Acacia Institutional Partners LP, Acacia Conservation fund LP, Acacia Banyan Partners and Conifer Management LLC (hereinafter collectively referred to as “**Applicants**”) filed *suo-motu* settlement applications in terms of the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as “**Settlement Regulations**”) proposing to settle by neither admitting nor denying the findings of fact and conclusions of law, the enforcement proceedings that may be initiated against them for the violation of:

- (a) Regulation 22(1)(c) of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 (hereinafter referred to as “**FPI Regulations**”) read with Clause 14 of Part A of the Master Circular for Foreign Portfolio Investors (hereinafter referred to as “**FPI**”), Designated Depository Participants (hereinafter referred to as “**DDP**”) and Eligible Foreign Investors dated May 30, 2024 (hereinafter referred to as “**Master Circular**”) read with Sub Rule 3 of Rule 9 of the Prevention of Money

Laundrying (Maintenance of Records) Rules, 2005 (hereinafter referred to as “**PML Rules**”);

- (b) Regulation 22(1)(l) of the FPI Regulations;
- (c) Regulation 20 (7) of the FPI Regulations read with the first proviso;
- (d) Regulation 23 of the FPI Regulations read with Clauses 1, 2, 5 and 6 of the Code of Conduct as specified in the Third Schedule of the FPI Regulations;
- (e) Regulation 22(1)(a) of the FPI Regulations read with Clause 4 of Part B of the Master Circular.

2. Brief facts of the case are as follows:

- (a) At the time of seeking renewal of their registration, Applicants 1 to 5 vide letter dated August 17, 2023, submitted revised Beneficial Owner (hereinafter referred to as “**BO**”) declaration to the designated depository participant (hereinafter referred to as “**DDP**”), stating that the entity “Conifer Capital Management LLC” is the BO by control (100%) and that Gregory Alexander is the Ultimate Beneficial Owner (hereinafter referred to as “**UBO**”) with effect from October, 2014. Further, the beneficial owner by Control declared by Applicant 6 was “Gregory Alexander” with 100% control. Since the Applicants were shown to have common BO by control (*Gregory Alexander*), all the six FPIs were treated as part of the same investor group and the investment limits of the FPIs were clubbed at the investment limit as applicable to a single foreign investor. Applicant 6 provided a declaration of investor grouping information vide letter dated August 28, 2023, stating that all the six FPIs need to be clubbed as part of a new investor group.

- (b) Thus, based on the BO declarations submitted, the BO of six FPIs is summarized in the below table:

S.N	Name of FPI	Registration No	Effective date of Change	BO By Ownership	BO By Control	UBO
1.	Acacia II Partners, LP	INUSFP023014	17/10/2014	No material shareholder / owner entity.	Conifer Capital Management LLC - 100% Management Rights as a General Partner of the FPI 	Gregory Alexander
2.	Acacia Partners, LP	INUSFP022914	17/10/2014			

S.N	Name of FPI	Registration No	Effective date of Change	BO By Ownership	BO By Control	UBO
3.	Acacia Institutional Partners, LP	INUSFP023114	17/10/2014		Gregory Alexander manages the business and affairs of Conifer Capital management LLC by virtue of Management rights -100%	
4.	Acacia Conservation Fund, LP	INUSFP023214	17/10/2014			
5.	Acacia Banyan Partners	INMUFP023514	20/10/2014		Acacia Partners, LP 100% Management Rights ↓ Conifer Capital Management LLC - 100% Management Rights as a General Partner of the Acacia Partners, LP ↓ Gregory Alexander manages the business and affairs of Conifer Capital management LLC by virtue of Management rights -100%	
6.	Conifer Management, LLC	INUSFP236517	03/11/2017		Gregory Alexander -100%	Gregory Alexander

(c) Consequent to grouping, all the holdings of the FPIs as on September 28, 2023 were clubbed for monitoring the compliance of investment limit by the National Securities Depository Limited (hereinafter referred to as “**NSDL**”).

(d) In the context of the abovementioned factual situation, Securities and Exchange Board of India (hereinafter referred to as “**SEBI**” or “**Board**”) received an email from NSDL, dated September 29, 2023, intimating that the aggregate holding of FPIs belonging to FPI Investor Group - Acacia Institutional Partners (Group ID - N1001429), based on the demat holding as on September 28, 2023, had breached the investment limit of 10% of the paid up equity capital of the investee company viz., Mcdowell Holdings Limited Eq (hereinafter referred to as “Mcdowell”) [ISIN: INE836H01014]. The matter was examined by SEBI and the following violations were alleged:

A. Applicant 1 to 5:

- (i) **Failure to identify the BO by control and untrue statements made in its BO declarations:** Applicants 1 to 4 did not identify 'Conifer Capital Management LLC' and 'Gregory Alexander' as the BO by control in terms of sub-rule 3 of Rule 9 of the PML Rules for the period from October, 2014 until August 17, 2023, and are alleged to have made untrue statement in their BO declarations dated August 08, 2018 and thus violated clause 6 of Code of Conduct as provided in the Third Schedule read with Regulation 23 of FPI Regulations, Clause 4 of Part B of Master Circular read with sub-rule 3 of Rule 9 of the PML Rules read with 22(1)(a) of FPI Regulations.
- (ii) By suppressing material information about the controlling management shareholder details in its BO declarations until August 17, 2023 and by making untrue statements that 'Conifer Capital Management LLC' is not controlling the BO, Applicant 5 was alleged to have violated Clause 6 of the Code of Conduct as provided in the Third Schedule read with Regulation 23 of FPI Regulations and Clause 4 of Part B of Master Circular read with Regulation 22(1)(a) of FPI Regulations and sub-rule 3 of Rule 9 of the PML Rules.
- (iii) By furnishing untrue and misleading BO and grouping declarations, these FPIs were alleged to have acted without integrity and in a manner expected from registered intermediaries resulting in the violation of Clauses 1, 2 and 5 of the Third Schedule of Code of Conduct read with Regulation 23 of FPI Regulations.
- (iv) **Failure to ensure maintenance of accurate grouping details with its DDP:** By not declaring the Investor grouping information, Applicant 1 to 5 were alleged to have failed in ensuring that accurate details regarding its investor group are maintained with its DDP at all times resulting in the violation of Regulation 22(1)(l) of the FPI Regulations.
- (v) **Delay in intimation of the material information to the Board and DDP:** As per regulation 22(1)(c) of the FPI Regulations, in case of any change in the material information previously furnished by the FPI to the Board or

DDP, which has a bearing on the certificate granted by the DDP on behalf of SEBI or relating in any direct or indirect change in its structure or ownership or control, of the FPI, it is required to as soon as possible but not later than seven working days' inform SEBI and DDP in writing about such change.

(vi) Applicant 1 to 5 intimated the material information to SEBI with a delay exceeding seven days, as summarized below:

S. No	FPI Name	FPI Registration Number	Type Material information	Effective date	Date of Intimation to DDP	Delay
1.	Acacia II Partners, LP	INUSFP023014	Beneficial Owner Information and Investor Grouping Information	October 17, 2014	August 17, 2023	8 years, 10 Months
2.	Acacia Partners, LP	INUSFP022914				
3.	Acacia Institutional Partners, LP	INUSFP023114				
4.	Acacia conservation fund LP	INUSFP023214				
5.	Acacia Banyan Partners	INMUFP023514		October 20, 2014		

(vii) Since there was an inordinate delay in intimating the BO information/particulars to SEBI and DDP by the 5 FPIs and they had also made statements in their BO declarations which were found to be false or misleading, these FPIs were alleged to have violated Clause 14 of Part A of Master Circular read with Regulation 22(1)(c) of FPI Regulations.

(viii) **Consistent breach of investment limit:** It was observed that the combined investment by Applicant 1 to 5 breached the investment limit of 10% of the paid up equity capital of the investee company viz., Mcdowell, details of which is given below:

S.No	Company	ISIN	From Date	To Date	Combined Holdings	% diluted on paid up capital	Period of Breach*
1.	Mcdowell Holdings Limited EQ	INE836H 01014	October 17, 2014	March 04, 2021	16,20,458	11.58%	More than 10 Years 2 Months
			March 05, 2021	Ongoing	14,97,493	10.70%	

* Period of Breach computed up to December 31, 2023

#The investment limit was brought down to below 10% with effect from August 22, 2024

(ix) The FPI wise holding in the company 'Mcdowell' as on September 28, 2023 is tabulated below:

S. No	FPI Name	FPI Registration Number	Quantity of Shares	Paid up equity capital of Mcdowell	% of No. of Shares
1.	Acacia II Partners, LP	INUSFP023014	64,000	13,992,258	0.4574
2.	Acacia Partners, LP	INUSFP022914	776,269	13,992,258	5.5478
3.	Acacia Institutional Partners, LP	INUSFP023114	488,709	13,992,258	3.4927
4.	Acacia Conservation fund LP	INUSFP023214	48,000	13,992,258	0.3430
5.	Acacia Banyan Partners	INMUFP023514	120,515	13,992,258	0.8613
6.	Conifer Management, LLC	INUSFP236517	<i>Non-investing Investment Manager</i>		
Total			1,497,493	13,992,258	10.7022

(x) As per Regulation 20 (7) of the FPI Regulations, the purchase of equity shares of each company by a single foreign portfolio investor including its investor group shall be below ten percent of the total paid-up equity capital on a fully diluted basis of the company.

(xi) In view of the above, by collectively purchasing more than 10% of the total paid up equity capital of the company Mcdowell and by not divesting the excess holdings within five trading days from the date of settlement of trades resulting in the continuous breach of investment limit, Applicant 1 to 5 are alleged to have violated Regulation 20 (7) of FPI Regulations read with the first proviso.

B. Applicant 6:

- (i) **Delay in the intimation of the material information to the Board and DDP:** As per Regulation 22(1)(c) of FPI Regulations, in case of any change in the material information previously furnished by the FPI to the Board or DDP, which has a bearing on the certificate granted by the DDP on behalf of SEBI or relating to any direct or indirect change in its structure or ownership or control of the FPI, it shall as soon as possible but not later than seven working days' inform SEBI and DDP in writing.

(ii) However, Applicant 6 intimated the material information to SEBI with a delay exceeding seven days, which is summarized below:

S. No	FPI Name	FPI Registration Number	Type Material information	Effective date	Date of Intimation to DDP	Delay
1.	Conifer Management, LLC	INUSFP236517	Investor Grouping Information	November 03, 2017	August 17, 2023	5 years 9 months 14 days

(iii) Since there was an inordinate delay in intimating the BO information/particulars to SEBI and DDP by Applicant 6, it was alleged that Applicant 6 has violated Clause 14 of Part A of Master Circular read with Regulation 22(1)(c) of FPI Regulations.

(iv) As a registered intermediary, Applicant 6 was required to observe high standards of integrity while making regulatory submissions, including BO declarations, which forms the basis for supervisory framework. By intimating the BO information/particulars to SEBI and DDP with a delay, Applicant 6 was alleged to have violated Clauses 1, 2 and 5 of the Third Schedule of the Code of Conduct read with Regulation 23 of FPI Regulations.

(v) **Failure to ensure maintenance of accurate grouping details with its DDP:** By not declaring the Investor grouping information, Applicant 6 failed to ensure that accurate details regarding its investor group are maintained with its DDP at all times and thus, were alleged to have not complied with Regulation 22(1)(l) of the FPI Regulations.

3. Pursuant to receipt of the application, the authorized representatives of the Applicants had a meeting with the Internal Committee of SEBI on November 19, 2024 wherein the details of the case were deliberated along with the terms of settlement. Thereafter, vide respective emails dated November 22, 2024, the Applicants proposed revised settlement terms to settle any enforcement proceeding that may be initiated against it for the violations as stated above at paragraph 1.

4. The High Powered Advisory Committee (hereinafter referred to as “**HPAC**”) in its meeting held on December 24, 2024, considered the revised settlement terms proposed by the Applicants and recommended the case for settlement, on the following settlement terms:

Sr. No.	Applicant Name	Indicative amounts
1	Conifer Management LLC	₹24,37,500/-
2	Acacia Partners LP	₹78,00,000/-
3	Acacia Institutional Partners LP	₹78,00,000/-
4	Acacia II Partners LP	₹78,00,000/-
5	Acacia Conservation fund LP	₹78,00,000/-
6	Acacia Banyan Partners	₹78,00,000/-

5. The recommendation of the HPAC was approved by the Panel of Whole Time Members of SEBI on February 05, 2025. Subsequently, Notice of Demand for the said amounts were issued to the Applicants on February 06, 2025. The Applicants informed about the remittance of the aforesaid settlement amount on February 13, 2025 and SEBI has confirmed credit of the same.
6. On the basis of the facts stated above, in exercise of the powers conferred under Section 15JB read with Section 19 of the SEBI Act and in terms of Regulation 23 of the Settlement Regulations, it is hereby ordered that any proceedings that may be initiated for the violations as mentioned at paragraph 1 above, are settled in respect of the Applicants on the following terms:
- SEBI shall not initiate any enforcement action against the Applicants for the said violations, and
 - Passing of this Order is without prejudice to the right of SEBI under Regulation 28 and Regulation 31 of the Settlement Regulations to initiate appropriate action against the Applicants, if SEBI finds that:
 - any representation made by the Applicants in the present settlement proceedings is subsequently found to be untrue;
 - the Applicants have breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings; and
 - there was a discrepancy while arriving at the settlement terms.

7. This Settlement Order is passed on this 20th day of March, 2025 and shall come into force with immediate effect.
8. In terms of Regulation 25 of the Settlement Regulations, a copy of this Order shall be sent to the Applicants and shall also be published on the website of SEBI.

Sd/-

AMARJEET SINGH
WHOLE TIME MEMBER

Sd/-

KAMLESH C VARSHNEY
WHOLE TIME MEMBER