

SECURITIES AND EXCHANGE BOARD OF INDIA**SETTLEMENT ORDER****IN RESPECT OF SUMMARY SETTLEMENT APPLICATIONS**

SUMMARY SETTLEMENT APPLICATION NUMBER	NAME OF THE APPLICANT	PAN NUMBER
SS-1/2024	DIVINION ALTERNATIVE INDIA FUND	AADTD8416E
SS-2/2024	DIVINION ADVISORY SERVICES PRIVATE LIMITED	AAICD0429P
SS-3/2024	HORMUZ ASPY BULSARA	AAAPB5385R
SS-4/2024	MR. SANDIP BASU	ADCPB6003H

**IN THE MATTER OF INVESTMENT IN SECURITIES OF NON-PERMITTED
CATEGORY**

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1. Divinion Alternative India Fund, a Category-3 Alternative Investment Fund (hereinafter referred to as “**AIF**”) invested 24.04% of its investible funds in Nippon India ETF Nifty 50 BeES. The Exchange Traded Funds or ETFs fall under the category of Mutual Funds. By investing in Nippon India ETF Nifty 50 BeES, the AIF had invested in the category of securities other than the permitted category as required under the SEBI (Alternative Investment Funds) Regulations, 2012 (hereinafter referred to as “**AIF Regulations**”), and has thereby violated Regulation 18 (a), Regulation 20(1) read with 1(a) of Code of Conduct as specified in the Fourth Schedule of AIF Regulations.
 2. Further, the Manager- Divinion Advisory Services Private Limited (Applicant No. 2) was found to be in violation of Regulation 20 (1) read with Clause 2(a) of Code of Conduct as specified in the Fourth Schedule of the AIF Regulations, Regulation 20(2) read with Clause 2(c) of Code of Conduct as specified in the

Fourth Schedule of the AIF Regulations, Regulation 20(5) of the AIF Regulations. Similarly, the Key Managerial Personnels of the AIF, i.e. Applicant Nos. 3 and 4 are in violation of Regulation 20(1) read with clause 2(a) and 2(c) of Code of Conduct as specified in the Fourth Schedule of the AIF Regulations, 2012.

3. In terms of Regulation 16 of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as “**Settlement Regulations**”), SEBI issued a ‘Notice of Summary Settlement’ dated March 04, 2024 (hereinafter referred to as the “**Notice**”) to the AIF, its Manager and the Key Managerial Personnels (hereinafter collectively referred to as the “**Applicants**”) intimating that proceedings under Section 15EA of the SEBI Act may be initiated, for the aforesaid violations and that in case the applicants wished to settle the aforesaid proceedings to be initiated they would be required to file an application under the Settlement Regulations along with remittance of the settlement amount of ₹11,25,000/- (Rupees Eleven lakhs twenty five thousand only) in terms of Regulations 16(3)(b) of the SEBI (Settlement Proceedings) Regulations, 2018 within 30 calendar days from the date of receipt of the Notice in terms of Chapter VII of the Settlement Regulations.
4. In response to the same, the Applicants filed applications proposing to settle the enforcement proceedings that may be initiated for the violation(s) mentioned in paragraph 1. The applicants remitted the settlement amount of ₹11,25,000/- (Rupees Eleven lakhs twenty five thousand only) on March 28, 2024 and SEBI has confirmed credit of the same.
5. 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, 1992 and in terms of Regulations 23 of the Settlement Regulations, it is hereby ordered that the specified proceedings in respect of which the Notice was issued are hereby settled in respect of the Applicants on the following terms:

- i.* SEBI shall not initiate any enforcement action against the Applicants for the said violations, and
 - ii.* passing of this Settlement Order is without prejudice to the right of SEBI under Regulation 28 of the Settlement Regulations to initiate appropriate action against the Applicants, if SEBI finds that:
 - (a) any representation made by the Applicants in the present settlement proceedings is subsequently found to be untrue;
 - (b) the Applicants have breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings; and
 - (c) there is a discrepancy while arriving at the settlement terms.
- 6. This Settlement Order is passed on this 15th day of May, 2024 and shall come into force with immediate effect.
- 7. 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/-
KAMLESH C. VARSHNEY
WHOLE TIME MEMBER

Sd/-
AMARJEET SINGH
WHOLE TIME MEMBER