

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA**

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**SETTLEMENT ORDER**

**in Settlement Application No.**

**6559 of 2021 filed by Mr. S. Madhavan [PAN: AAAPM2924M]**

**in the matter of UFO Moviez India Limited**

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1. Mr. S. Madhavan (hereinafter referred to as the ‘applicant’), filed a settlement application in terms of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as the ‘Settlement Regulations’) proposing to settle, without admitting or denying the findings of fact and conclusions of law, through a settlement order, pending enforcement proceedings initiated against him, vide Show Cause Notice bearing No. IVD/ID-07/PD/SCN/UFO/16456/2021 dated July 27, 2021, for the alleged violation of Regulation 4(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred as “PIT Regulations”) and Sections 12A(d) and 12A(e) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “SEBI Act”).
2. In terms of the Show Cause Notice the applicant was an Independent Director of UFO Moviez India Limited (hereinafter referred to as “the company”) from November 20, 2014 till September 19, 2019. Vide a press release dated November 01, 2017 the information related to the composite scheme of arrangement and amalgamation between UFO Moviez India Limited and Qube Cinema Technologies Private Limited was made public. Prior to its publication, this information was considered to be a price sensitive information. The applicant by virtue of being the Independent Director of the company came into possession of the price sensitive information and traded in the scrip of the company. In view thereof, the applicant was alleged to have violated Regulation 4(1) of the PIT Regulations and Sections 12A(d) and 12A(e) of the SEBI Act.
3. Pursuant to the receipt of the application, the authorized representative of the applicant had a meeting with the Internal Committee of SEBI on October 08, 2021 and deliberated

on the terms of the settlement. Thereafter, the applicant vide e-mail dated October 20, 2021, proposed the revised settlement terms to settle the proceedings initiated against him.

4. The High Powered Advisory Committee (hereinafter referred to as the “HPAC”) in its meeting held on November 09, 2021 considered the settlement terms proposed by the applicant and recommended the case for settlement upon payment of ₹19,12,500/- (Rupees Nineteen Lakh Twelve Thousand Five Hundred only) as settlement amount and ₹1,59,499/- (Rupees One Lakh Fifty Nine Thousand Four Hundred and Ninety Nine only) as disgorgement amount along with 12% simple interest thereupon from the date of default till the date of submission of Revised Settlement Terms (hereinafter referred to as “RST”) amounting to ₹76,140/- (Rupees Seventy Six Thousand One Hundred and Forty only). The aforesaid amount was remitted by the applicant on December 13, 2021. The receipt of the above payment is confirmed.
5. In view of the above, in exercise of the powers conferred under Section 15JB of the Securities and Exchange Board of India Act, 1992 and in terms of Regulations 23 read with Regulation 28 of the Settlement Regulations, it is hereby ordered that the proceedings that may have been initiated for the default as mentioned in paragraph 1 above are settled *qua* the applicant as per the following terms:
  - i. SEBI shall not initiate enforcement action against the applicant for the said default;
  - ii. this order disposes of the proceedings that may be initiated for the said default as mentioned above, in respect of the applicant; and
  - iii. passing of this order is without prejudice to the right of SEBI under Regulation 28 of the Settlement Regulations to take enforcement actions including commencing proceedings against the applicant, if SEBI finds that:
    - a. any representation made by the applicant in the present settlement proceedings is subsequently found to be untrue;
    - b. the applicant has breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings; and
    - c. there was a discrepancy while arriving at the settlement terms.

6. This settlement order is passed on this 20th day of January, 2022 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 applicant and also be published on the website of SEBI.

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**S.K. MOHANTY**  
**WHOLE TIME MEMBER**

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**ANANTA BARUA**  
**WHOLE TIME MEMBER**