

**BEFORE THE ADJUDICATING OFFICER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**SETTLEMENT ORDER NO. SO/NH/VS/2022-23/6624**

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**UNDER SECTION 15JB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH REGULATION 23 (1) OF THE SEBI (SETTLEMENT PROCEEDINGS) REGULATIONS, 2018**

**On the Application No. 6624/2021 submitted by**

**Mr. Kamal Gianchandani (PAN AHHPG9707G)**

**In the matter of PVR Limited**

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1. Securities and Exchange Board of India (hereinafter be referred to as, the “SEBI”), initiated adjudication proceedings under Section 15A(b) and Section 15HB of the SEBI Act, 1992 (“hereinafter referred to as “SEBI Act”) in the matter of PVR Limited (hereinafter referred to as “PVR Limited”/ “Company”), against Mr. Kamal Gianchandani (hereinafter referred to as “the Noticee”/ “Applicant”), for the alleged violation of Regulation 7 (2) (a) of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations 2015”) and Clause 6 of Schedule B read with Regulation 9 (1) of the PIT Regulations 2015 by the Noticee.
2. Ms. Maninder Cheema was appointed as Adjudicating Officer (hereinafter referred to as “AO”) vide order dated April 7, 2021 to inquire into and adjudge under Sections 15A (b) and 15HB of the SEBI Act, the aforesaid violations alleged to have been committed by the Noticee. Subsequently, the undersigned was appointed as AO vide order dated June 27, 2022.
3. Show Cause Notice No. EAD5/MC/RM/23372/2021 dated September 9, 2021 (hereinafter be referred to as, the “SCN”) was served upon the Noticee under Rule 4(1) of the SEBI (Procedure for holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as “Adjudication Rules”) to show cause as to why an inquiry should not be held and penalty be not imposed against the Noticee under

Sections 15A (b) and 15HB of the SEBI Act, for the alleged violations of the PIT Regulations 2015.

4. SEBI had carried out a detailed investigation into trading in the shares of PVR Limited to examine the matter of alleged violation of the PIT Regulations 2015.
5. The Company (CIN: L74899DL1995PLC067827) was incorporated on April 26, 1995 under the Companies Act, 1956 as "Priya Village Roadshow Limited" and obtained a certificate of commencement of business on December 4, 1995. On June 28, 2002 the name of the Company was changed from "Priya Village Roadshow Limited" to "PVR Limited". The Company got listed on BSE and NSE on January 4, 2006. The registered office of the Company is "61, Basant Lok, Vasant Vihar, New Delhi - 110057".
6. During the investigation, the Company vide email dated March 29, 2019 provided the list of Designated Persons for the period 2014-15 to 2016-17. Trades executed by the Designated Persons during the Investigation period (i.e. April 01, 2014 to March 31, 2017) were examined along with details of trading window closure by the Company.
7. Details of the trading window closure during the Investigation period as informed by the Company are given below:

Date and time of information regarding Trading Window Closure sent to Designated person through email	Date of start of closure of Trading Window	Date of end of closure of Trading Window	Date of Next board Meeting	Reason for such closure
21/05/2014 12:15	22/05/2014	30/05/2014	29/05/2014	Fin Results for Mar 31, 2014
23/07/2014 14:07	24/07/2014	01/08/2014	31/07/2014	Fin Results for June 30, 2014
21/10/2014 11:15	21/10/2014	01/11/2014	03/10/2014	Fin Results for Sep 30, 2014
20/01/2015 10:56	20/01/2015	31/01/2015	30/01/2015	Fin Results for Dec 31, 2014
19/05/2015 14:12	19/05/2015	31/05/2015	29/05/2015	Fin Results for Mar 31, 2015

Date and time of information regarding Trading Window Closure sent to Designated person through email	Date of start of closure of Trading Window	Date of end of closure of Trading Window	Date of Next board Meeting	Reason for such closure
10/06/2015 17:45	12/06/2015	14/06/2015	12/06/2015	Urgent meeting
08/07/2015 16:21	09/07/2015	23/07/2015	22/07/2015	Fin Results for June 30, 2015
20/10/2015 13:42	20/10/2015	05/11/2015	03/11/2015	Fin Results for Sep 30, 2015
21/01/2016 11:38	21/01/2016	31/01/2016	29/01/2016	Fin Results for Dec 31, 2015
18/05/2016 12:45	19/05/2016	29/05/2016	27/05/2016	Fin Results for Mar 31, 2016
20/07/2016 11:35	21/07/2016	31/07/2016	28/07/2016	Fin Results for June 30, 2016
19/10/2016 12:09	20/10/2016	29/10/2016	27/10/2016	Fin Results for Sep 30, 2016
25/01/2017 11:53	26/01/2017	05/02/2017	03/02/2017	Fin Results for Dec 31, 2016

8. On examination of trades executed during the Investigation Period by the Noticee who was a Designated Employee of PVR Limited during the Investigation period, certain alleged violations were observed.

9. Trades executed by the Noticee are detailed below:-

Date	Type of transaction	No. of security	Value (Rs.)	Pre-clearance	Disclosures required under Regulation 7 (2) (a) of SEBI (PIT) Regulation, 2015
07/10/2015	Sell	364	3,09,400	No pre-clearance obtained	Value of the securities traded in a calendar quarter ending Dec 31, 2015, having value in excess of ten lakh rupees
16/10/2015	Sell	636	5,50,140	No pre-clearance obtained	
27/11/2015	Sell	2,000	17,00,011	No pre-clearance obtained	
12/04/2016	Sell	1,000	7,55,000	No pre-clearance obtained	Value of shares sold less than Rs. Ten lakhs in the calendar Qtr
02/09/2016	Sell	28,999	3,69,58,105	No pre-clearance obtained	Value of the securities traded in a calendar quarter ending Sep 30, 2016, having value in excess of ten lakh rupees
05/10/2016	Sell	18	22,230	No pre-clearance obtained	Value of the securities traded in a calendar quarter

Date	Type of transaction	No. of security	Value (Rs.)	Pre-clearance	Disclosures required under Regulation 7 (2) (a) of SEBI (PIT) Regulation, 2015
18/10/2016	Sell	8,496	1,02,59,368	No pre-clearance obtained	ending Dec 31, 2016, having value in excess of ten lakh rupees
19/10/2016	Sell	8,486	1,02,48,914	No pre-clearance obtained	

10. From the reply provided by PVR Limited it was observed that the Noticee had executed the above mentioned eight trades without obtaining pre-clearances from the Company.

11. The Noticee in his reply dated February 10, 2021 to SEBI stated that –

- (i) 50,000 shares of PVR Limited were allotted to him as per Company's ESOP Scheme;
- (ii) one share of PVR Limited was allotted to him against his holding in Cinemax India Limited;
- (iii) he did not buy any shares on the stock exchange platform during the period of April 01, 2014 - March 31, 2017;
- (iv) he was not working with PVR Limited and heading PVR Pictures Limited based in Mumbai which is into film distribution business for Hollywood & Bollywood movies in India;
- (v) he could not obtain pre-clearances for trades executed as he was stationed in Mumbai to oversee entire operations of PVR Pictures Limited;
- (vi) at no stage during the said period did he directly or indirectly possess any unpublished price sensitive information pertaining to PVR Limited.

12. However, as the Noticee was heading the PVR Pictures Limited during the Investigation period, Noticee was a designated person of PVR Limited, which was also seen from the email dated March 29, 2019 of PVR Limited to SEBI. Further, email dated July 23, 2014 sent by PVR Limited to Designated Persons regarding trading window closure was also marked to the Noticee.

13. Therefore, by not obtaining pre-clearance for his trades from the Board of PVR Ltd, the Noticee was alleged to have violated Clause 6 of Schedule B (Minimum Standards for Code of Conduct to Regulate, Monitor and Report Trading by Insiders) read with Regulation 9 (1) of the PIT Regulations 2015.
14. Further, seven trades executed by the Noticee were not disclosed to the Company as required under Regulation 7 (2) (a) of the PIT Regulations. Therefore, by not making required disclosures the Noticee was alleged to have violated Regulation 7 (2) (a) of the PIT Regulations 2015.
15. The Noticee filed Settlement Application No. 6624/2021 dated October 19, 2021 under the SEBI (Settlement Proceedings) Regulations, 2018 ("Settlement Regulations") for settlement of enforcement proceedings initiated against them vide the SCN dated September 9, 2021, and to keep the proceedings in abeyance till the disposal of the settlement application.
16. Thereafter, in a meeting of SEBI's Internal Committee ("IC") held on February 24, 2022 the matter was deliberated and the IC requested recalculation of the indicative amount on the basis of submissions made by the applicants during the IC. The Noticee vide e-mail dated April 11, 2022 submitted Revised Settlement Terms and offered Rs. 30,74,500/- (Rupees thirty lakhs seventy four thousand five hundred only) as per the Settlement Regulations.
17. The settlement terms as proposed by the Noticee / Applicant were considered and recommended for settlement by the IC. The settlement terms were placed before the High Powered Advisory Committee for Settlement/Compounding Applications ("HPAC") on May 10, 2022. The HPAC considered the facts and circumstances of the case, material brought before it and agreed with the recommendation of the IC. Thus, the HPAC recommended that the present adjudication proceedings may be settled on payment of Rs. 30,74,500/- by the Noticee in accordance with the Settlement Regulations.

18. Upon consideration of the recommendations of the HPAC, the panel of Whole-time Members of SEBI on June 7, 2022 accepted the recommendations of the HPAC. SEBI vide e-mail dated June 8, 2022 communicated the mode of payment of settlement amount to the Noticees advising them to intimate SEBI upon completion of the payment process. Thereafter, Noticee/Applicant vide e-mail dated July 2, 2022 submitted payment receipt upon payment of settlement amount. Receipt of online payment of Rs. 30,74,500/- (Rupees thirty lakhs seventy four thousand five hundred only) on July 4, 2022 from the Noticee to SEBI's account in terms of the Settlement Regulations has been confirmed.

### **ORDER**

19. In view of the aforesaid and in exercise of the powers conferred under Section 15JB of the SEBI Act read with Regulation 23 (1) of the Settlement Regulations, the adjudication proceedings initiated against the applicant viz. Mr. Kamal Gianchandani under the aforesaid SCN dated September 9, 2021 are hereby disposed of.

20. 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 Applicant, if :

- i. any representations made by the Applicant in the present settlement proceedings are subsequently found to be untrue; or
- ii. the Applicant breach any of the clauses / conditions of undertakings / waivers filed during the present settlement proceedings.

21. This settlement order passed on this 27<sup>th</sup> day of July, 2022 shall come into force with immediate effect.

22. In terms of Regulation 25 of Settlement Regulations, a copy of this order is being sent to the Applicant / Noticee viz. Mr. Kamal Gianchandani, and the order is also published on the website of SEBI.

**Place: Mumbai**

**Date: July 27, 2022**

**N. HARIHARAN  
ADJUDICATING OFFICER**