

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

**[ADJUDICATION ORDER Ref No.: Order/AP/VS/2020-21/9540]**

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**UNDER SECTION 15-I OF SECURITIES AND EXCHANGE BOARD OF INDIA  
ACT, 1992 READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING  
INQUIRY AND IMPOSING PENALTIES) RULES, 1995.**

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In respect of:

**Mr. Aaditya Tikmani**  
**(PAN: AENPA3339M)**  
No. 5, Lakshmi Street,  
Kilpauk, Chennai,  
Tamil Nadu-600010

In the matter of **UV Boards Limited**

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1. UV Boards Limited (hereinafter referred to as 'UVBL'), is a company listed on Bombay Stock Exchange Limited (BSE). BSE vide its letter dated August 08, 2016 informed Securities and Exchange Board of India (hereinafter referred to as 'SEBI') that during the course of analysis in the scrip of UVBL for the period of February 12, 2015 to March 09, 2016, it was observed that there was a decrease in the shareholding of public shareholder Mr. Aaditya Tikmani (hereinafter referred to as "the Noticee") which required disclosures under regulation 29(2) read with regulation 29(3) of the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 (hereinafter referred to as 'the SAST Regulations').
2. During the examination SEBI observed that the Noticee was holding 1344538 (8.82%) shares of UVBL on January 29, 2016. On February 08, 2016, pursuant to sale of shares of UVBL by the Noticee on various dates, the shareholding of the Noticee in UVBL decreased from 8.82% to 6.38% (i.e. more than 2%). Pursuant to above selling of shares of UVBL, the Noticee was under obligation to make requisite disclosure in terms of regulation 29(2) read with regulation 29(3) of the SAST Regulations to the BSE and UVBL, respectively.
3. BSE, vide its aforesaid letter dated August 08, 2016 also submitted the following details of transactions undertaken by the Noticee and corresponding disclosures made by him in the scrip of UVBL:

S. No.	Date of Transaction	Pre Transaction Holding (%)	Post Transaction Holding (%)	% change in shareholding	Cumulative change in shareholding (%)	Requirement under SAST Regulations
1	29/01/2016	13,44,538 (8.82%)	12,96,438 (8.51%)	0.31	0.31	Not Applicable
2	01/02/2016	12,96,438 (8.51%)	12,86,301 (8.44%)	0.07	0.38	Not Applicable
3	04/02/2016	12,86,301 (8.44%)	10,86,301 (7.13%)	1.31	1.69	Not Applicable
4	05/02/2016	10,86,301 (7.13%)	10,73,248 (7.04%)	0.09	1.78	Not Applicable
5	08/02/2016	10,73,248 (7.04%)	9,73,248 (6.38%)	0.66	2.44	Regulation 29(2) read with regulation 29(3)
6	15/02/2016	9,73,248 (6.38%)	9,56,117 (6.27%)	0.11	2.55	Not Applicable
7	16/02/2016	9,56,117 (6.27%)	9,06,117 (5.94%)	0.33	2.88	Not Applicable
8	17/02/2016	9,06,117 (5.94%)	8,81,117 (5.78%)	0.16	3.04	Not Applicable

4. Central Depository Services Limited (hereinafter referred to as 'CDSL'), vide its email dated August 11, 2017 also confirmed that the aforesaid transactions were carried by the Noticee on respective dates.
5. SEBI vide email dated March 28, 2019 asked the Noticee to provide the details of disclosures made by him in this regard. The Noticee vide its email dated April 02, 2019 submitted that "due to oversight he inadvertently missed out to report the transactions for which he was required to make requisite disclosures.
6. Based upon findings of the investigation, competent authority in SEBI *prima facie* felt satisfied that there are sufficient grounds to inquire and adjudicate upon the aforesaid violation of provisions of the regulation 29(2) read with regulation 29(3) of the SAST Regulation by the Noticee. By a *communication-order* dated March 11, 2020, the undersigned has been appointed as Adjudicating Officer to inquire into and adjudge under section 15A (b) of the SEBI Act for the alleged violations of aforesaid PIT Regulations, by the Noticee. The relevant provisions of the SAST Regulations charged in this case against the Noticee are reproduced as follows:

***Disclosure of acquisition and disposal.***

***29(1) ...***

*(2) Any person, who together with persons acting in concert with him, holds shares or voting rights entitling them to five per cent or more of the shares or voting rights in a target company, shall disclose the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below five per cent, if there has been change in such holdings from the last disclosure*

*made under sub-regulation (1) or under this sub-regulation; and such change exceeds two per cent of total shareholding or voting rights in the target company, in such form as may be specified.*

*(3) The disclosures required under sub-regulation (1) and sub-regulation (2) shall be made within two working days of the receipt of intimation of allotment of shares, or the acquisition of shares or voting rights in the target company to,—*

*(a) every stock exchange where the shares of the target company are listed; and*

*(b) the target company at its registered office*

7. After the receipt of records, the notice to show cause no. EAD-2/AP/VS/9622/2020 dated March 17, 2020 (SCN) was issued to the Noticee in terms of rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudication Officer) Rules, 1995 (hereinafter referred to as 'Adjudication Rules') read with section 15I of the SEBI Act. By the SCN, the Noticee was called upon to show cause as to why an inquiry should not be held against him in terms of rule 4 of the Adjudication Rules and penalty be not imposed under Section 15A (b) of the SEBI Act for the aforesaid alleged violations. The SCN was duly served upon the Noticee. However, the Noticee didn't file any reply to the SCN.
8. Thereafter, in terms of rule 4(3) of the Adjudication Rules and in the interest of natural justice, undersigned granted an opportunity of personal hearing to the Noticee on September 14, 2020. On scheduled date of hearing the Noticee availed the opportunity of hearing through video-conferencing at webex platform. The Noticee made oral submission that the violation was unintentional and it was his first time violation. The Noticee also submitted that there was no loss caused to the investors due to the violation. The Noticee requested that a lenient view may be taken in the matter.
9. I have perused the allegations levelled against the Noticee in the SCN, his oral submission during hearing and materials relied upon by SEBI and proceeded to examine the facts and circumstances and the material available on record. The Noticee has admitted his sale of shares as impugned in this case. It is also an admitted position that the disclosure obligations in this case was triggered on account of change in shareholding of the Noticee in the UVBL on February 08, 2016. The only question that remains to be answered in this case is as to whether the Noticee made disclosures in terms of the provisions of regulation 29(2) read with regulation 29(3) of the SAST Regulations.

10. It is pertinent to mention that the disclosures requirements under the respective regulations serve very important purposes. The stock exchange is informed so that the investing public will come to know of the position enabling them to stick on with or exit from the company. Timely disclosures of the details of the shareholding of the persons acquiring/transferring substantial stake is of significant importance as such disclosures also enable the regulators to monitor such acquisitions. Hon'ble SAT in the matter of Coimbatore Flavors & Fragrances Ltd. vs SEBI (*Appeal No. 209 of 2014 order dated August 11, 2014*), has held that “*Undoubtedly, the purpose of these disclosures is to bring about more transparency in the affairs of the companies. True and timely disclosures by a company or its promoters are very essential from two angles. Firstly; investors can take a more informed decision to invest or not to invest in a particular scrip secondly; the Regulator can properly monitor the transactions in the capital market to effectively regulate the same.*” Further in the matter of Appeal No. 66 of 2003 -Milan Mahendra Securities Pvt. Ltd. vs. SEBI—the Hon'ble SAT, vide its order dated April 15, 2005 also held that, “*the purpose of these disclosures is to bring about transparency in the transactions and assist the Regulator to effectively monitor the transactions in the market.*” In the facts and circumstances of this case, the failure to make disclosure as found in this case would defeat the purpose of the provisions of Regulation 29(2) read with 29(3) of the SAST Regulations. The statutory timeline stipulated in regulation 29(3) of the SAST Regulations is mandatory. Considering these facts and circumstances, I hold that this case deserves imposition of monetary penalty upon the Noticee under Section 15A (b) of the SEBI Act which reads as following:-

**Penalties and Adjudication**

**Penalty for failure to furnish information, return, etc.**

**15A.** *If any person, who is required under this Act or any rules or regulations made thereunder,—*

*(a)...*

*(b) to file any return or furnish any information, books or other documents within the time specified therefor in the regulations, fails to file return or furnish the same within the time specified therefor in the regulations or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents, he shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees.*

11. For the purpose of adjudging the quantum of penalty it is relevant to mention that under section 15I of the SEBI Act imposition of penalty is linked to the subjective satisfaction of the Adjudicating Officer. The words in the section that “*he may impose such penalty*” are of considerable significance, especially in view of the guidelines provided by the legislature in section 15J of the SEBI Act. Further, while adjudging the quantum of penalty the adjudicating

officer has discretion and such discretion should be exercised having due regard to the factors specified in section 15J. The factors stipulated in Section 15J, which reads as follows:-

***15J - Factors to be taken into account by the adjudicating officer***

*While adjudging quantum of penalty under section 15-I, the adjudicating officer shall have due regard to the following factors, namely: -*

- (a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;*
- (b) the amount of loss caused to an investor or group of investor/ +s as a result of the default;*
- (c) the repetitive nature of the default.*

*Explanation-*

*For the removal of doubts, it is clarified that the power of an adjudicating officer to adjudge the quantum of penalty under sections 15A to 15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section.*

12. Having regard to the factors listed in section 15J, it is noted that from the material available on record, any quantifiable gain or unfair advantage accrued to the Noticee or the extent of loss suffered by the investors as a result of the default in this case cannot be computed. The record do not show any repetitive default of this nature by the Noticee. Hence, I note that this is the first time default. However, at the same time I consider that timely disclosures to the company and the stock exchange as required under the SAST Regulations, are of significant importance from the point of view of the investors and regulators.
13. Taking into consideration all the facts and circumstances of the case including the aforesaid 15J factors and exercising the powers conferred upon me under section 15I of the SEBI Act read with rule 5 of the Adjudication Rules, I hereby impose a monetary penalty of ₹1,00,000/ (Rupees One Lakh only) upon Noticee viz. Mr. Aaditya Tikmani under section 15A(b) of the SEBI Act. In my view, the said penalty is commensurate with the violation committed by the Noticee in this case.
14. The Noticee shall remit / pay the said amount of penalty within 45 days of receipt of this order in either of the way of demand draft in favour of “SEBI - Penalties Remittable to Government of India”, payable at Mumbai, or by following the path at SEBI website [www.sebi.gov.in](http://www.sebi.gov.in), ENFORCEMENT > Orders > Orders of AO > PAY NOW; OR by using the web link

<https://siportal.sebi.gov.in/intermediary/AOPaymentGateway.html>. In case of any difficulties in payment of penalties, the Noticees may contact the support at [portalhelp@sebi.gov.in](mailto:portalhelp@sebi.gov.in)

15. The Demand Draft or details and confirmation of e-payment made in the format as given in table below shall be sent to "*The Division Chief, EFD-DRA-3, Securities and Exchange Board of India, SEBI Bhavan, Plot No. C- 4 A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.*" and also to e-mail id:- [tad@sebi.gov.in](mailto:tad@sebi.gov.in)

1	Case Name	
2	Name of the 'Payer/Noticee'	
3	Date of Payment	
4	Amount Paid	
5	Transaction No.	
6	Bank Details in which payment is made	
7	Payment is made for (like penalties/disgorgement / recovery/ settlement amount and legal charges along with order details)	

16. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, recovery proceedings may be initiated under section 28A of the SEBI Act, 1992 for realization of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties.
17. In terms of rule 6 of the Adjudication Rules, copies of this order are sent to the Noticee and also to SEBI.

**Date: November 05, 2020**

**Place: Mumbai**

**Amit Pradhan**  
**Adjudicating Officer**