BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

(ADJUDICATION ORDER NO: Order/SV/VC/2023-24/30058-30065)

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

In respect of

Noticee No.	Name and PAN of the Noticee
1	United Polyfab Gujarat Ltd. (PAN No.– AABCU2404N)
2	Gagan Nirmalkumar Mittal (PAN No.– AGAPM6260A)
3	Shiv Marketing and Trading (PAN No.– AECFS8917E)
4	Vishwakarma Trading House (PAN No.– AASFV6757F)
5	Anilkumar Mangalchand Mittal (PAN No.– ABBPM8020E)
6	Amay Spincot Pvt. Ltd. (Earlier known as Dhanshree Barter Pvt. Ltd.) (PAN No.– AADCD9207C)
7	Aditi Anil Mittal (PAN No.– ANBPM1506H)
8	Dhaval Anil Kumar Mittal (PAN No.– BBSPM8545C)

In the matter of United Polyfab Gujarat Limited

BACKGROUND OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as **'SEBI'**) has conducted investigation of United Polyfab Gujarat Limited (hereinafter referred to as the **'UPGL'** or **'Company'** or **'Noticee- 1'**) and trading by certain entities in the scrip of UPGL, to ascertain whether there was any violation of the provisions of the Securities and Exchange Board of India Act, 1992 ('hereinafter referred to as **'SEBI Act, 1992'**) and/or SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as **'PFUTP Regulations'**) by the entities in the trading of the scrip of UPGL.

2. Based on the findings of the investigation in the matter of trading by certain entities in the scrip of UPGL, SEBI initiated adjudication proceedings against UPGL (**'Noticee- 1'**), Gagan Nirmalkumar Mittal (**'Noticee- 2'**), Shiv Marketing and Trading (**'Noticee- 3'**), Vishwakarma Trading House (**'Noticee- 4'**), Anilkumar Mangalchand Mittal (**'Noticee- 5'**), Amay Spincot Pvt. Ltd. (earlier known as Dhanshree Barter Pvt. Ltd.) (**'Noticee- 6'**), Aditi Anil Mittal (**'Noticee- 7'**) and Dhaval Anil Kumar Mittal (**'Noticee- 8'**) {hereinafter together referred to as **'Noticees'**} for violating the provisions of Section 12A (a), (b) and (c) of the SEBI Act, 1992 read with Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2) (a) & (e) of PFUTP Regulations.

APPOINTMENT OF ADJUDICATING OFFICER

3. SEBI appointed the undersigned as the Adjudicating Officer, vide order dated June 08, 2023, under Section 15-I of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as **'SEBI Act, 1992'**), and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as **'SEBI Adjudication Rules**) read with Section 19 of the SEBI Act, 1992, to inquire into and adjudge under the provisions of Section 15HA of the SEBI Act, 1992 for the violations alleged to have been committed by the Noticees.

SHOW CAUSE NOTICE, REPLY AND HEARING

4. A common Show Cause Notice dated July 18, 2023 (hereinafter referred to as **'SCN'**) was issued to the Noticees in terms of the provisions of Rule 4(1) of the SEBI Adjudication Rules read with Section 15-I of the SEBI Act, 1992, requiring the Noticees to show cause as to why an inquiry should not be held against them and why penalty, if any, should not be imposed upon the Noticees under Section 15HA of the SEBI Act, 1992 for the alleged violations. I note that SCN issued to the Noticees was duly served upon the Noticees and it was acknowledged by the Noticees.

5. The detail of the delivery and the mode of delivery of the SCN to the Noticees is given below:

Table No. 1

Sr. No.	Entity	SCN Delivery status: Yes / No	Mode of the delivery
1	Noticee- 1	Yes	E-mail and SPAD*
2	Noticee- 2	Yes	E-mail and SPAD
3	Noticee- 3	Yes	E-mail and SPAD
4	Noticee- 4	Yes	E-mail and SPAD
5	Noticee- 5	Yes	E-mail and SPAD
6	Noticee- 6	Yes	E-mail and through broker i.e. Kunvarji Finstock Pvt. Ltd.
7	Noticee- 7	Yes	E-mail and SPAD
8	Noticee- 8	Yes	E-mail and SPAD

* Speed post Acknowledgement Due is referred to as SPAD.

6. Therefore, from the aforesaid table, I note that the service of SCN to all the Noticees was completed and sufficient notice was given to them.

7. Noticees submitted their reply to the SCN. The detail of replies submitted to the SCN by the Noticees is as under:

Table No. 2

Sr. No.	Entity	Reply given: Yes / No	Date of reply
1	Noticee- 1	Yes	November 09, 2023
2	Noticee- 2	Yes	November 09, 2023
3	Noticee- 3	Yes	November 21, 2023
4	Noticee- 4	Yes	November 27, 2023
5	Noticee- 5	Yes	November 14, 2023
6	Noticee- 6	Yes	November 21, 2023
7	Noticee- 7	Yes	November 14, 2023
8	Noticee- 8	Yes	November 14, 2023

8. In the interest of natural justice, opportunities of hearing through video conference on cisco Webex platform, were granted to the Noticees. The detail of Hearing Notices (hereinafter referred to as '**HN'**) served to the Noticees and hearings conducted is as under:

Table No. 3

Noticee No.	HN Delivery status: Yes / No	Hearing conducted / availed: Yes / No	Date of HNs	Date on which hearing was scheduled / concluded and its status
Noticee- 1	Yes	Yes	November 03, 2023	Hearing concluded on November 28, 2023
Noticee- 2	Yes	Yes	November 03, 2023	Hearing concluded on November 28, 2023
Noticee- 3	Yes	Not availed	November 06, 2023	Not availed the hearing scheduled on November 28, 2023
Noticee- 4	Yes	Not availed	November 06, 2023	Not availed the hearing scheduled on November 28, 2023
Noticee- 5	Yes	Not availed	November 03, 2023	Not availed the hearing scheduled on November 28, 2023
Noticee- 6	Yes	Yes	November 06, 2023	Hearing concluded on December 04, 2023
Noticee- 7	Yes	Not availed	November 03, 2023	Not availed the hearing scheduled on November 28, 2023
Noticee- 8	Yes	Yes	November 03, 2023	Hearing concluded on December 04, 2023

9. Since the Noticee- 3, 4, 5 and 7 did not avail the hearing scheduled on November 28, 2023, vide e-mail dated November 28, 2023, they were advised that if they have any additional submissions in the matter, the same may be furnished by

December 04, 2023, otherwise, it shall be presumed that they have no further submissions to make, in which case, the matter shall be proceeded with on the basis of material / facts and their replies available on record. No further submissions in the matter were received from these Noticees.

10. The allegations levelled against the Noticees in the SCN are summarised as under:

"Price Volume (PV) Analysis:

10.1 The Price Volume (PV) analysis (unadjusted) of UPGL at NSE for 3 months before IP, during the IP and 3 months after IP is as under:

Table 4: PV analysis

Period and dates	***Price/ Volume***	***Of the period***				
		Opening Price / volume on first day	***Closing price/ volume on last day***	***Low price / volume***	***High Price/ volume***	***Average daily volume***
Before IP *(March 08, 2020 to June 08, 2020)*	*Price (₹)*	*8.1*	*6.35*	*6.35 (08.06.20)*	*8.1 (13.03.20)*	*12500*
	Vol	*3000*	*60000*	*3000*	*60000 (08.06.20)*	
During IP *(June 09, 2020 to Nov 24, 2021)*	*Price (₹)*	*6.05*	*18.15*	*5.95 (17.06.20)*	*59.75 (28.01.21)*	*49441*
	Vol	*60000*	*3000*	*3000 (Various days)*	*1767000 (26.11.20)*	
After IP *(Nov 25, 2021 to Feb 28, 2022)*	*Price (₹)*	*19.05*	*44.60*	*14.30 (10.12.21)*	*55.20 (04.02.22)*	*16920*
	Vol	*81000*	*1659*	*1 (03.01.22)*	*186434 (04.02.22)*	

(Source - NSE website)

10.2 During the IP, the Company allotted bonus shares in the ratio of 2:1 on February 19, 2021 i.e., 2 bonus shares for every 1 share held. The scrip was trading at ₹51.80 on February

16, 2021 prior to the corporate event adjustment and after corporate event adjustment the scrip traded at a price of ₹18.10.

10.3 It was observed that during the IP, the price of UPGL shares at NSE moved from ₹6.05 (on 09.06.2020) to ₹59.75 (on 28.01.2021), reached a low of ₹5.95 (on 17.06.2020) and closed at ₹18.15 (on 24.11.2021). On the basis of the price movement in the scrip and corporate action, the investigation period is divided into two patches – Patch 1 (June 09, 2020 to February 16, 2021) and Patch 2 (August 01, 2021 to November 24, 2021). Both the patches are of price rise. The patch wise PV details are as follows:

Table 5: PV analysis patch wise

Period and dates	***Price/ Volume***	***of the period***				
		Opening price / volume on first day	***Closing price / volume on last day***	***Low price / volume***	***High Price / volume***	***Average daily volume***
Patch 1 – *Price Rise (09.06.2020 to 16.02.2021)*	*Price (₹)*	*6.05*	*51.80*	*5.95 (17.06.20)*	*59.75 (28.01.21)*	*63195*
	Vol	*60000*	*3000*	*3000 (Various days)*	*1767000 (26.11.20)*	
Patch 2 – *Price Rise (01.08.2021 to 24.11.2021)*	*Price (₹)*	*9.00*	*18.15*	*9.00 (03.08.21)*	*18.15 (24.11.21)*	*23333*
	Vol	*9000*	*9000*	*9000 Various days*	*306000 (16.11.21)*	

Entities under investigation:

*10.4 On the basis of Know Your Client (KYC) details / Unique Client Code (UCC) details, off market transaction data and details available in Ministry of Corporate Affairs (MCA) Portal, Bank statements, the following entities which have traded (including off market transactions) in the scrip of UPGL are observed to be connected with UPGL / its directors / promoters / entities. These entities are referred as **"connected entities"**. Their connection details are summarized in the table below:*

Table 6: Summary of connection

Sr. No.	***Entity***	***PAN***	***Basis of connection***
1.	*Nirmal Mangalchand Mittal ("Nirmal")*	*ABFPM 8543C*	• *As per the prospectus of the Company the entity is one of the promoters of the Company.* • *As per UCC database maintained with the exchange, a mobile number i.e. 9879228037 is common for entities Nirmal (Sr. No. 1), Urmila (Sr. No. 2), Gagan (Sr. No. 3), Amay (Sr. No. 19) and Amaysha (Sr. No. 20).* • *Suresh, Anil, Vinod and Nirmal are directors in Vinod Denim Private Limited, an entity declared by UPGL as part of its promoter group.*
2.	*Urmila Nirmal Mittal ("Urmila")*	*ABGPM 6352A*	• *As per the prospectus of the Company, the entity is Spouse of Nirmal (Sr. No. 1) and Mother of Gagan (Sr. No. 3) and is part of the Promoter Group.* • *As per UCC database maintained with the exchange, a mobile number as 9879228037 is common for entities Nirmal (Sr. No. 1), Urmila (Sr. No. 2), Gagan (Sr. No. 3), Amay (Sr. No. 19) and Amaysha (Sr. No. 20).*
3.	*Gagan N. Mittal ("Gagan")* *(**Noticee- 2**)*	*AGAPM 6260A*	• *Promoter, Chairman and Managing Director of the Company.* • *Son of the Nirmal (sr. No. 1).* • *As per UCC database maintained with the exchange as well as per the a mobile number as per Reconciliation of Share Capital Audit Report filed the mobile number 9879228037 belongs to Gagan (Sr. No. 3) and is common for entities Nirmal (Sr. No. 1), Urmila (Sr. No. 2), Gagan (Sr. No. 3), Amay (Sr. No. 19) and Amaysha (Sr. No. 20).*
4.	*Anilkumar Mangalchand Mittal ("Anil")* *(**Noticee- 5**)*	*ABBPM 8020E*	• *As per the prospectus of the Company, the entity is brother of Nirmal (Sr. No. 1) and is part of the Promoter Group.* • *Suresh, Anil, Vinod and Nirmal are directors in Vinod Denim Private Limited, an entity declared by UPGL as part of its promoter group.*
5.	*Kusumdevi Sureshkumar Mittal ("Kusum")*	*ABBPM 8008J*	• *As per UCC database maintained with the exchange, entity is wife of Suresh (Sr. No. 9).*
6.	*Radha Vinodkumar Mittal*	*AFUPM 3262P*	• *As per UCC database maintained with the exchange, entity is wife of Vinod (Sr. No. 7).*
7.	*Vinodkumar Mangalchand Mittal ("Vinod")*	*AGKPM 8749C*	• *As per the prospectus of the Company, the entity is brother of Nirmal (Sr. No. 1) and is part of the Promoter Group.* • *Suresh, Anil, Vinod and Nirmal are directors in Vinod Denim Private Limited, an entity declared by UPGL as part of its promoter group.*

Sr. No.	Entity	PAN	Basis of connection
8.	*Kamaladevi Anilkumar Mittal*	*ABBPM 8002C*	• *As per UCC database maintained with the exchange, entity is wife of Anil (Sr. No. 4).*
9.	*Sureshkumar Mittal ("Suresh")*	*ABFPM 8544F*	• *As per the prospectus of the Company, the entity is brother of Nirmal (Sr. No. 1) and is part of the Promoter Group.* • *Suresh, Anil, Vinod and Nirmal are directors in Vinod Denim Private Limited, an entity declared by UPGL as part of its promoter group.*
10.	*Harsh Vinodbhai Mittal ("Harsh")*	*ARTPM 6199G*	• *As per UCC database maintained with the exchange, entity is son of Vinod (Sr. No. 7) and karta of Harsh HUF (Sr. No. 16).*
11.	*Poonam Harsh Mittal ("Poonam")*	*BHTPK 6185K*	• *As per UCC database maintained with the exchange, entity is wife of entity Harsh (Sr. No. 10).*
12.	*Sweta Yash Mittal ("Sweta")*	*AOIPK8 079H*	• *As per UCC database maintained with the exchange, entity is wife of entity Yash (Sr. No. 13).*
13.	*Yash Vinod Mittal ("Yash")*	*AJXPM 0241K*	• *As per UCC database maintained with the exchange, entity is son of Vinod (Sr. No. 7) and karta of Yash HUF (Sr. No. 17).*
14.	*Dhaval Anil Kumar Mittal ("Dhaval")*	*BBSPM 8545C*	• *As per UCC database maintained with the exchange, entity is son of Anil (Sr. No. 4).*
15.	*Piyush Sureshkumar Mittal ("Piyush")*	*AEOPM 9508H*	• *As per UCC database maintained with the exchange, entity is son of Suresh (Sr. No. 9) .*
16.	*Harsh V Mittal HUF ("Hash HUF")*	*AAFHH 6704M*	• *HUF of Harsh (Sr. No. 10).*
17.	*Yash V Mittal HUF ("Yash HUF")*	*AAAHY 9101J*	• *HUF of Yash (Sr. No. 13).*
18.	*Aditi Anil Mittal ("Aditi")*	*ANBPM 1506H*	• *As per UCC database maintained with the exchange, entity is daughter of Anil (Sr. No. 4).*
19.	*Amay Spincot Private Limited (earlier known as Dhanshree Barter Pvt Ltd) ("Amay") ("Dhanshree")* *(**Noticee- 6**)*	*AADCD 9207C*	• *Unsecured loan amounting to INR 198 lakh from the company i.e. UPGL in FY 2021.* • *32% share capital is being held by Amaysha (Sr. No. 20) which is also its promoter.* • *As per UCC database maintained with the exchange, it has email id as info@unitedpolyfab.com which is the email id of the company.* • *As per UCC database maintained with the exchange, it shares its address with Amaysha i.e.- (Sr. No. 20) as A-31,*

Sr. No.	Entity	PAN	Basis of connection
			Sumel Business Park 4, New Gujarat Synthetic Mill, Compound Saraspur, Ahmedabad, 380018. • As per the charge documents of United Polyfab Private Limited (UPPL), Property at A-31 and A-33, Sumel Business Park 4, New Gujarat Synthetic Mill, Compound Saraspur, Ahmedabad, 380018 belonged to UPPL, part of promoter group of UPGL. • As per UCC database maintained with the exchange, a mobile number as 9879228037 is common for entities Nirmal (Sr. No. 1), Urmila (Sr. No. 2), Gagan (Sr. No. 3), Amay (Sr. No. 19) and Amaysha (Sr. No. 20). • Rohit Ashokkumar Agrawal and Shivang Mahendrabhai Prajapati are common director with Amaysha (Sr. no. 20). • Shivang Mahendrabhai Prajapati was appointed as one of the directors in UPGL in May 2022. • One of the directors was Ronak S Kejriwal who is part of the promoter Group. • Pranavbhai Hareshbhai Padshah one of the partners of Shiv (Sr. no. 22) was appointed as one of the directors in Amay (Sr. No. 19) and Amaysha (Sr. No. 20) in February 2022. • Pranav Padshah in his reply stated that he is director in Amaysha, Amay. He was a former employee at United Techfab Pvt Ltd, a group company of UPGL.
20.	Amaysha Textiles Private Limited (“Amaysha”)	AACCH 7172H	• Amaysha holds 32% share capital of Amay (Sr. No. 19) and is its promoter. • As per UCC database maintained with the exchange as well as the KYC documents, it has email id as info@unitedpolyfab.com which is the email id of the company UPGL. • As per UCC database maintained with the exchange as well as the KYC documents, it shares its address with Amay i.e.- (Sr. No. 19) as A-33, Sumel Business Park 4, New Gujarat Synthetic Mill, Compound Saraspur, Ahmedabad, 380018. • As per the charge documents of UPPL, Property at A-31 and A-33, Sumel Business Park 4, New Gujarat Synthetic Mill, Compound Saraspur, Ahmedabad, 380018 belonged to UPPL, part of promoter group of UPGL. • As per UCC database maintained with the exchange as well as the KYC documents, a mobile number as 9879228037 is common for entities Nirmal (Sr. No. 1), Urmila (Sr. No. 2), Gagan (Sr. No. 3), Amay (Sr. No. 19) and Amaysha (Sr. No. 20). Mobile number 9879228037 belongs to Gagan (Sr. No. 3). • Rohit Ashokkumar Agrawal and Shivang Mahendrabhai Prajapati are common director with Amay (Sr. No. 19).

Sr. No.	Entity	PAN	Basis of connection
			• *Shivang Mahendrabhai Prajapati was appointed as one of the directors in UPGL in May 2022.* • *The mobile numbers of both the directors Shivang Mahendrabhai Prajapati (Shivang) and Vijay Mohanlal Agarwal in the KYC documents with (ASE Capital Markets Limited) is 9879228037 which belongs to Gagan (Sr. No. 3).* • *One of the directors was Ronak S Kejriwal who is part of the promoter Group.* • *Pranavbhai Hareshbhai Padshah one of the partners of Shiv (Sr. no. 22) was appointed as one of the directors in Amay (Sr. No. 19) and Amaysha (Sr. No. 20) in February 2022.* • *Pranav Padshah in his reply stated that he is director in Amaysha, Amay. He was a former employee at United Techfab Pvt Ltd, a group company of UPGL.*
21.	*Vishwakarma Trading House ("Vishwakarma")* *(**Noticee- 4**)*	*AASFV 6757F*	• *As per UCC database maintained with the exchange, one Navdeep Jangir is the partner of the entity whose email id is navdeep96@yahoo.com. The said email id is also uploaded for the entities Vishwakarma Cotspin Private Limited as well as Shivkarma Clothes Private Limited whose registered address is same as that of UPGL.* • *The phone number updated for the said entity 9537968910 is the registered mobile number with Torrent Power for Gagan (Sr. No. 3).*
22.	*Shiv Marketing and Trading ("Shiv")* *(**Noticee- 3**)*	*AECFS 8917E*	• *As per UCC database maintained with the exchange, one Pranavbhai Hareshbhai Padshah is the partner of the entity.* • *Pranavbhai Hareshbhai Padshah was appointed as one of the directors in Amay (Sr. No. 19) and Amaysha (Sr. No. 20) in February 2022.* • *As per information received from State Bank of India Navdeep was working with UPGL*
23.	*Pranavbhai Hareshbhai Padshah ("Pranav")*	*ALEPP 6819R*	• *Partner in Shiv Marketing and Trading (Sr.No. 22).* • *One of the directors in Amay (Sr. No. 19) and Amaysha (Sr. No. 20) in February 2022.* • *Fund transfers between Pranav, Amay (Sr. No. 19) and Nirmal (Sr. No. 1).*

10.5 From various MCA fillings, the following was observed during the investigation:

(i) For the loan taken by a promoter group entity, Vinod Denim Limited (Vinod Denim) entities namely Suresh, Vinod, Anil, Nirmal, Gagan, Dhaval, Harsh, Yash, Radha, Urmila, Piyush, Kamla and Kusum were personal guarantors and collateral security

was in form of immovable properties held by them singly or jointly (in various combinations).

(ii) For the loan taken by a promoter group entity, Vinod Fabrics Private Limited (Vinod fabrics) entities namely Suresh, Vinod, Anil, Nirmal, Piyush and Kususm were personal guarantors and collateral security was in form of immovable properties held by them singly or jointly (in various combinations).

(iii) For the documents pertaining to the property mortgaged by UPGL, UPPL and the promoters of UPGL, Shivang was one of the witness.

(iv) Entities mentioned at Sr. No. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 13, 14, 15 and 18 in table 6 were shareholders in Vinod Denim and Vinod fabrics.

10.6 Based on the submissions made by Amaysha vide its letter dated September 22, 2022, Amay is its associate company and have business relation with UPGL. Pranav, partner in Shiv is one of the existing director in both Amaysha and Amay.

*10.7 Further, based on the demat statements submitted by CDSL, it was observed that Navdeep Jangir ("**Navdeep**") is the holder of the demat account of Vishwakarma. Further based on the bank statements and submissions made by SBI vide its email dated February 07, 2023, Navdeep was an employee of UPGL during IP. Navdeep vide his email dated January 11, 2023 submitted that he provided services in the nature of HR Consultancy to UPPL (one of the promoters of UPGL). In this regard, summon was issued to Navdeep seeking documentary evidence and other information regarding his employment and also his relationship with Amaysha. Further, during the investigation period, several bank transactions were observed of Vishwakarma with Amaysha and Amay. Based on the available documents, it is alleged that Vishwakarma is connected with UPGL, its promoter Nirmal, Amaysha and Amay.*

10.8 Based on the demat statements submitted by CDSL, it was also observed that Pranav is the holder of the demat account of Shiv. Further as mentioned above, Pranav is the existing director in Amaysha and Amay. During IP, several bank transactions were observed of Shiv with Amaysha and Amay. Summon was issued to Pranav seeking his relationship with various entities, his employment details etc. However, the entity only provided part reply w.r.t. his relationship with Shiv wherein he is partner.

10.9 *Furthermore, based on the available documents and bank transactions, it is alleged that Shiv is connected with the entities, viz. Amaysha and Amay.*

Trading analysis:

10.10 *Summary of the trading done by the connected entities in the scrip of UPGL during investigation period is as under:*

Table 7: Trading summary of the connected entities

Sr. No.	Entity Name	Gross Buy		Gross Sell	
		Qty	% market volume	Qty	% market volume
1.	Amaysha Textiles Private Limited	1389000	19.95%	1068000	15.34%
2.	Dhanshree Barter Pvt Ltd	1185000	17.02%	1149000	16.50%
3.	Vishwakarma Trading House	846000	12.15%	846000	12.15%
4.	Gagan Nirmalkumar Mittal	531000	7.63%	0	0.00%
5.	Nirmalkumar Mangalchand Mittal	501000	7.20%	0	0.00%
6.	Shiv Marketing And Trading	360000	5.17%	921000	13.23%
7.	Yash Vinod Mittal	204000	2.93%	0	0.00%
8.	Harsh Vinodbhai Mittal	204000	2.93%	0	0.00%
9.	Dhaval Anil Kumar Mittal	120000	1.72%	0	0.00%
10.	Yash V Mittal Huf	102000	1.46%	0	0.00%
11.	Sweta Yash Mittal	102000	1.46%	0	0.00%
12.	Harsh V Mittal Huf	102000	1.46%	0	0.00%
13.	Poonam Harsh Mittal	102000	1.46%	0	0.00%
14.	Piyush Sureshkumar Mittal	99000	1.42%	0	0.00%
15.	Anilkumar Mangalchand Mittal	93000	1.34%	54000	0.78%
16.	Vinodkumar Mangalchand Mittal	51000	0.73%	0	0.00%
17.	Sureshkumar Mittal	51000	0.73%	0	0.00%
18.	Kamaladevi Anilkumar Mittal	51000	0.73%	0	0.00%
19.	Radha Vinodkumar Mittal	51000	0.73%	0	0.00%
20.	Kusumdevi Sureshkumar Mittal	51000	0.73%	0	0.00%
21.	Urmila Nirmal Mittal	51000	0.73%	153000	2.20%
22.	Aditi Anil Mittal	3000	0.04%	9000	0.13%
23.	Pranav Hareshbhai Padshah	0	0.00%	198000	2.84%
Total of connected entities		**6249000**	**89.75%**	**4494000**	**64.54%**
Market		**6963000**	**100.00**	**6963000**	**100.00**

10.11 *As detailed above in the table, it was observed during investigation that the connected entities as a group had bought 62,49,000 shares of UPGL (89.75% of total market volume) and sold 44,94,000 shares of UPGL (64.54% of total market volume) during the investigation period. Of these, 15 entities were only buyers, 1 entity was only seller and 7 entities have both bought as well as sold the shares of UPGL, during the patch. The summary of trading by the connected entities among themselves is as under:*

Table 8: Trading among connected entities

Volume				
Gross Buy	***Gross Sell***	***Gross Total***	***Total traded between connected entities***	***Total traded among connected entities as % of market***
6249000	*4494000*	*10743000*	*4365000*	*62.69%*

a) *The connected entities executed trades among themselves for 43,65,000 shares representing 62.69% of the total market volume in 117 trades, which is significant.*

b) *On analysis of the KYCs of the accounts of the connected clients used for trading at NSE, it was observed that the following accounts were opened just prior to start of trading in UPGL:*

Table 9: Connected entities – Account opening

Sr. No.	***Entity***	***Broker***	***Opening / Agreement date***	***Date of first trading through this account in***	
				UPGL	***In Market***
1.	*Vishwakarma Trading House*	*Swastika Investment Limited*	*29-05-2020*	*02-07-2020*	*02-07-2020*
2.	*Shiv Marketing and Trading*		*05-03-2020*	*08-06-2020*	*08-06-2020*
3.	*Harsh V Mittal HUF*	*Ratnakar Securities Pvt Ltd*	*29-10-2020*	*05-11-2020*	*05-11-2020*
4.	*Yash V Mittal HUF*		*29-10-2020*	*05-11-2020*	*05-11-2020*
5.	*Aditi Anil Mittal*	*Zerodha Broking Limited*	*13-08-2019*	*07-01-2021*	*07-01-2021*

Last Traded Price (LTP) analysis:

LTP analysis of Patch -1 (June 09, 2020 to February 16, 2021):

10.12 The price of the scrip increased from ₹6.05 as on June 09, 2020 and touched a high of ₹59.75 on January 28, 2021 and closed at ₹51.80 as on February 16, 2021. During this period, a total of 257 trades were executed.

10.13 The analysis of 6 connected entities which had significant trading volumes and also contributed to net positive LTP during patch -1 of the investigation period as buyer and seller is as under:

Table 10: Connected entities contributing to net LTP as buyer

													LTP in ₹
Sr. No.	***Entity***	***All trades***			***Trades with LTP > 0***			***Trades with LTP < 0***			***Trades with LTP = 0***		***% of +LTP to total market +LTP***
		Net LTP impact	***Qty***	***No. of Trades***	***+ve LTP impact***	***Qty***	***No. of Trades***	***-ve LTP impact***	***Qty***	***No. of Trades***	***Qty***	***No. of Trades***	
1	*Anilkumar Mangalchand Mittal*	*8.80*	*93000*	*11*	*8.80*	*75000*	*9*	*0.00*	*0*	*0*	*18000*	*2*	*10.56 %*
2	*Vishwakarma Trading House*	*4.20*	*846000*	*46*	*4.20*	*114000*	*9*	*0.00*	*0*	*0*	*732000*	*37*	*5.04%*
3	*Aditi Anil Mittal*	*1.70*	*3000*	*1*	*1.70*	*3000*	*1*	*0.00*	*0*	*0*	*0*	*0*	*2.04%*
4	*Shiv Marketing and Trading*	*0.35*	*360000*	*17*	*0.80*	*63000*	*3*	*-0.45*	*60000*	*2*	*237000*	*12*	*0.96%*
5	*Dhanshree Barter Pvt Ltd*	*0.70*	*951000*	*19*	*0.70*	*33000*	*1*	*0.00*	*0*	*0*	*918000*	*18*	*0.84%*
Total of connected entities who have contributed to net +ve LTP		***15.75***	***2253000***	***94***	***16.20***	***288000***	***23***	***-0.45***	***60000***	***2***	***1905000***	***69***	***19.44%***
6	*Amaysha Textiles Private Limited*	*-1.45*	*930000*	*47*	*14.85*	*81000*	*18*	*-16.30*	*45000*	*15*	*804000*	*14*	*17.82%*
	Total LTP of connected entities	***14.30***	***3183000***	***141***	***31.05***	***369000***	***41***	***-16.75***	***105000***	***17***	***2709000***	***83***	***37.25%***
	Market total	***45.45***	***4866000***	***257***	***83.35***	***519000***	***89***	***-37.90***	***183000***	***35***	***4164000***	***133***	***100.00%***

Table 11: Connected entities contributing to net LTP as seller

													LTP in ₹
Sr. No.	**Entity**	**All trades**			**Trades with LTP > 0**			**Trades with LTP < 0**			**Trades with LTP = 0**		**% of +LTP to total market +LTP**
		Net LTP impact	**Qty**	**No. of Trades**	**+ve LTP impact**	**Qty**	**No. of Trades**	**-ve LTP impact**	**Qty**	**No. of Trades**	**Qty**	**No. of Trades**	
1	Dhanshree Barter Pvt Ltd	-4.25	690000	43	12.05	90000	14	-16.30	45000	15	555000	14	14.46%
2	Amaysha Textiles Private Limited	0.65	546000	16	0.65	3000	1	0	0	0	543000	15	0.78%
3	Pranav Hareshbhai Padshah	0.70	198000	6	0.70	3000	1	0	0	0	195000	5	0.84%
4	Shiv Marketing and Trading	0.70	921000	18	0.70	33000	1	0	0	0	888000	17	0.84%
5	Vishwakarma Trading House	0.00	846000	15	0.00	0	0	0	0	0	846000	15	0.00%
	Total LTP of connected entities	**-2.20**	**3201000**	**98**	**14.10**	**129000**	**17**	**-16.30**	**45000**	**15**	**3027000**	**66**	**16.92%**
	Market total	**45.45**	**4866000**	**257**	**83.35**	**519000**	**89**	**-37.90**	**183000**	**35**	**4164000**	**133**	**100.00%**

10.14 The net LTP contribution by the aforesaid entities, both as buyers and sellers is as follows:

Table 12: Overall LTP contribution of entities

					LTP in ₹
Sr. No.	**Name**	**Net LTP contribution as buyer (A)**	**Net LTP contribution as Seller (B)**	**Net LTP (A+B)**	**% of net LTP to total market net LTP**
1	Anilkumar Mangalchand Mittal	8.80	0	8.80	19.36%
2	Vishwakarma Trading House	4.20	0	4.20	9.24%
3	Aditi Anil Mittal	1.70	0	1.70	3.74%
4	Shiv Marketing And Trading	0.35	0.70	1.05	2.31%
Total of connected entities who have contributed to Net Positive LTP		**15.05**	**0.70**	**15.75**	**34.65%**
5	Dhanshree Barter Pvt Ltd	0.70	-4.25	-3.55	-7.81%
6	Amaysha Textiles Private Limited	-1.45	0.65	-0.80	-1.76%
Total of connected entities		**14.30**	**-2.90**	**11.40**	**25.08%**
Total of market		**45.45**	**45.45**	**45.45**	

10.15 From the above, it is observed that-

i. *the 6 connected entities contributed ₹14.30 to net LTP as a buyer in 141 trades.*

ii. *As buyer and seller, these 6 connected entities contributed positive LTP of ₹11.40 which is 25.08% of total price increase of ₹45.45, while at the same time contributing significantly to trading volume as buyers and sellers is given below:*

Table 13: Volume contributed by above mentioned 6 entities during patch -1

Sr. No.	*Buyer Name*	*Buy Qty*	*% buy to total mkt. vol.*	*Sell Qty*	*% sell to total mkt. vol.*
1	Amaysha Textiles Private Limited	930000	19.11%	546000	11.22%
2	Dhanshree Barter Pvt Ltd	951000	19.54%	690000	14.18%
3	Vishwakarma Trading House	846000	17.39%	846000	17.39%
4	Anilkumar Mangalchand Mittal	93000	1.91%	0	0
5	Aditi Anil Mittal	3000	0.06%	0	0
6	Shiv Marketing	360000	7.40%	921000	18.93%
Total		***3183000***	***65.41%***	***3003000***	***61.72%***

iii. *Amaysha had overall negative LTP contribution both as a buyer and a seller.*

iv. *Of the aforesaid 6 entities, 4 entities (Sr. No. 1 to 4) contributed ₹15.75 to the net LTP as both buyer and seller, which is 34.65% of the total market net LTP.*

v. *Positive LTP contribution of the entities (Sr. No. 1 to 4) as buyer is ₹15.05 in 22 trades i.e. 18.05% to the total market positive LTP (LTP > 0), which is significant. Some of the instances of the trades contributing to positive LTP where connected entities placed the buy order first are detailed below:*

Table 14: Instances where connected entities placed buy order first and contributed to +LTP

Sr. No.	*Date*	*Buyer*	*Seller*	*Buy order time*	*Sell order time*	*Traded time*	*Traded price (₹)*	*Traded Qty*	*LTP Cont. (₹)*
1	17/06/2020	Shiv Marketing and Trading	Shree Siddhi Infrabuildcon Llp	10:29:05	14:28:54	14:28:54	6.4	30000	0.45
2	19/06/2020	Shiv Marketing and Trading	Amrapali Capital & Finance Services Ltd.	09:00:08	11:42:25	11:42:25	7.00	3000	0.30
3	02/07/2020	Vishwakarma Trading House	Amrapali Fincap Pvt. Ltd.	09:00:03	11:18:41	11:18:41	8.10	30000	0.80

4	*03/07/2020*	*Vishwakarma Trading House*	*Amrapali Fincap Pvt Ltd.*	*09:00:04*	*10:13:35*	*10:13:35*	*8.5*	*30000*	*0.4*
5	*06/07/2020*	*Vishwakarma Trading House*	*Yarra Suchitra Rao*	*09:00:05*	*09:17:16*	*09:17:16*	*8.05*	*3000*	*0.35*
6	*07/07/2020*	*Vishwakarma Trading House*	*Amrapali Capital & Finance Ser Ltd*	*09:00:07*	*11:09:09*	*11:09:09*	*8.45*	*3000*	*0.4*
7	*08/07/2020*	*Vishwakarma Trading House*	*Amrapali Capital & Finance Ser Ltd*	*09:00:09*	*11:57:45*	*11:57:45*	*8.85*	*3000*	*0.4*
8	*09/07/2020*	*Vishwakarma Trading House*	*Amrapali Capital & Finance Ser Ltd*	*09:00:03*	*11:05:46*	*11:05:46*	*9.25*	*3000*	*0.4*
9	*10/07/2020*	*Vishwakarma Trading House*	*Amrapali Capital & Finance Ser Ltd*	*09:00:04*	*11:03:10*	*11:03:10*	*9.7*	*3000*	*0.45*
10	*14/07/2020*	*Vishwakarma Trading House*	*Amrapali Capital & Finance Ser Ltd*	*09:00:02*	*11:57:15*	*11:57:15*	*10.65*	*30000*	*0.5*
11	*16/07/2020*	*Vishwakarma Trading House*	*Shree Siddhi Infrabuildcon Llp*	*09:00:00*	*11:55:35*	*11:55:35*	*11.2*	*9000*	*0.5*
12	*05/01/2021*	*Anilkumar Mangalchand Mittal*	*Rajkumar Kamlaprasad Dhandaria*	*09:21:31*	*10:01:37*	*10:01:37*	*33.2*	*3000*	*1.55*
13	*03/02/2021*	*Anilkumar Mangalchand Mittal*	*Krishna Awtar Kabra*	*09:27:16*	*09:34:37*	*09:34:37*	*55.8*	*3000*	*0.1*
14	*03/02/2021*	*Anilkumar Mangalchand Mittal*	*Sunder Singh HUF*	*12:50:59*	*13:38:46*	*13:38:46*	*52*	*3000*	*1*

10.16 From the Trade log and Order Log some of the instances of order entries are illustrated below:

(a) On June 19, 2020, the order no. 1300000000023530 placed by Shiv was the first order placed at 09:00:08 hrs for the day in the scrip which was placed for 3000 shares at ₹7. Thereafter other entities also placed orders at ₹6.7. The order of Shiv was executed at 11:42:25 hrs as per price time priority with Amrapali Capital when it placed the sell order no. 1300000006313650 at 11:42:25 hrs for 3000 shares at ₹7. Thus, Shiv pushed the price by ₹0.30 by placing the order at higher price than LTP.

(b) On July 07, 2020, the order no. 1300000000026180 placed by Vishwakarma was the first order placed at 09:00:07 hrs for the day in the scrip which was placed for

51000 shares at ₹8.45. Thereafter other entities also placed orders at ₹8.05. The order of Shiv was executed at 11:09:09 hrs as per price time priority with Amrapali Capital when it placed the sell order no. 1300000005105700 at 11:09:09 hrs for 3000 shares at ₹8.45. Thus, Vishwakarma pushed the price by ₹0.40 by placing the order at higher price than LTP.

(c) Similarly, Orders at Sl. No. 2 to 12 in the table mentioned hereinabove were the first orders placed for the day at prices higher than LTP. These trades itself contributed ₹6.05 to positive LTP which was 7.26% of total positive LTP. The upward contribution to the net LTP by the entities viz. Shiv Marketing and Trading ('Noticee- 3'), Vishwakarma Trading House ('Noticee- 4'), Anilkumar Mangalchand Mittal ('Noticee- 5'), and Aditi Anil Mittal ('Noticee- 7') is significant.

10.17 In view of the above, i.e. LTP contributions, manner of order placements and volume generation by the Noticee- 3, Noticee- 4, Noticee- 5 and Noticee- 7, it is alleged that these Noticees have created artificial volumes by trading with each other and manipulated price upwards by placing orders at a higher price than LTP and contributed to significant LTP increase. Therefore, it is alleged that Noticee- 3, Noticee- 4, Noticee- 5 and Noticee- 7 have violated the provisions of Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2) (a) & (e) of PFUTP Regulations read with Section 12A (a), (b) and (c) of the SEBI Act, 1992.

LTP analysis of Patch -2 (August 01, 2021 to November 24, 2021):

10.18 It was observed that the price of the scrip increased from close price of ₹8.6 on July 7, 2021 (last traded before August 01, 2021) and touched a high of ₹18.15 on November 24, 2021 and closed at the same price on November 24, 2021. During this period, a total of 34 trades were executed.

10.19 The analysis of connected entities contributed to positive LTP during patch -2 of the investigation period as buyer and seller is as under:

Table 15: Connected entities contributing to positive LTP as buyer

													LTP in ₹
Sr. No.	Entity	All trades			Trades with LTP > 0			Trades with LTP < 0			Trades with LTP = 0		% of +LTP to total market +LTP
		Net LTP impact	Qty	No. of Trades	+ve LTP impact	Qty	No. of Trades	-ve LTP impact	Qty	No. of Trades	Qty	No. of Trades	
1	Dhanshree Barter Pvt Ltd	5.00	90000	10	5.00	81000	9	0.00	0	0	9000	1	36.63%
2	Dhaval Anil Kumar Mittal	1.60	18000	2	1.60	18000	2	0.00	0	0	0	0	11.72%
3	Amaysha Textiles Private Limited	-1.10	405000	13	2.35	81000	4	-3.45	297000	6	27000	3	17.22%
	Total LTP of connected entities	**5.50**	**513000**	**25**	**8.95**	**180000**	**15**	**-3.45**	**297000**	**6**	**36000**	**4**	**65.57%**
	Market total	**9.55**	**630000**	**34**	**13.65**	**243000**	**22**	**-4.10**	**342000**	**7**	**45000**	**5**	**100.00%**

Table 16: Connected entities contributing to positive LTP as seller

													LTP in ₹
Sr. No.	Entity	All trades			Trades with LTP > 0			Trades with LTP < 0			Trades with LTP = 0		% of +LTP to total market +LTP
		Net LTP impact	Qty	No. of Trades	+ve LTP impact	Qty	No. of Trades	-ve LTP impact	Qty	No. of Trades	Qty	No. of Trades	
1	Aditi Anil Mittal	0.60	9000	1	0.60	9000	1	0.00	0	0	0	0	4.40%
2	Amaysha Textiles Private Limited	4.15	72000	8	4.15	72000	8	0.00	0	0	0	0	30.40%
3	Dhanshree Barter Pvt Ltd	-0.75	9000	1	0.00	0	0	-0.75	9000	1	0	0	0.00%
4	Anilkumar Mangalchand Mittal	2.65	54000	6	2.65	45000	5	0	0	0	9000	1	19.41%
	Total LTP of connected entities	**6.65**	**144000**	**16**	**7.4**	**126000**	**14**	**-0.75**	**9000**	**1**	**9000**	**1**	**34.80%**
	Market total	**9.55**	**630000**	**34**	**13.65**	**243000**	**22**	**-4.10**	**342000**	**7**	**45000**	**5**	**100.00%**

10.20 The net LTP contribution by the aforesaid entities, both as buyers and sellers is as follows:

Table 17: Overall LTP contribution of connected entities

					LTP in ₹
Sr. No.	**Name**	**Net LTP Cont. as buyer (A)**	**Net LTP Cont. as Seller (B)**	**Net LTP (A+B)**	**% of net LTP to total mkt. net LTP**
1	Amaysha Textiles Private Limited	-1.10	4.15	3.05	31.94%
2	Dhanshree Barter Pvt Ltd	5.00	-0.75	4.25	44.50%
3	Dhaval Anil Mittal	1.60	0	1.60	16.75%
4	Anilkumar Mangalchand Mittal	0	2.65	2.65	27.75%
5	Aditi Anil Mittal	0	0.6	0.6	6.28%
Total		**5.5**	**6.65**	**11.55**	**120.94%**
Total of market		**9.55**	**9.55**	**9.55**	

10.21 From the above, it is observed that-

i. Net LTP contribution of the 5 connected entities as buyer and seller is ₹11.55 which was 120.94% of market net LTP.

ii. The net LTP contribution of the entities mentioned above as a buyer is 57.69% of overall net LTP contribution.

iii. These entities also contributed significantly to trading volume as given below:

Table 18: Volume contributed by above mentioned entities

Sr. No.	**Buyer Name**	**Buy Qty**	**% buy to total mkt. vol.**	**Sell Qty**	**% sell to total mkt. vol.**
1	Amaysha Textiles Private Limited	405000	64.29%	72000	11.43%
2	Dhanshree Barter Pvt Ltd	90000	14.29%	9000	1.43%
3	Dhaval Anil Mittal	18000	2.86%	0	0
4	Anilkumar Mangalchand Mittal	0	0	54000	8.57%
5	Aditi Anil Mittal	0	0	9000	1.43%
Total		**513000**	**81.44%**	**144000**	**22.86%**

iv. Instances of the trades contributing to positive LTP where connected entities placed the buy order first are as follows:

Table 19 : Instances where connected entities contributed to +LTP and placed buy

order first

Sr. No.	*Date*	*Buyer*	*Seller*	*Buy order time*	*Sell order time*	*Traded time*	*Traded price*	*Traded Qty*	*LTP Cont.*
1	*03/08/2021*	*Dhanshree Barter Pvt Ltd*	*Amaysha Textiles Private Limited*	*09:00:05*	*14:37:07*	*14:37:07*	*9.00*	*9000*	*0.40*
2	*06/08/2021*	*Dhanshree Barter Pvt Ltd*	*Amaysha Textiles Private Limited*	*09:00:09*	*10:45:38*	*10:45:38*	*9.90*	*9000*	*0.45*
3	*10/08/2021*	*Dhanshree Barter Pvt Ltd*	*Amaysha Textiles Private Limited*	*09:00:11*	*12:01:18*	*12:01:18*	*10.35*	*9000*	*0.45*
4	*23/08/2021*	*Dhanshree Barter Pvt Ltd*	*Amaysha Textiles Private Limited*	*09:00:09*	*09:25:30*	*09:25:30*	*11.35*	*9000*	*0.50*
5	*03/09/2021*	*Dhanshree Barter Pvt Ltd*	*Anilkumar Mangalchand Mittal*	*09:00:06*	*12:36:08*	*12:36:08*	*12.45*	*9000*	*0.55*
6	*07/09/2021*	*Dhanshree Barter Pvt Ltd*	*Anilkumar Mangalchand Mittal*	*09:40:36*	*09:40:42*	*09:40:42*	*13.05*	*9000*	*0.60*
7	*09/09/2021*	*Dhanshree Barter Pvt Ltd*	*Anilkumar Mangalchand Mittal*	*12:00:26*	*12:06:52*	*12:06:52*	*15.05*	*9000*	*0.65*
8	*14/09/2021*	*Dhanshree Barter Pvt Ltd*	*Amaysha Textiles Private Limited*	*14:45:18*	*15:13:33*	*15:13:33*	*15.8*	*9000*	*0.75*
9	*22/10/2021*	*Dhanshree Barter Pvt Ltd*	*Amaysha Textiles Private Limited*	*09:15:04*	*12:42:30*	*12:42:30*	*13.65*	*9000*	*0.65*
10	*18/11/2021*	*Dhaval Anil Kumar Mittal*	*Viral Praful Jhaveri*	*12:03:02*	*12:04:44*	*12:04:44*	*16.5*	*9000*	*0.75*
11	*24/11/2021*	*Dhaval Anil Kumar Mittal*	*Viral Praful Jhaveri*	*09:00:00*	*15:23:54*	*15:23:54*	*18.15*	*9000*	*0.85*

10.22 Some instances of order pattern are illustrated below:

(a) On August 03, 2021, the order no. 1300000000040239 placed by Dhanshree was the first order placed at 09:00:05 hrs for the day in the scrip which was placed for 9000 shares at ₹9.00. Thereafter, other entities also placed orders at ₹9.00. The order of

Dhanshree was executed at 14:37:07 hrs as per price time priority with Amayshya when it placed the sell order no. 1300000016903238 placed at 14:37:07 hrs for 9000 shares at ₹9.00. Thus, Dhanshree pushed the price up by ₹0.40 by placing the order at higher price than LTP.

(b) On August 06, 2021, the order no. 1300000000043468 placed by Dhanshree was the first order placed at 09:00:09 hrs for the day in the scrip which was placed for 9000 shares at ₹9.90. Thereafter, other entities also placed orders in range of ₹9.00 - 9.90. The order of Dhanshree was executed at 10:45:38 hrs as per price time priority with Amayshya when it placed the sell order no. 1300000007105124 placed at 10:45:38 hrs for 9000 shares at ₹9.90. Thus, Dhanshree pushed the price up by ₹0.45 by placing the order at higher price than LTP.

(c) On September 03, 2021, the order no. 1300000000025386 placed by Dhanshree was the first order placed at 09:00:06 hrs for the day in the scrip which was placed for 63000 shares at ₹12.45. Thereafter, other entities also placed orders at ₹12.45. The order of Dhanshree was partially executed at 12:36:08 hrs as per price time priority with Anil when it placed the sell order no. 1300000011641545 placed at 12:36:08 hrs for 9000 shares at ₹12.45. Thus, Dhsnshree pushed the price up by ₹0.55 by placing the order at higher price than LTP.

(d) On October 22, 2021, the order no. 1300000000308746 placed by Dhanshree was the first order placed at 09:15:04 hrs for the day in the scrip which was placed for 9000 shares at ₹13.65. Thereafter, other entities also placed orders at ₹12.35. The order of Amay was executed at 12:42:30 hrs as per price time priority with Amayshya when it placed the sell order no. 1300000016140629 placed at 12:42:30 hrs for 9000 shares at ₹13.65. Thus, Dhanshree pushed the price up by ₹0.65 by placing the order at higher price than LTP.

(e) On November 18, 2021, the order no. 1300000012652497 placed by Dhaval was the first order placed at 12:03:02 hrs for the day in the scrip which was placed for 9000 shares at ₹16.5. The order of Dhaval was executed at 12:04:44 hrs as per price time priority with Viral Praful Jhaveri a when it placed the sell order no. 1300000012716215 placed at 12:04:44 hrs for 9000 shares at ₹16.5. Thus, Dhaval pushed the price up by ₹0.75 by placing the order at higher price than LTP.

10.23 From the above, it is observed that:

i. Dhanshree and Dhaval contributed to the positive LTP by placing buy order first at higher prices.

ii. The positive LTP contribution by the entities Amay (Dhanshree Barter Pvt. Ltd.) and Dhaval is 48.35% as buyers, which is significant.

10.24 Further, based on bank statement analysis, it is observed that Amaysha provided the funds for the purchase of 4,20,000 shares of UPGL to Shiv Marketing and Trading during the period June 01, 2020 to June 30, 2020. Moreover, Amaysha and Amay (Dhanshree Barter Pvt. Ltd.) provided the funds for the purchase of 8,46,000 shares of UPGL to Vishwakarma Trading House during the period July 01, 2020 to July 20, 2020.

10.25 Therefore, based on the aforesaid analysis of trading by Vishwakarma Trading House and Shiv Marketing and Trading, it is alleged that they provided exit to the Preferential Allottees (Amrapali Fincap Pvt. Ltd., Amrapali Capital & Finance Services Ltd. and Shree Siddhi Infrabuildcon LLP) and subsequently transferred the shares to Amay Spincot Pvt. Ltd. and Amaysha which have also provided funds for the said transactions. Thus, based on the facts mentioned hereinabove, it is alleged that the trades executed by the entities are non-genuine and fraudulent.

10.26 In view of the above, i.e. LTP contribution, manner of order placement and volume generation by Amay Spincot Pvt. Ltd. (Noticee- 6) and Dhaval Anil Kumar Mittal (Noticee-8), it is alleged that they created artificial volumes by trading and manipulated price upwards by placing orders at a price higher than LTP and contributed significantly to LTP increase. Therefore, it is alleged that Noticee- 6 and Noticee- 8 have violated the provisions of Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2) (a) & (e) of PFUTP Regulations read with Section 12A (a), (b) and (c) of the SEBI Act, 1992.

Modus Operandi adopted by UPGL:

10.27 The modus operandi adopted by the company was to increase its market capitalisation to a level required for its migration from NSE's SME Platform 'Emerge' to Main board of the Exchange. To achieve this, the company first came out with bonus issue to fulfil the paid up capital criteria. Subsequently, the connected entities artificially increased the price of the scrip during the 3-month period (August 01, 2021 to November 24, 2021) in order to fulfil the market capitalisation criteria before applying for the migration from SME Platform *to the Main Board of NSE. In this regard, the benefits that accrued to a company on migration from SME Platform to the Main Board are as follows: -*

(i) Increase in liquidity due to reduction in lot size to single share

(ii) Higher visibility to the companies listed on main board platform. Companies listed on mainboard may get more coverage in research reports.

(iii) Addition of new investors which are interested in investing Mainboard companies only.

(iv) No requirement of mandatory market making.

10.28 In order to migrate a company from SME Platform 'Emerge' to the Main Board of NSE, a company has to fulfil the following criteria for migration:

(i) Paid up equity capital shall not be less that ₹10 crores. For this purpose, the post issue paid up equity capital for which migration is sought is taken into account.

(ii) Market capitalization shall not be less than ₹25 crores. For this purpose, capitalization is the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during 3 months preceding the application date) and the post issue number of equity shares.

(iii) The company should have been listed on SME Platform for at least 2 years.

(iv) The Net-worth should be positive.

10.29 UPGL migrated from SME Platform of NSE to its Main Board on December 30, 2021 as per the following chronology:

(i) UPGL applied to NSE for an in-principle approval of migration from SME Platform to the Main board of NSE, on November 25, 2021.

(ii) In-principle approval was received by the company from NSE on December 23, 2021.

(iii) Subsequently, final listing application was made by the company to NSE on December 24, 2021 and the approval for final listing and trading at Main Board of NSE was received by UPGL on December 29, 2021.

10.30 The fulfillment of aforementioned criteria, was achieved as follows:

(i) Paid up capital requirement:

Table 20: Details of paid up capital of the company

Month	*Average Paid up capital (₹ in Crs.)*
April 2020 till Feb 18, 2021	6.98
Bonus Issue (For 1 equity share, 2 bonus shares were allotted) on Feb 19, 2021	
Mar 2021 till November 2021	20.95

(a) *It is observed that before the issuance of the bonus shares on February 19, 2021, the paid up equity capital of the company was ₹6.98 crores, which was less than the minimum paid up equity capital requirement for the purpose of migration from SME Platform 'Emerge' to the Main Board of NSE.*

(b) *Subsequent to the bonus issue on February 19, 2021, the paid up equity capital of the company was increased to ₹20.95 crores, which was more than the minimum paid up equity capital requirement for the purpose of migration from SME Platform 'Emerge' to the Main Board of NSE.*

(ii) *Market Capitalization requirement:*

Table 21: Average Market capitalization of UPGL

Month	*Average Market Capitalization (₹ in crs.)*
April 2020*	5.29
May 2020*	5.29
June 2020	4.92
July 2020	6.79
Aug 2020	7.09
Sep 2020	8.64
Oct 2020*	8.64
Nov 2020	10.84
Dec 2020	15.99
Jan 2021	30.78
Feb 2021	37.14
Bonus Issue (For 1 equity share, 2 bonus shares are allotted) on Feb 19, 2021	
Mar 2021	32.74
Apr 2021	27.66
May 2021	26.29
June 2021	21.11
July 2021	18.02
Aug 2021	21.32
Sep 2021	29.02
Oct 2021	28.91
Nov 2021	31.43

Dec 2021	*35.98*
**Note : - No trading activity in a month, average of previous month is considered*	

(a) It is observed that UPGL did not meet market capitalisation criteria till December 2020.

(b) The company applied for migration from SME Platform 'Emerge' to the Main Board of NSE on November 25, 2021. Therefore, as per NSE's criteria of market capitalisation, the company was required to maintain the market cap of at least ₹25 crores during the 3 months' period preceding the application date. Therefore, the company was required to maintain the market cap of at least ₹25 crores from August 24, 2021.

(c) Based on the aforesaid market capitalisation data of the company submitted by NSE, it is observed that the market capitalisation of the company was less than ₹25 crores before September 2021 i.e. from June 2021 till September 2021. Hence, price of the company was increased from ₹8.6 on July 7, 2021 (last traded before August 01, 2021) and touched a high of ₹18.15 on November 24, 2021.

10.31 On the basis of the aforesaid analysis, it is alleged that the company first came out with bonus issue to fulfil the paid up capital criteria and later on the connected entities artificially increased the price of the scrip during the 3-month period (August 01, 2021 to November 24, 2021) in order to fulfil the market capitalisation criteria before applying for the migration from SME Platform 'Emerge' to the Main Board of NSE.

10.32 Further, on analysing the publicly available data for 3 months' post migration and from 3 months before the start of IP till migration, it is observed that the company derived the following benefits on migration from SME Platform 'Emerge' to the Main Board of NSE:

(i) The average number of trades had increased to 80 post migration as compared to 3 prior to migration.

(ii) Average trading turnover had marginally increased to 7.90 lakhs post migration as compared to 7.18 lakhs prior to migration.

(iii) Average market capitalisation had increased to 91.23 crores post migration as compared to 21.56 crores prior to migration.

(iv) Number of public shareholders before migration were in the range of 47-63, which had increased to 3117 as on December 31, 2022.

10.33 In view of the above, it is alleged that UPGL in collusion with other Noticees i.e. Shiv Marketing and Trading (Noticee- 3), Vishwakarma Trading House (Noticee- 4), Anilkumar Mangalchand Mittal (Noticee- 5), Amay Spincot Pvt. Ltd. (Noticee- 6), Aditi Anil Mittal (Noticee- 7) and Dhaval Anil Kumar Mittal (Noticee- 8) engaged in a fraudulent scheme to increase its share price and market capitalisation to migrate the company from NSE's SME Platform 'Emerge' to the Main Board of NSE in violation of the provisions of Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2) (a) & (e) of PFUTP Regulations read with Section 12A (a), (b) and (c) of the SEBI Act, 1992.

Role of MD/ Directors:

10.34 A company is a separate legal entity, however, it cannot act by itself. It acts only through its directors who are expected to exercise their powers on behalf of the company with due diligence and within the framework of the law. From investigation the following was observed:

(i) Gagan Nirmalkumar Mittal (Noticee- 2) was CMD and the only Executive Director of the company during IP. The other directors in the company were in the capacity of non-executive.

(ii) Noticee- 2 looks after day to day operations including manufacturing, management and finance of the company and his functional responsibility involves handling the overall operations of the company including client relationships.

(iii) Without the knowledge of the director(s) especially Gagan Nirmalkumar Mittal, UPGL could not fulfil the criteria for migration from NSE's SME Platform 'Emerge' to the Main Board of the Exchange.

10.35 Considering the scheme of events detailed and discussed hereinabove, it is alleged that Gagan Nirmalkumar Mittal, CMD (Noticee- 2), is responsible for actions taken on behalf of the company (UPGL) for employing fraudulent scheme to fulfil the criteria for migration of the company from SME Platform 'Emerge' to the Main Board of the Exchange.

10.36 In view of the above, it is alleged that Noticee- 2 in collusion with the Noticees i.e. Shiv Marketing and Trading (Noticee- 3), Vishwakarma Trading House (Noticee- 4), Anilkumar

Mangalchand Mittal (Noticee- 5), Amay Spincot Pvt. Ltd. (Noticee- 6), Aditi Anil Mittal (Noticee- 7) and Dhaval Anil Kumar Mittal (Noticee- 8) engaged in a fraudulent scheme to increase the share price and market capitalisation of UPGL to migrate UPGL from NSE's SME Platform 'Emerge' to the Main Board of the Exchange in violation of the provisions of Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2) (a) & (e) of PFUTP Regulations read with Section 12A (a), (b) and (c) of the SEBI Act, 1992."

11. Replies of the Noticees submitted by their respective letters / e-mails are summarised as under:

(i) <u>Common reply of Noticee- 1 and 2:</u>

(a) Noticee- 1 and 2 submitted that UPGL was listed on the SME platform of NSE in 2016 and subsequently migrated to the Main Board of NSE after 5 years of listing. This move was aimed at providing better visibility and liquidity to its shareholders and has been instrumental in its growth journey.

(b) Company issued bonus shares in the ratio of 2:1 out of its reserves as a token of appreciation for its valued investors. This moves aims to recognise and reward the unwavering support of its valued and loyal investors who have demonstrated unwavering faith in the company.

(ii) <u>Reply of Noticee- 1:</u>

(a) Regarding increase of 756.20% in share price of UPGL, Noticee- 1 submitted that share price of securities is based on market matrix and no one can control the same. Although, during this period, there was no major price sensitive news / announcements were made by the company which could be attributed to justify significant price rise.

(b) Further, Noticee- 1 stated that UPGL had not adopted any modus operandi to increase its market capitalisation to a level required for its migration from NSE's SME Platform 'Emerge' to the main board of the Exchange.

(c) Driven by its impressive growth trajectory, the company has made a strategic decision to migrate to the main board of the exchange. This move aligns with the company's ambition to enhance its visibility and attract a wider pool of investors. It is important to emphasize that the company's share price movements are solely driven by market forces and are not influenced by any external entities.

(d) In compliance with the guidelines set forth by the NSE and SEBI, UPGL successfully transitioned from the SME Platform to the Main Board on December 30, 2021.

(e) The company's consistent growth has garnered significant attention from market participants, leading to an increase in share price activity. This surge in interest is evident in the rising number of trades, average trading turnover, average market capitalization, and number of public shareholders.

(iii) Reply of Noticee- 2:

(a) Noticee- 2 submitted that FY. 2020-21 was time of COVID and UPGL's financial performance has witnessed a notable improvement, with the company's profit after tax {PAT) increasing from 2 crores in FY 2019 to 9 crores in FY 2021-2022. However, the PAT decreased to 5 crores in FY 2022-2023 due to the cyclical nature of the textile business.

(b) Noticee- 2 submitted that he is aware of the factors that contributed to the decline in UPGL's share price. Market forces, including economic conditions, industry trends, and investor sentiment, played a significant role in shaping the company's stock performance. During this period, he recognized the favorable opportunity to acquire UPGL shares at a lower price. Actions of Noticee- 2 were aligned with standard investment practices, aiming to capture market opportunities and make informed investment decisions. Promoter and promoter group have not sold any of their shares since these acquisitions.

(c) The promoter and promoter group's holding in UPGL increased from 34.36% to 35.82% in FY 2020-2021, from 35.82% to 40.55% in FY 2021-2022, and from 40.55% to 45.54% in FY 2022-2023. These acquisitions were made in compliance with the creeping acquisition provisions under SEBI (SAST) Regulation, 2011, and the requisite disclosures were made to the NSE.

(d) Noticee- 2 denied all connections to the Noticees mentioned in the show-cause notice. The allegations against Noticee- 2 are vague and unsubstantiated.

(e) Noticee- 2 stated that the price movement of UPGL's shares is attributable to corporate actions, changes in the company's financial condition, and broader market forces. Noticee- 2 has not engaged in any manipulative, fraudulent, or unfair trade practices in the securities market. Furthermore, Noticee- 2 has not sold any equity shares of the company since acquiring additional shares.

(iv) Reply of Noticee- 3:

(a) Noticee- 3 was previously employed by United Techfab Private Limited (‘UTPL’), a group company of UPGL. However, this association has no bearing on his current role or responsibilities with the entities mentioned in the Show Cause Notice (SCN) served to him.

(b) During the challenging times of the COVID pandemic, Noticee- 3 initiated a new venture named Shiv Marketing and Trading, a partnership firm where Noticee- 3 served as a partner. During this period, Noticee- 3 maintained no involvement with any company, including UTPL.

(c) Noticee’s association with Amay Spincot Private Limited and Amaysha Textiles Private Limited commenced in February 2022, post the migration period of UPGL as mentioned in the SCN. Coincidentally, these entities also have a track record of trading in the textile industry, an area in which Noticee- 3 had previous experience.

(d) Regarding the transfer of funds between Nirmal Mittal, Amay, and Shiv Marketing Trading, Noticee- 3 submitted that his partner and he deposited a loan with Mr. Nirmal Mittal during a dispute resolution period. Beyond this transaction, he has no further involvement, and it is important to note that Mr. Nirmal Mittal provided them with funds along with interest.

(v) Reply of Noticee- 4:

Noticee- 4 confirmed the receipt of the SEBI notices pertaining to Vishwakarma Trading House. Noticee- 4 stated that earlier he has diligently furnished all pertinent information to SEBI, supported by substantial evidence that underscores his autonomy from the mentioned connections in the Show Cause Notice (SCN).

(vi) Reply of Noticee- 5:

(a) Noticee- 5 submitted that he serves as a director of Vinod Denim Limited, which was declared as a promoter entity during its IPO. In the course of his role, he acquainted with Gagan Mittal and Nirmal Mittal, who also hold directorial positions at Vinod Denim Limited. He is aware that Gagan Mittal played a pivotal role in founding UPGL, and over time, he has observed the company's growth since its incorporation. He is well-versed with UPGL's textile business, vision, and its potential to establish itself as a prominent entity in the textile market. His connection is primarily professional, rooted in a shared industry and business affiliation.

(b) Noticee- 5 submitted that introducing him as a share market investor with a robust track record, he has actively and assertively participated in the stock market for an extended period. His investment portfolio includes various stocks, reflecting a diverse and strategic approach. The decision to invest in UPGL during the investigation period was driven by a comprehensive analysis of its growth potential, aligning with his objective to hold shares for the long term. He entered the script at an opportune time, making a prudent purchase at the right price, a practice consistent with conventional investor strategies. As of the current date, his commitment to UPGL is evident in his holding of 154,000 shares, reaffirming his dedication to a sustained and strategic investment approach.

(c) Regarding the price movement, entry, and exit strategy in UPGL, Noticee- 5 stated that his engagement has been strictly limited to investment activities. He has strategically invested in the UPGL script with a focus on long-term growth. Additionally, He has executed exits from certain stocks in his portfolio solely to realize profits and facilitate the allocation of capital to other investment opportunities. This approach aligns with prudent financial management and is in line with common investor practices. Noticee- 5 stated that his actions are driven by a commitment to optimizing returns within his investment portfolio and do not involve any manipulative intent in the price movement of UPGL or any other stock.

(d) In terms of his involvement with the migration and any alleged input in price manipulation, Noticee- 5 stated that his acquaintance with the company stems from a broader perspective within the textile business, and his decision to acquire shares is rooted in his understanding of the board of directors' vision to elevate the company. As an individual investor, he lacked awareness about the intricacies of the SME board and Main board requirements for listing, as well as the nuanced dynamics of price movements. Being an older individual, his investment approach is primarily grounded in a fundamental understanding of business, individuals, and execution rather than intricate market mechanics. Noticee- 5 further submitted that his investment decisions are based on a long-standing approach focused on business fundamentals rather than any intention to manipulate prices or engage in intricate market strategies.

(vii) Reply of Noticee- 6:

(a) Noticee- 6 submitted that it does not have any direct association with individuals such as Gagan Mittal, Nirmal Mittal, Urmila Mittal or any other entity referenced in the SCN. The linkage suggested through the UCC database and common contact details is unknown to Noticee- 6. The common connection was unknown to it until brought to its attention.

(b) Noticee's engagement with UPGL has been exclusively for business purposes. Noticee- 6 obtained a referral for a broker to facilitate the opening of its demat account, and it is plausible that the commonality in the UCC database arises from this connection.

(c) Noticee- 6 has a longstanding and consistent business relationship with UPGL. In the financial year 2021, it availed an unsecured loan amounting to INR 198 lakh from UPGL. This transaction was conducted in the ordinary course of business to support its business activities.

(d) The selection of the office address at A-31, Sumel Business Park 4, Ahmedabad, registered in the name of United Polyfab Private Limited, was driven by a favorable rental and deposit arrangement compared to market rates. Noticee- 6 has formalized this arrangement through a rent arrangement.

(e) Mr. Shivang Mahendrabhai Prajapati served as a director until 25 August 2022 and there has been no involvement or association with Amay Spincot Private Limited thereafter. Noticee- 6 has no personal or professional connection with Mr. Shivang Prajapati and were unaware of his appointment as a director in UPGL in May 2022.

(f) Mr. Ronak S Kejriwal, a non-executive director, did not participate in the day-to-day activities of the company. Noticee- 6 is not privy to his other professional engagements or activities outside of his role as a non-executive director.

(g) Regarding Mr. Navdeep Jangir, as mentioned in the documentary evidence, Noticee- 6 stated that it is not acquainted with it.

(h) Regarding trading done by the connected entities in the scrip of UPGL, Noticee- 6 submitted that during the period from June 09, 2020 to February 16, 2021, Mr. Vijay Agrawal and Mr. Shivang Prajapati served as directors and shareholders of the company. Noticee’s attempts to communicate with Mr. Vijay Agrawal were unsuccessful. However, upon successfully reaching Mr. Shivang Prajapati, Noticee- 6 received confirmation that they engaged in the sale and subsequent repurchase of shares during this period. This strategic decision was informed by the positive financial performance of the company at the time. Such actions are not uncommon in the investment landscape. Investors may choose to divest and reinvest based on their evaluation of the company's financial health and prospects. In this context, the actions of Mr. Vijay Agrawal and Mr. Shivang Prajnpati reflect a standard investment practice rather than any indication of impropriety on the part of the company. This sequence of share transactions aligns with a proactive and optimistic approach of investment, showcasing confidence in the company's financial trajectory during the mentioned period.

(viii) Reply of Noticee- 7:

(a) Noticee- 7 submitted that she has no knowledge or association with any individuals mentioned, except for Dhaval Mittal and Anilkumar Mittal. The decision to purchase one lot of UPGL script was solely a matter of personal choice, and at the time, she was unaware that her brother and father had also acquired the same script. Any perceived connection beyond this is purely coincidental, and her actions were independent of external influence or collaboration with the individuals listed in the SCN.

(b) Regarding the source of income for the acquisition of shares, Noticee- 7 confirmed that she utilized funds from her personal savings, which she diligently contributes to on a daily basis. The purchase of shares was financed through her accumulated savings, reflecting a prudent and responsible approach to investment activities. This method ensures that her financial endeavors are sustained through a well-managed and transparent source of income.

(c) Regarding her contribution to the shares in question, Noticee- 7 emphasized that her purchase was limited to 3000 shares, constituting only one lot. It is crucial to note that such a modest acquisition holds minimal influence over the pricing dynamics of any script. Despite the purchase occurring within the period specified in the notice, the scale of her involvement ensures that its impact on market variables is negligible. She is committed to providing this context to underscore the limited scope of her actions in relation to the broader market dynamics during the mentioned period. Addressing the accusation of participating in a fraudulent scheme to artificially increase the share price and market capitalization of UPGL with the intention of facilitating its migration from NSE's SME Platform 'Emerge' to the Main Board, Noticee- 7 unequivocally deny any involvement in such activities. Importantly, she was not a shareholder at the date of the migration resolution, rendering any suggestion of her complicity in the alleged scheme baseless. Her investment in UPGL was of a short-term nature, spanning approximately one year, and she executed a standard exit from the stock, consistent with routine investment practices adopted by any individual investor.

(ix) Reply of Noticee- 8:

(a) Noticee- 8 submitted that he has been shareholder of UPGL, listed Company having its business in the textile market in Ahmedabad. Noticee being textile businessman, looking at the growth of the company and basis of which he wanted to become the part of their shareholder. So he bought the share during the period mentioned in SCN.

(b) In addressing Sr. No. 12 of the SCN, specifically regarding the designation as a personal guarantor for Vinod Denim Limited, Noticee- 8 submitted that being designated as a personal guarantor is a customary practice in banking procedures to enhance the security of loan formalities. This designation was prompted by his involvement in Vinod Denim Limited, driven by common business interests. He never assumed the role of a personal guarantor for UPGL. His awareness of the company is limited to its status as a listed textile company, and beyond this, he possesses no knowledge of any allegations referenced in the SCN.

(c) Regarding Sr. No. 17 of the SCN, which pertains to trading analysis and the potential hindrance posed by limited buyers, Noticee- 8 stated that he is not aware of any involvement as part of limited buyers, and any such implication is unfounded.

As of the current date, his shareholding in UPGL stands at 151,196 shares. This acquisition aligns with standard investment practices, with a deliberate intention to maintain these shares as a long-term investment. His approach to shareholding is consistent with conventional investment strategies employed by individuals seeking to contribute to the sustained growth and success of the company.

(d) In response to Sr. No. 28, 29, and 30 of the Show Cause Notice, which address the timing of placing orders, Noticee- 8 submitted that the timing of order placement is contingent upon his availability, and it varies based on the demands of his schedule. The decision to place orders at a higher price was a result of practical considerations rather than any intentional manipulation of market dynamics. On certain occasions, he attempted to secure shares at lower market prices, but due to heightened demand, his orders were unsuccessful. Consequently, he opted to place orders at a higher price, driven by his genuine intention to acquire the script for inclusion in his investment portfolio. His actions were devoid of any prior knowledge or intent to influence the upward or downward movement of stock prices.

(e) Regarding the acquisition of shares in 2020, company did not pass any resolutions nor made any announcements confirming the migration and listing of the company on the main board. In the subsequent period, when the company officially communicated its interest and proposed resolutions, he participated by casting his vote in favor of the resolution. This decision was made with a strategic focus on the company's growth prospects and aligns with his continued interest in contributing positively to its success. Noticee’s vote was a deliberate endorsement of measures he believed would be beneficial for the company's development, reflecting a commitment to supporting initiatives aimed at fostering growth and stability.

(f) His purchase of shares was solely motivated by the inclusion of UPGL in his investment portfolio. There was no ulterior motive or intent to impact the migration process or manipulate the stock prices of UPGL. He denied the allegations mentioned in the Notice and affirm that his actions were in accordance with standard investment practices, devoid of any deliberate attempts to influence market dynamics.

CONSIDERATION OF ISSUES AND FINDINGS

12. I have carefully perused the charges levelled against the Noticees in the SCN, submissions made by the Noticees and material available on record. The issues that arise for consideration in the present case are as follows:

    I. Whether the Noticees have violated the provisions of Section 12A (a), (b) and (c) of the SEBI Act, 1992 read with Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2) (a) & (e) of PFUTP Regulations?

    II. Does the violation, if any, attract monetary penalty under Section 15HA of the SEBI Act, 1992?

    III. If so, what would be the monetary penalty that can be imposed upon the Noticees taking into consideration the factors stipulated in Section 15-J of the SEBI Act, 1992 read with Rule 5(2) of the SEBI Adjudication Rules?

13. Before proceeding further, it is pertinent to refer to the relevant provisions which are alleged to have been violated. The said provisions are reproduced hereunder:

Relevant provisions of PFUTP Regulations:

3. Prohibition of certain dealings in securities

No person shall directly or indirectly—

(a) buy, sell or otherwise deal in securities in a fraudulent manner;

(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;

(c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;

(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.

4. Prohibition of manipulative, fraudulent and unfair trade practices

(1) Without prejudice to the provisions of regulation 3, no person shall indulge in a manipulative, fraudulent or an unfair trade practice in securities markets.

[Explanation.– For the removal of doubts, it is clarified that any act of diversion, misutilisation or siphoning off of assets or earnings of a company whose securities are listed or any concealment of such act or any device, scheme or artifice to manipulate the books of accounts or financial statement of such a company that would directly or indirectly manipulate the price of securities of that company shall be and shall always be deemed to have been considered as manipulative, fraudulent and an unfair trade practice in the securities market.

(2) Dealing in securities shall be deemed to be a manipulative fraudulent or an unfair trade practice if it involves any of the following: —

(a) knowingly indulging in an act which creates false or misleading appearance of trading in the securities market;

…………….

(e) any act or omission amounting to manipulation of the price of a security including, influencing or manipulating the reference price or bench mark price of any securities;

<u>Relevant provisions of the SEBI Act, 1992</u>:

12A. No person shall directly or indirectly –

(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;

(b) employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;

(c) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made there under;

14. Based on perusal of the material available on record and giving regard to the facts and submission of the Noticees and circumstances of the case, I record my findings hereunder:

Issue I. Whether the Noticees have violated the provisions of Section 12A (a), (b) and (c) of the SEBI Act, 1992 read with Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2) (a) & (e) of PFUTP Regulations?

15. The first and foremost issue for consideration in the instant case is the allegation of connection amongst the Noticees. Before I delve into the specifics of the alleged connection and the basis of such allegation, I find it relevant to observe that the alleged connection amongst the Noticees, whether direct or indirect, is considered as one of the basis for alleging the violations against the Noticees and not the violation in itself.

16. I have perused the replies of the Noticees in respect of the allegations regarding connections of Noticees with other connected entities as mentioned in table no. 6. In this regard, I note the following:

    (a) As per UCC database maintained with the exchange, one Pranavbhai Hareshbhai Padshah is the partner of Noticee- 3. Pranavbhai Hareshbhai Padshah was appointed as one of the directors in Amay (Noticee- 6) and Amaysha in February 2022. In this regard, Pranavbhai Hareshbhai Padshah, partner of Noticee- 3 submitted that he was previously employed by UTPL, a group company of UPGL, however, this association has no bearing on his current role or responsibilities with the entities mentioned in the SCN. During COVID pandemic, he initiated a partnership firm 'Shiv Marketing and Trading' as a partner. During this period, Noticee- 3 maintained no involvement with any company, including UTPL. Its association with Amay Spincot Private Limited and Amaysha Textiles Private Limited commenced in February 2022. I note that Pranavbhai Padshah has admitted to its association with other connected entities viz. UTPL (a group company of UPGL). Further, his submission that his association with Amay Spincot Private Limited and

Amaysha Textiles Private Limited commenced in February 2022 is not acceptable as fund transfer between Amaysha Textiles Private Limited and Noticee- 3 were observed during the period of June 01, 2020 to June 30, 2020 as mentioned in para 41 to 43 hereinafter. Thus, I hold that Noticee- 3 was connected with other connected entities.

(b) Based on the demat statements submitted by CDSL, I note that Navdeep Jangir was the sole holder of the demat account of Noticee- 4. As per UCC database maintained with the exchange, one Navdeep Jangir was the partner of Noticee- 4 whose email id was navdeep96@yahoo.com. The said email id was also uploaded for the entities Vishwakarma Cotspin Private Limited as well as Shivkarma Clothes Private Limited whose registered address is same as that of UPGL and Navdeep Jangir submitted in his response to summons that he is the director of both companies since their incorporation. Further, mobile number updated for Noticee- 4 is the registered mobile number with Torrent Power for Noticee- 2. As per information received from State Bank of India Navdeep was working with UPGL. In this regard, Noticee- 4 merely submitted that earlier he has diligently furnished all pertinent information to SEBI. I find that the Noticee- 4 earlier made responses to the summons issued to it by the investigating authority, which were specifically related to investigation in the matter and the information furnished by Noticee was required and used for the purpose of investigation. Thus, non furnishing of any particular reply with regard to allegation of connections with other entities indicates that Noticee has nothing to submit in this regard and the allegations levelled against Noticee- 4 is accepted by it.

(c) As per the prospectus of the Company, the Noticee- 5 is brother of Nirmal Mangalchand Mittal and is part of the Promoter Group. Suresh, Noticee- 5, Vinodkumar Mangalchand Mittal and Nirmal Mangalchand Mittal were directors in Vinod Denim Private Limited, an entity declared by UPGL as part of its promoter group. In this regard, I note that Noticee- 5 has accepted his association with other connected entities viz. Vinod Denim Limited, Gagan Nirmalkumar Mittal and Nirmal Mangalchand Mittal.

(d) Noticee- 6 was granted unsecured loan amounting to INR 198 lakh from the company i.e. UPGL in FY 2021. 32% share capital of Noticee- 6 was held by Amaysha which is also its promoter. As per UCC database maintained with the exchange, it has email id as info@unitedpolyfab.com which is the email id of the company and it shares its address with Amaysha. Mobile number - 9879228037 was common for entities Nirmal, Urmila, Noticee- 2, Noticee- 6 and Amaysha. Further, Rohit Ashokkumar Agrawal and Shivang Mahendrabhai Prajapati were common director with Noticee- 6 and Amaysha. Pranavbhai Hareshbhai Padshah one of the partners of Noticee- 3 was appointed as one of the directors at Noticee- 6 and Amaysha in February 2022.

(e) I note that Noticee- 6 has contended that it availed an unsecured loan amounting to INR 198 lakh from UPGL. This transaction was conducted in the ordinary course of business to support its business activities. The contention of the Noticee may appear satisfactory on its face value, however, Noticee-6 has not submitted any documents pertaining to the loan in the form of a loan agreement, or loan confirmation certificate, evidence of payment of interest, or towards re-payment of loan, etc. to further its argument. Further, Noticee-6 has not submitted any supporting evidence or justification to substantiate the claim that it has longstanding and consistent business relationship with UPGL and the said fund transactions were carried out in the course of ordinary business transactions. Considering the foregoing, I reject this contention of the Noticee and do not find it necessary to further deal with the same. Noticee's contention that possible reason for common UCC data base may be that it obtained a referral for a broker to facilitate the opening of its demat account cannot be accepted as using a referral does not result into clients' common details of e-mail id, address, mobile number etc. I note that entering into rent agreement with from UPGL as claimed by Noticee also indicates that it is connected with UPGL. Therefore, I hold that Noticee is associated with other group / connected entities.

(f) Noticee- 7 has accepted her relation with other connected entities viz. Dhaval Mittal (Noticee- 8) and Anilkumar Mittal (Noticee- 5).

(g) As per UCC database, Noticee- 8 is son of Noticee- 5 (Anilkumar Mangalchand Mittal) and Aditi Anil Mittal also stated in her reply that she is related with Noticee- 8. Further, Noticee- 8 accepted that he was personal guarantor of Vinod Denim Pvt. Ltd, an entity declared by UPGL as part of its promoter group. Therefore, I hold that Noticee- 8 is associated with other connected entities.

(h) Noticee- 2 denied all his connections with other Noticees by making bald claims. However, Noticee- 2 has not furnished any justification to refute the allegations or evidence in support of its claim that he was not connected with other Noticees. Further, I note that other connected entities have accepted their association with Noticee- 2 and UPGL, as mentioned in hereinabove. I note from the material available before me that Noticee- 2 is promoter of the Company, son of brother of the Noticee- 5 and also as per UCC database mobile number '9879228037' belongs to Noticee- 2 and is common for Nirmal, Urmila, Noticee- 2, Noticee- 6 and Amaysha. Therefore, the submission of the Noticee- 2 is not tenable. In view of the above, I hold that Noticee- 2 (CMD and the only Executive Director of the company during IP) was associated with other connected entities.

(i) Noticee- 1 has not furnished anything with respect to the allegation of connections with other connected entities, which indicates that Noticee has nothing to submit in this regard and the allegations levelled against Noticee- 1 is accepted by it. Further, I note from the connections as indicated in table no. 6 that CMD of UPGL (Noticee- 2) and other connected entities share common registered mobile number, connected entities have common e-mail IDs as of UPGL, connected entities have common addresses as of UPGL's group companies, connected entities have directorship in UPGL group companies etc. and further fund transfers between Noticee- 1 and other connected entities is observed, which clearly indicates that Noticee- 1 is associated with other connected entities. Further, I note that other Noticees have accepted their connections with UPGL and with its CMD & only Executive Director of the company, which shows that Noticee- 1 is associated with other connected entities.

17. It is pertinent here to refer to the Judgment of Hon'ble Supreme Court of India in the matter of **Securities and Exchange Board of India Versus Kishore R. Ajmera** in Civil Appeal No. 2818 of 2008 decided on February 23, 2016 with respect to the connection and interconnection of the Noticees, wherein, it was held that:

"22. It is a fundamental principle of law that proof of an allegation levelled against a person may be in the form of direct substantive evidence or, as in many cases, such proof may have to be inferred by a logical process of reasoning from the totality of the attending facts and circumstances surrounding the allegations/charges made and levelled. While direct evidence is a more certain basis to come to a conclusion, yet, in the absence thereof the Courts cannot be helpless. It is the judicial duty to take note of the immediate and proximate facts and circumstances surrounding the events on which the charges/allegations are founded and to reach what would appear to the Court to be a reasonable conclusion therefrom. The test would always be that what inferential process that a reasonable/prudent man would adopt to arrive at a conclusion".

18. Considering the aforesaid discussions and the fact that there are materials sufficient enough to suggest that strong inter se connections existed amongst these entities which, coupled with the undisputed facts of their trades in the scrip of the Company during the relevant period, where in the Noticees are seen to have traded posing as counterparties and from their trading pattern as noticed in the scrip of the Company along with the significant portion of the trades being done among themselves, it can be stated with confidence that the matching of trades amongst the Noticees did not happen as mere coincidences but was possible due to the commonality of intent and purpose that existed amongst the Noticees while dealing in the scrip of UPGL. In view of the above and in the absence of any material contrary to the allegations, I find that it can be reasonably concluded that the Noticees were enjoying close connections amongst themselves. Thus, I hold that

Noticees were part of a group (connected entities) and were connected to each other directly or indirectly (through connected entities) on the basis of common addresses, common e-mail Ids, common directorship, family relationship, fund transactions etc. as detailed above. Noticees who have traded in the scrip of UPGL were either connected directly to each other or have shared connections amongst themselves by virtue of being connected to other connected entities, therefore, they were connected with UPGL / its directors / promoters / entities.

19. I note that the SCN lays out the allegation of manipulative trades in two patches. It has been alleged that during patch 1 of IP i.e. June 09, 2020 to February 16, 2021, price of the scrip of UPGL increased from ₹6.05 as on June 09, 2020 and touched a high of ₹59.75 on January 28, 2021 and closed at ₹51.80 as on February 16, 2021 i.e., an increase of 756.20%. However, during this period no major price sensitive news / announcements were made by the company which could be attributed to justify significant price rise. Further, during patch 2 of IP i.e. period August 01, 2021 to November 24, 2021, price increased from ₹8.60 to ₹18.15 i.e., an increase of 111.04%. The connected entities as a group had bought 62,49,000 shares of UPGL (89.75% of total market volume) and sold 44,94,000 shares of UPGL (64.54% of total market volume) during the investigation period and these connected entities executed trades among themselves for 4365000 shares representing 62.69% of the total market volume in 117 trades and which is significant.

20. SCN alleges that Noticee- 3, Noticee- 4, Noticee- 5 and Noticee- 7 have created artificial volumes in the scrip of UPGL by trading with each other and manipulated the price upwards by placing orders at a higher price than LTP and contributed significantly to LTP increase during patch 1 of IP.

21. I note that Noticee- 3 was alleged to have contributed ₹0.35 to net LTP as a buyer, i.e. 0.96% of total market net LTP contribution of buyers and contributed ₹0.70 to net LTP as a seller, i.e. 0.84% of total market net LTP contribution of sellers, during

patch-1 of IP. In total, Noticee- 3 had contributed ₹1.05 to net LTP, i.e. 2.31% of total market net LTP during patch-1. Further, it was alleged that Noticee- 3 bought 3,60,000 shares of UPGL contributing 7.40% to the total market volume and sold 9,21,000 shares contributing 18.93% to the total market volume in the scrip of UPGL during patch-1, which is significant. It was also observed that Noticee- 3 placed the buy order first at some of the instances of the trades contributing to positive LTP. Therefore, Noticee- 3 was alleged to have created artificial volumes in the scrip of UPGL by trading with other connected entities and manipulated the price upwards by placing orders at a higher price than LTP and contributed significantly to LTP increase, during patch-1 of IP. However, Noticee- 3 has not furnished any submission w.r.t. these allegations, which indicates that Noticee- 3 has nothing to submit in this regard and hence it is presumed that the above charges alleged against it in the SCN have been admitted by it. I also note that Pranavbhai Padshah, partner of Noticee- 3 failed to appear before investigating authority (**'IA'**) for which administrative warning was issued to him for non-appearance before IA and the information sought was partly received from him and part had to be gathered from third parties.

22. Noticee- 4 was alleged to have contributed ₹4.20 to net LTP as a buyer, i.e. 5.04% of total market net LTP contributed by buyers, during patch-1 of IP. In total, Noticee- 4 had contributed 9.24% of total market net LTP during patch-1. Further, it was alleged that Noticee bought 8,46,000 shares of UPGL contributing 17.39% to the total market volume and also sold equal number of shares contributing 17.39% to the total market volume in the scrip of UPGL during patch-1, which is significant. It was also observed that Noticee- 4 placed the buy order first at many instances of the trades contributing to positive LTP.

23. In this regard, Noticee- 4 submitted that earlier he has diligently furnished all pertinent information to SEBI, supported by substantial evidence that underscores his autonomy from the mentioned connections in the SCN. I find that the Noticee- 4 made earlier responses to the summons issued to it by the investigating authority, which were specifically related to investigation in the matter and the information

furnished by Noticee was used for the purpose of investigation. Considering the information submitted by Noticee- 4 investigation was concluded and SCN was issued. However, I note that Navdeep Jangir, partner of Noticee- 4 failed to appear before IA, for which administrative warning was issued to him for non-appearance before IA and the information sought was partly received from them and part had to be gathered from third parties. Further, I note that the allegations levelled in the SCN are not exactly same as the summons and differs from the information sought through the summons and therefore specific reply on the merits to the allegations levelled in the SCN was required to be furnished. However, I note that Noticee- 4 has chosen not to file any reply to the SCN on merit and even have preferred to abstain from personal hearing, which indicates that Noticee- 4 has nothing to submit in this regard and hence it is presumed that the allegation levelled against it in the SCN is admitted by it.

24. With regard to non-submission of reply on the merits of the case or specific reply to the allegation of manipulative trades by Noticee- 3 and Noticee- 4, I would like to refer to the observations of Hon'ble SAT, in the matter of **Classic Credit Ltd. vs. SEBI** (Appeal No. 68 of 2003, DoD-08.12.2006), wherein it was inter alia, observed that *".......the appellants did not file any reply to the second show-cause notice. This being so, it has to be presumed that the charges alleged against them in the show-cause notice were admitted by them".* Therefore, in the absence of any material contrary to the allegations, I find that materials on record are sufficient enough to reasonably conclude that Noticee- 3 and Noticee- 4 have created artificial volumes in the scrip of UPGL by trading with other connected entities and manipulated the price upwards by placing orders at a higher price than LTP and contributed significantly to LTP increase.

25. Noticee- 5 was alleged to have contributed ₹8.80 to net LTP as a buyer, i.e. 10.56% of total market net LTP contribution of buyers, during patch-1 of IP. On analysing total contribution of buyers and sellers in net LTP, Noticee- 5 was alleged to have contributed 19.36% of total market net LTP. Further, it was alleged that Noticee- 5 bought 93,000 shares of UPGL during patch-1 contributing 1.91% to the total

market volume, which is significant. It was also alleged that Noticee- 5 placed the buy order first at some of the instances of the trades contributing to positive LTP.

26. Contention of Noticee- 5 that he has strategically invested in the UPGL and his decision to invest in UPGL was driven by a comprehensive analysis of its growth potential, aligning with his objective to hold shares for the long term, is very general in nature and cannot be accepted for the grave allegations levelled against him. I note that the allegation levelled against Noticee- 5 is that he created artificial volumes in the scrip of UPGL by trading with other connected entities and manipulated the price upwards by placing orders at a higher price than LTP and contributed significantly to LTP increase during IP. I find that Noticee- 5 has contributed ₹8.80 to net LTP, i.e. 19.36% of total market net LTP considering total contribution of buyers and sellers in net LTP during patch-1. Noticee- 5 bought a total 93,000 shares of UPGL during patch-1 contributing 1.91% to the total market volume, out of which 66,000 shares of UPGL were bought from the connected entities i.e. 70.96% of total buy volume of Noticee- 5 in patch-1 of IP. This indicates that majority of trades of Noticee- 5 were done with other connected entities by creating artificial volumes and Noticee created artificial volumes in the scrip of UPGL. Thus, the justification of Noticee- 5 that he has strategically invested in the UPGL and his decision to invest in UPGL was driven by a comprehensive analysis of its growth potential, aligning with his objective to hold shares for the long term is untenable.

27. Noticee- 7 was alleged to have contributed ₹1.70 to net LTP as a buyer, i.e. 2.04% of total market net LTP contribution of buyers, during patch-1 of IP. On analysing total contribution of buyers and sellers in net LTP, Noticee- 7 was alleged to be contributed 3.74% of total market net LTP during patch-1. Further, it was alleged that Noticee- 7 bought 3,000 shares of UPGL contributing 0.06% to the total market volume.

28. Submission of the Noticee- 7 that the purchase of shares was financed through her accumulated savings, reflecting a prudent and responsible approach to investment

activities and her investment in UPGL was of a short-term nature and she executed a standard exit from the stock, consistent with routine investment practices adopted by any individual investor is not acceptable. I note that the allegation levelled against Noticee- 7 is that she created artificial volumes in the scrip of UPGL by trading with other connected entities and manipulated the price upwards by placing orders at a higher price than LTP and contributed significantly to LTP increase during IP. I find that Noticee- 7 had contributed ₹1.70 to net LTP i.e. 3.74% of total market net LTP during patch-1 of IP, for which no specific submission has been made by the Noticee. Regarding Noticee- 7 contention that her purchase was limited to 3000 shares, constituting only one lot, which have minimal influence over the pricing dynamics of any script, I note that the trades of Noticee- 7 are to be seen along with other connected entities and not in isolation. Also, it is noted that during patch-2 she had sold 9,000 shares of UPGL contributing 1.43% to the total market volume with net LTP of ₹0.6, which contributed 6.28% of total market net LTP during patch-2.

29. Further, I also note that the accounts of the connected entities used for trading at NSE were opened just prior to start of trading in UPGL as given in table 9 on page 13. I find that Noticee- 3, Noticee- 4 and Noticee- 7 opened trading account just prior to start of trading in the shares of UPGL and their first trade was also made in the shares of UPGL, which indicates that these Noticees opened trading account for the purpose of trading in the scrip of UPGL and creating artificial volumes in the scrip by trading with each other and manipulating the price of shares of UPGL. I note that in patch 1the 4 Noticees i.e. Noticee- 3, Noticee- 4, Noticee- 5 and Noticee- 7 collectively created artificial volumes by trading amongst each other, placed orders in a manner to increase and contributed 18.60% to + LTP during patch 1. The net LTP contribution of Noticee- 3, Noticee- 4, Noticee- 5 and Noticee- 7 both as a buyer and seller during patch 1 is 34.65%, which is significant. Thus, it can be concluded that the abovementioned entities artificially increased the price of the shares of UPGL during patch 1 of IP.

30. In view of the connections noticed amongst the trading entities, manipulative trades done by the Noticees in the scrip of UPGL as indicated hereinabove from table 10 to table 14 and discussed further in detail in above paras, and the transfer of funds among the connected entities for manipulating the scrip of UPGL as discussed hereinafter from para 40 to 47, when read together, clearly shows the manipulative intent of the Noticees. Therefore, I hold that Noticee- 3, Noticee- 4, Noticee- 5 and Noticee- 7 have created artificial volumes in the scrip of UPGL by trading with each other and manipulated the price upwards by placing orders at a higher price than LTP and thereby contributed significantly to LTP increase in the scrip of UPGL during patch 1 of IP.

31. In view of the above, I hold that the allegations that Noticee- 3, Noticee- 4, Noticee- 5 and Noticee- 7 have violated the provisions of Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2) (a) & (e) of PFUTP Regulations read with Section 12A (a), (b) and (c) of the SEBI Act, 1992, stand established.

32. Further, SCN alleges that Noticee- 6 and Noticee- 8 have created artificial volumes in the scrip of UPGL and manipulated the price upwards by placing orders at a higher price than LTP and contributed significantly to LTP increase during patch 2 of IP.

33. Noticee- 6 was alleged to have contributed ₹5.00 to net LTP as a buyer, i.e. 36.63% of total market net LTP contribution of buyers, during patch-2 of IP. Noticee- 6 contributed ₹-0.75 to net LTP as a seller. On analysing total contribution of buyers and sellers in net LTP, Noticee- 6 was alleged to be contributed ₹4.25 to net LTP i.e. 44.50% of total market net LTP during patch-2. Further, it was alleged that Noticee bought 90,000 shares of UPGL contributing 14.29% to the total market volume and sold 9,000 shares of UPGL during patch-2 contributing 1.43% to the total market volume during patch-2, which is significant. It was also observed that Noticee- 6 placed the buy order first at some of the instances of the trades contributing to positive LTP.

34. Noticee- 6's submissions such as it was a strategic decision taken according to the positive financial performance of the company at the time, investors may choose to divest and reinvest based on their evaluation of the company's financial health and prospects, it reflect a standard investment practice rather than any indication of impropriety on the part of the company etc. are very general justifications in nature and cannot be accepted for the grave allegations levelled against him. I note that the allegation levelled against Noticee- 6 is that it created artificial volumes in the scrip of UPGL by trading with other connected entities and manipulated the price upwards by placing orders at a higher price than LTP and contributed significantly to LTP increase during IP. I find that Noticee- 6 had bought 10,41,000 shares of UPGL from the connected entities in 29 trades during patch-1 and patch-2 of IP i.e. 96.28% of total buy volume of Noticee- 6. By buying 90,000 shares, it contributed 14.29% to the total market volume during patch-2 of IP. Also, Noticee sold 11,40,000 shares of UPGL to connected entities during IP, i.e. 99.21% of total sell volume of Noticee- 6. By selling 9,000 shares, it contributed 1.43% to the total market volume during patch-2 of IP. This indicates that majority of trades of Noticee- 6 were done with other connected entities for creating artificial volumes. Thus, I hold that Noticee- 6 created artificial volumes in the scrip of UPGL.

35. Noticee- 6 had contributed ₹5.00 to net LTP i.e. 44.50% of total market net LTP during patch-2 of IP, for which no specific submission has been made by the Noticee. The justification of Noticee that it was a strategic decision informed by the positive financial performance of the company at the time and share transactions aligns with a proactive and optimistic approach of investment, is untenable.

36. Noticee- 8 was alleged to have contributed ₹1.60 to net LTP as a buyer, i.e. 11.72% of total market net LTP contribution of buyers, during patch-2 of IP. On analysing total contribution of buyers and sellers in net LTP, Noticee- 8 was alleged to have contributed 16.75% of total market net LTP during patch-2. Further, it was alleged that he bought 18,000 shares of UPGL contributing 2.86% to the total market volume during patch-2. It was also observed that Noticee placed the buy order first at some of the instances of the trades contributing to positive LTP.

37. Noticee- 8's submissions such as his acquisition aligns with standard investment practices, with a deliberate intention to maintain these shares as a long-term investment and his approach to shareholding is consistent with conventional investment strategies employed by individuals seeking to contribute to the sustained growth and success of the company etc. are very general justifications in nature and cannot be accepted for the grave allegations levelled against him. I note that the allegation levelled against Noticee- 8 is that it created artificial volumes in the scrip of UPGL by trading with other connected entities and manipulated the price upwards by placing orders at a higher price than LTP and contributed significantly to LTP increase during IP. I find that Noticee- 8 had bought 1,02,000 shares of UPGL from the connected entities in 4 trades during IP i.e. 85% of total buy volume of Noticee- 8. By buying 18,000 shares of UPGL during patch-2 of IP, it contributed 2.86% to the total market volume. This indicates that majority of trades of Noticee- 8 were done with other connected entities by creating artificial volumes. Thus, I hold that Noticee- 8 created artificial volumes in the scrip of UPGL.

38. I note that Noticee- 8 had contributed ₹1.60 to LTP in 2 trades i.e. 16.75% of total market net LTP during patch-2 of IP. In this regard, Noticee's contention that on certain occasions, he attempted to secure shares at lower market prices, but due to heightened demand, his orders were unsuccessful, consequently, he opted to place orders at a higher price, driven by his genuine intention to acquire the script for inclusion in his investment portfolio is not tenable as Noticee was the first person to place buy order at higher prices than the LTP in these trades and thereafter corresponding sell orders were placed, which contributed to the positive LTP by 16.75% of total market net LTP during patch-2 of IP. Further, I also note that Noticee has not furnished any evidence or illustration in support of its claim that his attempt to secure shares at lower market prices were unsuccessful, consequently, he opted to place orders at a higher price. Also, the explanation does not hold as the majority of the trades were happening between the connected entities themselves.

39. In view of the connections noticed amongst the trading entities, manipulative trades done by the Noticees in the scrip of UPGL as indicated hereinabove from table 15 to table 19 and discussed further in detail in above paras, and the transfer of funds among the connected entities for manipulating the scrip of UPGL as discussed hereinafter from para 40 to 47, when read together, clearly shows the manipulative intent of the Noticees. Noticee- 6 and Noticee- 8 have created artificial volumes by trading amongst each other, placed orders in a manner to increase and contributed 48.35% to + LTP during patch 2. The net LTP contribution of Noticee- 6 and Noticee- 8 during patch 2 is 61.25%. Therefore, I hold that Noticee- 6 and Noticee- 8 have created artificial volumes in the scrip of UPGL by trading with other connected entities and manipulated the price upwards by placing orders at a higher price than LTP and thereby contributed significantly to LTP increase in the scrip of UPGL during patch 2 of IP, thereby, Noticee- 6 and Noticee- 8 have violated the provisions of Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2) (a) & (e) of PFUTP Regulations read with Section 12A (a), (b) and (c) of the SEBI Act, 1992.

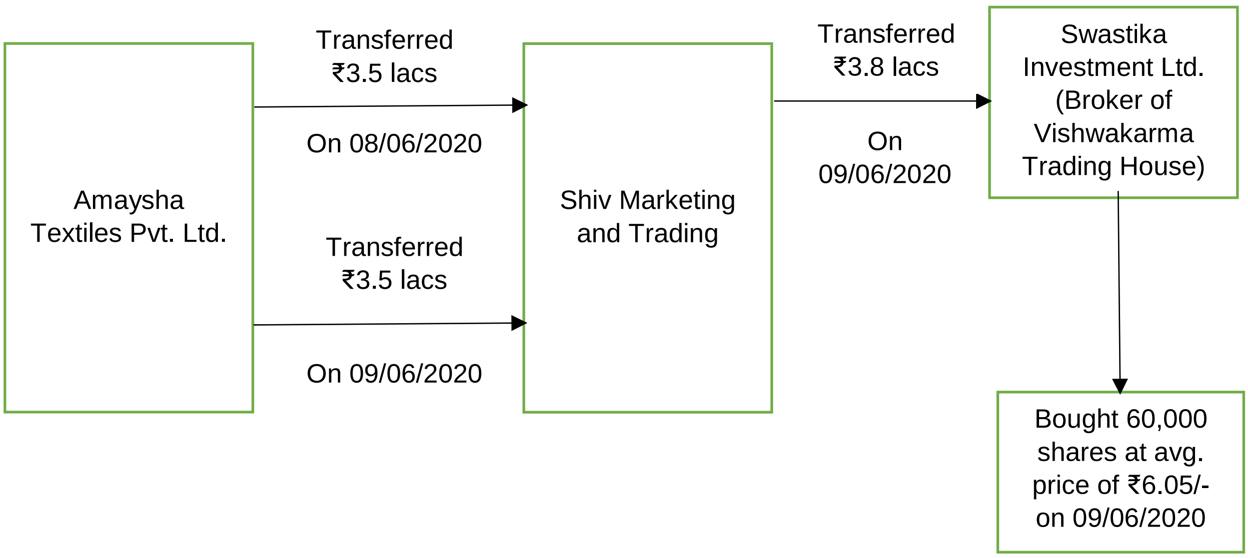
Transfer of funds and non-genuine trades:

40. Further, it was alleged in SCN that Amaysha provided the funds for the purchase of 4,20,000 shares of UPGL to Noticee- 3 during the period June 01, 2020 to June 30, 2020. Similarly, Amaysha and Noticee- 6 provided the funds for the purchase of 8,46,000 shares of UPGL to Noticee- 4 during the period July 01, 2020 to July 20, 2020. Noticee- 3 and Noticee- 4 provided exit to the Preferential Allottees (viz. Amrapali Fincap Pvt. Ltd., Amrapali Capital & Finance Services Ltd. and Shree Siddhi Infrabuildcon LLP) and subsequently transferred the shares of UPGL to Noticee- 6 and Amaysha which had provided funds for the said transactions. Thus, it was alleged that the trades executed by the entities are non-genuine and fraudulent.

41. For illustration, an amount of ₹3,50,000/- was credited to bank account of Noticee- 3 i.e. Shiv Marketing and Trading (A/c No.: 39177238456, SBI) by Amaysha Textiles Private Ltd. (A/c No.: 37975976183, SBI) on June 08, 2020. Similarly,

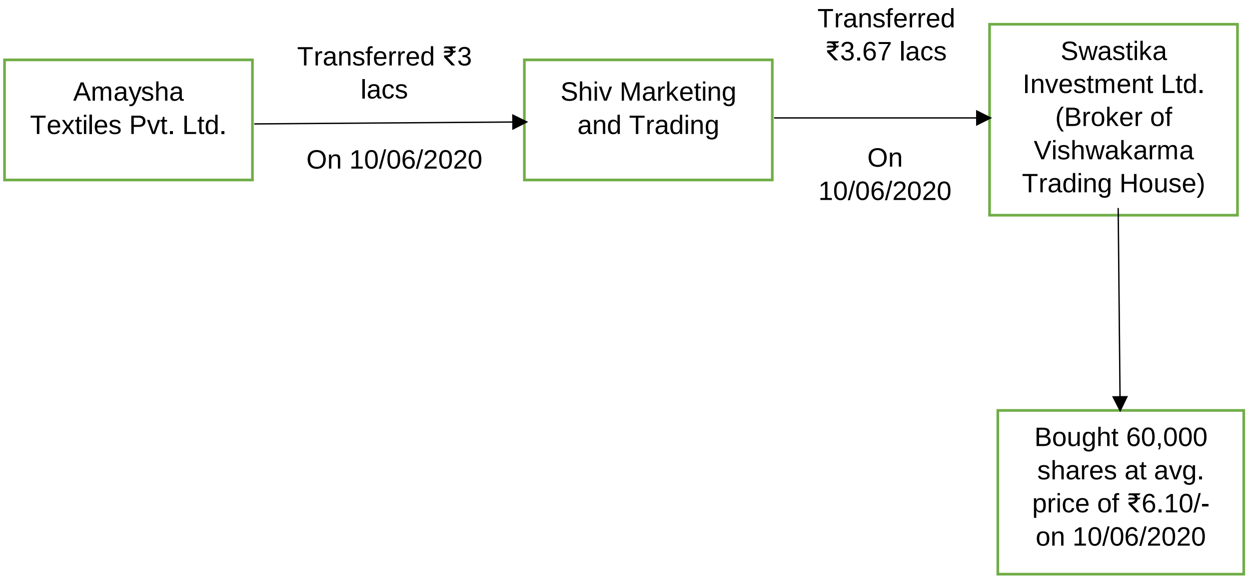
₹3,50,000/- was again credited to bank account of Shiv Marketing and Trading by Amaysha Textiles Private Ltd. on June 09, 2020. Further, it is observed that an amount of ₹3,80,519.08/- was transferred by Noticee- 3 to its broker's account (Swastika Investment Ltd.) on the same day. Noticee- 3 bought 60,000 shares of UPGL on June 09, 2020 at an avg. price of ₹6.05/-, having the total transaction value was ₹3,63,000/-. The details of fund transfers and purchase of shares are given below in the chart- 1:

Chart- 1



42. Further, an amount of ₹3,00,000/- was credited to bank account of Noticee- 3 i.e. Shiv Marketing and Trading (A/c No.: 39177238456, SBI) by Amaysha Textiles Private Ltd. (A/c No.: 37975976183, SBI) on June 10, 2020. Thereafter, the amount of ₹3,66,953.58/- was transferred by Noticee- 3 to its broker's account (Swastika Investment Ltd.) on the same day. Noticee- 3 bought 60,000 shares of UPGL on June 10, 2020 at an avg. price of ₹6.10/-, having the total transaction value was ₹3,66,000/-. The details of fund transfers and purchase of shares are given below in the chart- 2:

Chart- 2



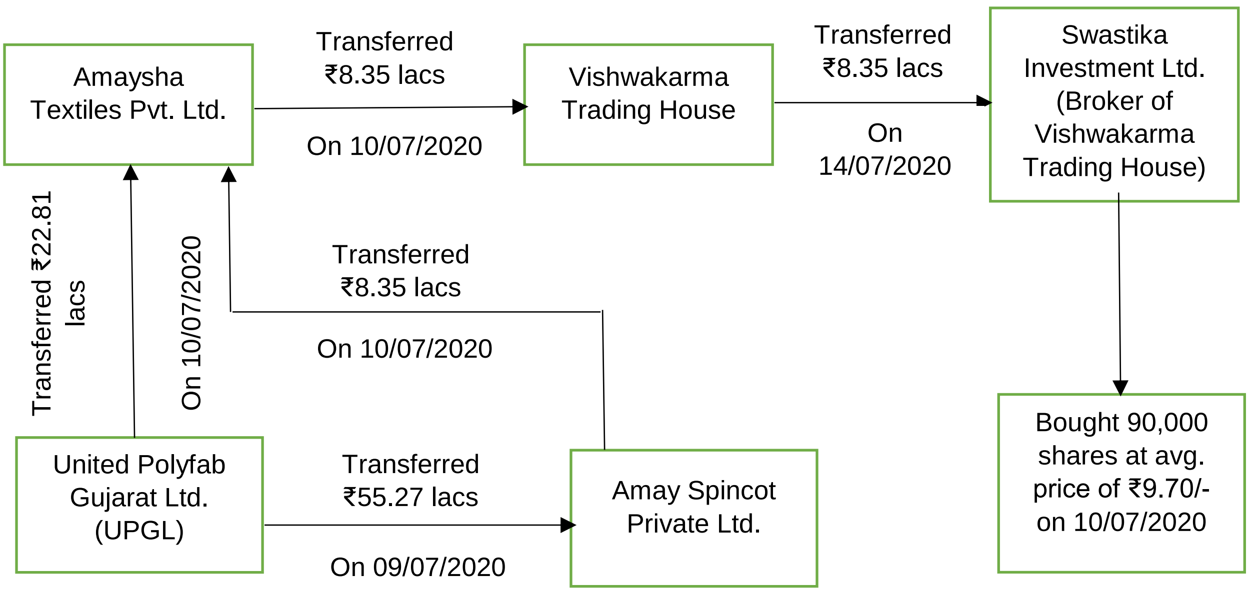
43. Similarly, other fund transfers on various dates are also observed between the Noticee- 3 and Amaysha Textiles Private Ltd.

44. In response to above allegations, Noticee- 3 submitted that regarding the transfer of funds between Nirmal Mittal, Amay, and Shiv Marketing Trading, he and his partner deposited a loan with Mr. Nirmal Mittal during a dispute resolution period. Beyond this transaction, he has no further involvement, and it also stated that Mr. Nirmal Mittal provided them with funds along with interest. I note that Noticee- 3 has not furnished any supporting document / evidence substantiating its claim that he and his partner deposited a loan with Mr. Nirmal Mittal during a dispute resolution period and Mr. Nirmal Mittal had provided them funds along with interest. Thus, the submission of Noticee- 3 cannot be accepted. Therefore, I hold that Amaysha provided the funds for the purchase of 4,20,000 shares of UPGL to Noticee- 3 (Shiv Marketing and Trading) during the period June 01, 2020 to June 30, 2020.

45. Further, it was alleged that Amaysha and Noticee- 6 provided the funds for the purchase of 8,46,000 shares of UPGL to Noticee- 4. For illustration, an amount of ₹55,27,186/- was credited to the bank account of Noticee- 6 (Amay Spincot Pvt.

Ltd.) (A/c No.:35091265745, SBI) by UPGL (A/c No.: 33421206997, SBI) on July 09, 2020. Further, on July 10, 2020, Amaysha Textiles Pvt. Ltd. received ₹8,35,000/- from Amay Spincot Pvt. Ltd and ₹22,80,877/- from UPGL (A/c No.: 33421206997, SBI). The account balance of Noticee- 4 (Vishwakarma Trading House) (A/c No.: 39226671623) was ₹11,000/- as on July 09, 2020. On July 10, 2020, an amount of ₹8,35,000/- was credited to the bank account of Noticee- 4 (Vishwakarma Trading House) by Amaysha Textiles Pvt. Ltd (A/c No.: 37975976183, SBI). Noticee- 4 bought 90,000 shares of UPGL on July 10, 2020 at an avg. price of ₹9.70/-, having a total transaction value of ₹8,73,000/-. Further, an amount of ₹8,35,614.77/- was transferred to its Noticee- 4's broker's account (Swastika Investment Ltd.) on July 14, 2020. The details of the said fund transfers are given below in the chart- 3:

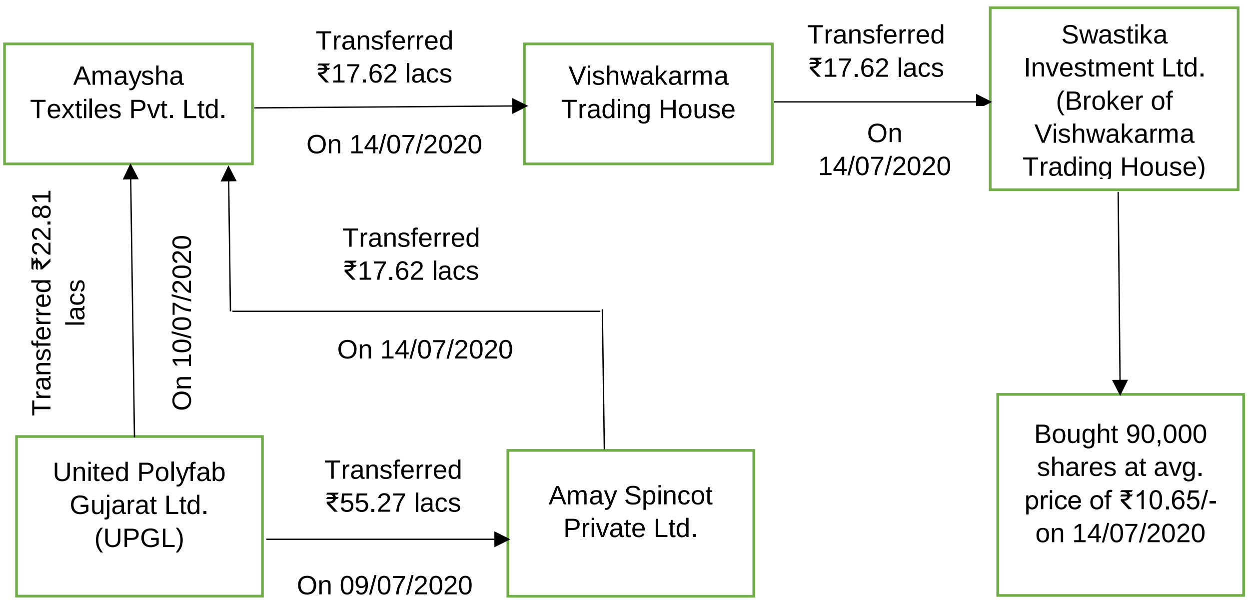
Chart- 3



46. Similarly, on July 14, 2020, an amount of ₹17,62,000/- was credited to the said bank account of Amaysha Textiles Pvt. Ltd (A/c No.: 37975976183, SBI) by Amay Spincot Pvt. Ltd. (A/c No.:35091265745, SBI). The same amount of ₹17,62,000/- was credited to the bank account of Noticee- 4 (Vishwakarma Trading House) (A/c No.: 39226671623) by Amaysha Textiles Pvt. Ltd (A/c No.: 37975976183, SBI) on July 14, 2020. Before the aforesaid credit of ₹17,62,000/-, the account balance of Vishwakarma Trading House was ₹10,385.23/- as on 14/07/2020. Further, an

amount of ₹17,62,315.28/- was transferred by Noticee- 4 (Vishwakarma Trading House) to its broker's account (Swastika Investment Ltd.) on the same day. The entity bought 90,000 shares of UPGL on July 14, 2020 at an avg. price of ₹10.65/, having a total transaction value of ₹9,58,500/-. The details of the said fund transfers are given below in the chart- 4:

Chart- 4



47. With regard to allegations of Amaysha and Amay (Noticee- 6) providing the funds for the purchase of 8,46,000 shares of UPGL to Noticee- 4 during the period July 01, 2020 to July 20, 2020, Noticee- 4 has not furnished any submission w.r.t. these allegations, which indicates that Noticee- 4 has nothing to submit in this regard and hence it is presumed that the allegations levelled against Noticee- 4 have been admitted by it. In this regard, Noticee- 6 furnished that Mr. Navdeep Jangir, partner of Vishwakarma Trading House, is not acquainted with it. I find from the bank accounts of Noticee- 1, 4, 6 and Amaysha that transfer of funds between them took place on various dates as shown in para 45 and 46 above. Therefore, in view of the above explained fund transfers and other transfers of funds between these connected entities as observed during the IP, I hold that Amaysha and Amay (Noticee- 6) provided the funds for the purchase of shares of UPGL to Noticee- 4 (Vishwakarma Trading House) during the period July 01, 2020 to July 20, 2020.

Modus Operandi adopted by UPGL and Role of MD/ Directors:

48. It was alleged in the SCN that the modus operandi adopted by the company (Noticee- 1) was to increase its market capitalisation to a level required for its migration from NSE's SME Platform 'Emerge' to Main board of the Exchange. To achieve this, the connected entities artificially increased the price of the scrip of UPGL during Patch 1 of the IP (i.e. June 09, 2020 to February 16, 2021). Thereafter, the company came out with bonus issue to fulfil the paid up capital criteria. Subsequently, the connected entities again artificially increased the price of the scrip during Patch 2 of the IP (i.e. August 01, 2021 to November 24, 2021) in order to fulfil the market capitalisation criteria before applying for the migration from SME Platform to the Main Board of NSE, as mentioned hereinabove at para 10.27 to 10.33.

49. SCN further alleges that Gagan Nirmalkumar Mittal (Noticee- 2) was CMD and the only Executive Director of the company during IP. The other directors in the company were in the capacity of non-executive. Noticee- 2 looked after day to day operations including manufacturing, management and finance of the company and his functional responsibility involves handling the overall operations of the company including client relationships. Without knowledge of the director(s) especially Gagan Nirmalkumar Mittal, UPGL could not fulfil the criteria for migration from NSE's SME Platform 'Emerge' to the Main Board of the Exchange. Considering the scheme of events detailed and discussed, it was alleged that Gagan Nirmalkumar Mittal, CMD (Noticee- 2), is responsible for actions taken on behalf of the company (UPGL) for employing fraudulent scheme to fulfil the criteria for migration of the company from SME Platform 'Emerge' to the Main Board of the Exchange.

50. In view of the above, it was alleged that Noticee- 1 and Noticee- 2 in collusion with other Noticees i.e. Shiv Marketing and Trading (Noticee- 3), Vishwakarma Trading House (Noticee- 4), Anilkumar Mangalchand Mittal (Noticee- 5), Amay Spincot Pvt. Ltd. (Noticee- 6), Aditi Anil Mittal (Noticee- 7) and Dhaval Anil Kumar Mittal (Noticee- 8) were engaged in a fraudulent scheme to increase its share price and

market capitalisation to migrate the company from NSE's SME Platform 'Emerge' to the Main Board of NSE.

51. I note that Noticee- 1 and 2 submitted that UPGL was listed on SME platform of NSE in 2016 and subsequently migrated to the Main Board of NSE after 5 years of listing in compliance with the guidelines set forth by the NSE for providing better visibility and liquidity to its shareholders and to attract a wider pool of investors. Regarding issue of bonus share Noticee- 1 and 2 submitted that UPGL issued bonus shares in the ratio of 2:1 out of its reserves as a token of appreciation for its valued investors. Further, regarding an increase of 756.20% in share price of UPGL, Noticee- 1 submitted that share price of securities is based on market matrix and driven by market forces and no one can control the same. In this regard, Noticee- 2 submitted that price movement of UPGL shares is attributable to corporate actions, changes in the company's financial condition, and broader market forces, industry trends, and investor sentiment.

52. I note that the Noticee- 1 and 2 were associated with other connected entities during IP as discussed and established hereinabove. Keeping in mind the connection and transfer of funds between the connected entities, I cannot accept the above contentions of the Noticee- 1 and 2. I note that the connected entities executed trades among themselves for 43,65,000 shares of UPGL in 117 trades during IP representing 62.69% of the total market volume, which is significant. These connected entities created artificial volumes by trading with each other and manipulated price upwards by placing orders at a price higher than LTP and contributed significantly to LTP increase. Further, UPGL, Amaysha and Amay transferred the funds to other connected entities to manipulate the price of scrip of UPGL. Therefore, the submissions of the Noticee- 1 that share price of securities is based on market matrix and driven by market forces and no one can control the same and Noticee- 2 that price movement of UPGL shares is attributable to corporate actions, changes in the company's financial condition, and broader market forces, industry trends, and investor sentiment, in not acceptable.

53. Therefore, I am of the view that the connected entities artificially increased the price of the scrip of UPGL during Patch 1 of the IP (i.e. June 09, 2020 to February 16, 2021), thereafter, the company came out with bonus issue to fulfil the paid up capital criteria and later on the connected entities again artificially increased the price of the scrip during Patch 2 of the IP (i.e. August 01, 2021 to November 24, 2021) in order to fulfil the market capitalisation criteria before applying for the migration from SME Platform 'Emerge' to the Main Board of NSE. A company being a juristic person, acts through its board of directors. All its deeds and functions are the result of acts of its board of directors. Therefore, the directors of a company who are responsible for acts done in the name of the company can be made personally liable alongwith the company for acts which result in violation of laws. In this context, I would like to quote the observations of the Hon'ble Supreme Court of India in the matter of ***Shri N. Narayanan vs. SEBI*** [(2013) 12 SCC 152] decided on 26.04.2013, wherein it was observed that - *"... Company though a legal entity cannot act by itself, it can act only through its Directors. They are expected to exercise their power on behalf of the company with utmost care, skill and diligence."* Further, considering the connection of Noticee- 2 with connected entities, scheme of events detailed and discussed hereinabove, I hold that Gagan Nirmalkumar Mittal, CMD (Noticee- 2) is responsible for actions taken on behalf of the company (UPGL) for employing fraudulent scheme to fulfil the criteria for migration of the company from SME Platform 'Emerge' to the Main Board of the Exchange. Also, Noticee- 2 had bought 5,31,000 shares of UPGL during IP representing 7.63% of market volume.

54. The Hon'ble SAT in the matter of **Bhavesh Patel and Others versus SEBI** in the matter of S J Corporation Limited in Appeal No. 456 of 2015 decided on 25 April 2018 reaffirmed the rationale cited in the matter of **Securities and Exchange Board of India vs. Rakhi Trading Private Ltd.** (Civil Appeal No. 1969 of 2011 decided on February 08, 2018) and **Securities and Exchange Board of India Versus Kishore R. Ajmera** in Civil Appeal No. 2818 of 2008 decided on February 23, 2016 held that:

"….. 44. Learned Counsel Shri. Gaurav Joshi relied on the following judgments of the Supreme Court (a) Securities and Exchange Board of India vs. Rakhi Trading Private Ltd. (Civil Appeal No. 1969 of 2011 decided on February 08, 2018); (b) Securities and Exchange Board of India vs Shri Kanaiyalal Baldevbhai Patel, 2017 SCC On Line SC 1148 decided on September 20, 2017 and (c) Securities and Exchange Board of India vs. Kishore R. Ajmera, (2016) 6 Supreme Court Cases 368 decided on February 23, 2016 and submitted that in deciding on PFUTP violation, totality of facts and preponderance of probabilities have to be resorted to as full evidence may not be forthcoming and manipulative, fraudulent schemes also include deliberately making losses as held in Rakhi Trading (supra).

….. 50. Argument made by each of the appellant individually that each of them played only a small trade in isolation or as per normal course of their business or some of them did not trade at all or some small loan has been given etc. stand no merit when totality of the picture is looked at. All of them together enabled launching this major fraud by using a dormant, low capital base and low public float company. In this context, we also find that the argument that many of the appellants did not off-load either full or major chunk of their holding even in Phase-III or thereafter also has no merit since with the still limited liquidity of about 1100 shares per day there was an inbuilt absorptive limitation for the market and thereafter the ad-interim restraint order of the WTM of SEBI came on their way on February 5, 2010. As held by the Hon'ble Supreme Court in several orders such as SEBI vs Rakhi Trading (supra), SEBI vs. Shri Kanaiyalal Baldevbhai (supra) and SEBI vs. Kishore R. Ajmera (supra) complete evidence may not be forthcoming in every such matter and what is needed is to prove that in a factual matrix preponderance of probabilities indicate a fraud. In Rakhi Trading (supra) it is held that in some cases parties may even incur willful losses in the market to achieve some objectives."

55. I keep in mind that in PFUTP violations totality of the facts and preponderance of probabilities have to be resorted to as full evidence may not be forthcoming. Also, each of the Noticee's may have made a small contribution but in overall the connected entities have manipulated the price of the scrip of UPGL by contributing significantly to LTP increase and created artificial volumes in the scrip of UPGL. The connected entities traded among themselves for 43,65,000 shares (in 117 trades) representing 62.69% of the total market volume during IP, thereby created artificial volumes in the scrip of UPGL by trading with each other. By doing so, the Noticees manipulated the price upwards by placing orders at a price higher than LTP and thereby contributed 25.08% to LTP during patch 1 and 120.94% to LTP

during patch 2 of IP, which is significant. UPGL, in collusion with other Noticees, was engaged in a fraudulent scheme to increase share price and market capitalisation of its scrip to migrate the company from NSE's SME Platform 'Emerge' to the Main Board of NSE in violation of the aforesaid provisions of PFUTP Regulations and SEBI Act, 1992. To achieve this, the connected entities artificially increased the price of the scrip of UPGL by 756.20% during Patch 1 of the IP (i.e. ₹6.05 on June 09, 2020 to ₹51.80 on February 16, 2021). Thereafter, the company came out with bonus issue on February 19, 2021 to fulfil the paid up capital criteria. Subsequently, the connected entities again artificially increased the price of the scrip by 111.04% during Patch 2 of the IP (i.e. ₹9.00 on August 01, 2021 to ₹18.15 on November 24, 2021) in order to fulfil the market capitalisation criteria before applying for the migration from SME Platform to the Main Board of NSE.

56. In view of the aforesaid facts and drawing support from the various judicial pronouncements mentioned above, I note that Noticee- 1 and Noticee- 2 in collusion with other Noticees i.e. Shiv Marketing and Trading (Noticee- 3), Vishwakarma Trading House (Noticee- 4), Anilkumar Mangalchand Mittal (Noticee- 5), Amay Spincot Pvt. Ltd. (Noticee- 6), Aditi Anil Mittal (Noticee- 7) and Dhaval Anil Kumar Mittal (Noticee- 8) were engaged in a fraudulent scheme to increase the share price and market capitalisation of UPGL to migrate UPGL from NSE's SME Platform 'Emerge' to the Main Board of the Exchange. In the light of the findings and observations made against the Noticees hereinabove, I hold that the allegations that Noticee- 1 and Noticee- 2 along with other Noticees have violated the provisions of Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2) (a) & (e) of PFUTP Regulations read with Section 12A (a), (b) and (c) of the SEBI Act, 1992, stand established.

Issue II. Does the violation, if any, attract monetary penalty under Section 15HA of the SEBI Act, 1992?

57. In the light of the findings and observations made against the Noticees brought out in the foregoing paragraphs, it is evident that the Noticees have acted together and violated the regulatory provisions of Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2) (a) & (e) of PFUTP Regulations read with Section 12A (a), (b) and (c) of the SEBI Act, 1992.

58. The aforesaid violations are serious in nature and make the Noticees liable for monetary penalty under the provisions of section 15HA of the SEBI Act, 1992.

59. In this regard, reliance is placed upon the judgment of Hon'ble Supreme Court of India in the matter of **SEBI Vs. Shri Ram Mutual Fund** [2006] 68 SCL 216(SC) which inter-alia has held that:

    "In our considered opinion, penalty is attracted as soon as the contravention of the statutory obligation as contemplated by the Act and the Regulations is established and hence the intention of the parties committing such violation becomes wholly irrelevant...".

60. The aforesaid violations, makes the Noticees liable for penalty under Section 15HA of the SEBI Act, 1992. The content of the said provision of law is reproduced herein below:

    Relevant provision of the SEBI Act, 1992:

    Penalty for fraudulent and unfair trade practices.
    15HA. *If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher.*

Issue III. If so, what would be the monetary penalty that can be imposed upon the Noticees taking into consideration the factors stipulated in Section 15-J of the SEBI Act, 1992 read with Rule 5(2) of the SEBI Adjudication Rules?

61. While determining the quantum of penalty, it is important to consider the factors stipulated in Section 15-J of the SEBI Act, 1992, which reads as under: -

<u>SEBI Act, 1992</u>

Factors to be taken into account while adjudging quantum of penalty

15J *While adjudging quantum of penalty under 15-I or section 11 or section 11B, the Board or 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 investors 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 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.]

62. In this case, from the material available on record, any quantifiable gain or unfair advantage accrued to the Noticees or the extent of loss suffered by the investors as a result of non-compliance to the provisions of the PFUTP Regulations and SEBI Act, 1992 is not available. With respect to the repetitive nature of the default, I find that earlier administrative warning was issued to Noticee- 1 (UPGL) on February 05, 2018. In this regard, I do not find anything on record against other Noticees. The connected entities traded among themselves for significant part of the total market volume during IP, thereby created artificial volumes in the scrip of UPGL by trading with each other. By doing so, the Noticees manipulated the price upwards by placing orders at a price higher than LTP and thereby contributed significantly to positive LTP during patch 1 and patch 2 of IP. UPGL, in collusion with other Noticees, was engaged in the fraudulent scheme to enable satisfaction of the migration criteria to migrate the company from NSE’s SME Platform ‘Emerge’ to the Main Board of NSE in violation of the aforesaid provisions of PFUTP

Regulations and SEBI Act, 1992. In order to fulfil the market capitalisation criteria the connected entities artificially increased the price of the scrip of UPGL during Patch 1 and Patch 2 of IP. Also, the company came out with bonus issue on February 19, 2021 to fulfil the paid up capital criteria. The conduct of the Noticees in manipulating the price of scrip of UPGL and not complying with the provisions of the SEBI Act, 1992 and PFUTP Regulations cannot be taken lightly. The violations done by the Noticees are serious, therefore, should be dealt with sternly by imposing monetary penalty as effective deterrence.

ORDER

63. Having considered all the facts and circumstances of the case, the submissions made by the Noticees, material available on record, the factors mentioned in Section 15J of the SEBI Act and in exercise of the powers conferred upon me under Section 15-I of the SEBI Act, 1992 read with Rule 5 of the SEBI Adjudication Rules, I hereby impose the following monetary penalty on the Noticees to be paid jointly and severally:

<table>
<tr><th>Sr. No.</th><th>Noticee</th><th>Provisions Violated</th><th>Penalty Provisions</th><th>Amount of penalty (in ₹)</th></tr>
<tr><td>1.</td><td>United Polyfab Gujarat Ltd.</td><td rowspan="8">Regulation 3 (a), (b), (c), (d), 4 (1), 4 (2) (a) & (e) of PFUTP Regulations read with Section 12A (a), (b) and (c) of SEBI Act, 1992.</td><td rowspan="8">Section 15HA of the SEBI Act, 1992</td><td rowspan="8">48,00,000/- (Rupees Forty-Eight Lakhs Only).

Noticees are jointly and severally liable to pay the amount of penalty.</td></tr>
<tr><td>2.</td><td>Gagan Nirmalkumar Mittal</td></tr>
<tr><td>3.</td><td>Shiv Marketing and Trading</td></tr>
<tr><td>4.</td><td>Vishwakarma Trading House</td></tr>
<tr><td>5.</td><td>Anilkumar Mangalchand Mittal</td></tr>
<tr><td>6.</td><td>Amay Spincot Pvt. Ltd. (Earlier known as Dhanshree Barter Pvt. Ltd.)</td></tr>
<tr><td>7.</td><td>Aditi Anil Mittal</td></tr>
<tr><td>8.</td><td>Dhaval Anil Kumar Mittal</td></tr>
</table>

In my view, the said penalty is commensurate with the violations committed by the Noticees in this case.

64. The Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link:

ENFORCEMENT → ORDERS → ORDERS OF AO → PAY NOW

65. 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.

66. In terms of Rule 6 of the SEBI Adjudication Rules, copy of this order is sent to the Noticees and also to the SEBI.

Place: Mumbai

Date: February 29, 2024

SHASHI KUMAR VALSAKUMAR

ADJUDICATING OFFICER