



BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/AK/DS/2026-27/32412-32419]

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

| Noticee No. | Noticee Name | PAN |
|--------------------|--------------------------------|------------|
| 1 | Narendrasinh J Chauhan | ADDPC8110B |
| 2 | Soham Narendrasinh Chauhan | BUVPC6411K |
| 3 | Ranjitsinh Gambhirsinh Solanki | BGPPS4695P |
| 4 | Jagrutiben N Chauhan | AFPPC4427F |
| 5 | Jignasha Ranjitsinh Solanki | CKVPS1247L |
| 6 | Vilasben Ashokkumar Parmar | ACHPP0872C |
| 7 | Kajal Jitendrakumar Chauhan | AJRPC5643D |
| 8 | Jitendrakumar J Chauhan | AENPC7574A |

In the matter of
Shubhlaxmi Jewel Art Limited

1. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) carried out examination of compliance by the promoter/ promoter-group of Shubhlaxmi Jewel Art Limited (hereinafter referred to as “**the Target Company**”) with the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as “**SAST Regulations**”). It was observed that Narendrasinh J Chauhan (hereinafter referred to as “**Noticee 1**”) and persons acting in concert (PACs), prima facie, violated the provisions of SAST Regulations.

APPOINTMENT OF ADJUDICATING OFFICER

2. Hence, SEBI initiated adjudication proceedings u/s 15-I(1) of SEBI Act and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995



(hereinafter referred to as “**SEBI Adjudication Rules**”) r/w Section 19 of SEBI Act and appointed the undersigned as the Adjudicating Officer (**AO**), vide Order dated December 18, 2025 u/s 15-I(1) of the SEBI Act, and Rule 3 of SEBI Adjudication Rules r/w Section 19 of the SEBI Act, to inquire into and adjudge u/s 15H of SEBI Act, the alleged violations by the following Noticees:

- 2.1. Narendrasinh J Chauhan – Noticee 1
- 2.2. Soham Narendrasinh Chauhan (hereinafter referred to as “**Noticee 2**”)
- 2.3. Ranjitsinh Gambhirsinh Solanki (hereinafter referred to as “**Noticee 3**”)
- 2.4. Jagrutiben N Chauhan (hereinafter referred to as “**Noticee 4**”)
- 2.5. Jignasha Ranjitsinh Solanki (hereinafter referred to as “**Noticee 5**”)
- 2.6. Vilasben Ashokkumar Parmar (hereinafter referred to as “**Noticee 6**”)
- 2.7. Kajal Jitendrakumar Chauhan (hereinafter referred to as “**Noticee 7**”)
- 2.8. Jitendrakumar J Chauhan (hereinafter referred to as “**Noticee 8**”)

(The above-mentioned Noticees are hereinafter collectively referred to as “**the Noticees**”.)

SHOW CAUSE NOTICE, REPLY OF THE NOTICEE AND HEARING

3. Show Cause Notice (hereinafter referred to as “**SCN**”) dated January 02, 2026 was issued to the Noticees in terms of rule 4 of SEBI Adjudication Rules, to show cause as to why inquiry should not be held against them and why penalty, if any, be not imposed on them u/s 15H of SEBI Act.
4. Summary of the allegation made in the SCN is as under:
 - 4.1. On November 02, 2021, the Board of Directors of the Target Company approved allotment of 23,00,000 convertible Warrants on a preferential basis, of which 18,00,000 warrants were intended to be allotted to Noticee 1, Mr. Narendrasinh J Chauhan (promoter of the Company) and 5,00,000 warrants were intended to be allotted to non-promoter allottees. On May 08, 2023, the Board of Directors approved allotment of 18,00,000 equity shares to Noticee 1. As per the shareholding pattern submitted by the Target Company to the Exchanges, Noticee 1 was the promoter and Noticees 2 to 8 were part of the



promoter group, therefore, in terms of Regulation 2(1)(q) of SAST Regulations, Noticees 1 to 8 were deemed to be PACs.

4.2. Pursuant to allotment of 18,00,000 equity shares to the PACs, the shareholding of promoter / PACs increased by more than 5%, thus triggering the requirement of open offer in terms of Regulation 3(2) of SAST Regulations.

4.3. However, as no open offer was made by the Noticees, it was alleged that they had violated the provisions of Regulation 3(2) of the SAST Regulations.

5. Vide email dated February 16, 2026, the authorised representative (AR) of Noticee 1 requested for inspection of documents. The request was acceded to and the inspection of documents was granted and conducted on March 05, 2026. Noticees 1, 2 and 4 submitted their common reply vide letter dated March 18, 2026. No reply was received from the other Noticees. In the interest of natural justice, vide hearing notice dated March 27, 2026, the Noticees were granted an opportunity of personal hearing on April 08, 2026. Noticees 1, 2 and 4 appeared for the scheduled hearing through the AR. The AR reiterated the submissions already made vide letter dated March 18, 2026, and confirmed that the same may be considered as final. Noticees 3, 5 to 8 did not appear for the hearing. Vide email dated April 15, 2026, Noticees 3, 5 to 8 requested for another opportunity of hearing through their AR. The request was granted by the undersigned and the hearing was scheduled for April 27, 2026. Meanwhile, Noticees 3, 5 to 8 submitted their response vide letter dated April 16, 2026. The AR of Noticees 3, 5 to 8 appeared for the scheduled hearing through video-conferencing mode and reiterated their submissions. The AR also confirmed that the same may be considered as final.

CONSIDERATION OF ISSUES AND FINDINGS

6. Considering the allegations made out in the SCN, I find that following issues require consideration in the present case:

ISSUE I - Whether the Noticees have violated the provisions of Regulation 3(2) of SAST Regulations?



ISSUE II - Do the violations, if any, attract penalty u/s 15H of the SEBI Act, as applicable?

ISSUE III - If so, what should be the monetary penalty that can be imposed taking into consideration the factors mentioned in Section 15J of SEBI Act?

7. The said provisions under which violations are alleged against the Noticees are reproduced below –

SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

Substantial acquisition of shares or voting rights.

3(2) No acquirer, who together with persons acting in concert with him, has acquired and holds in accordance with these regulations shares or voting rights in a target company entitling them to exercise twenty-five per cent or more of the voting rights in the target company but less than the maximum permissible non-public shareholding, shall acquire within any financial year additional shares or voting rights in such target company entitling them to exercise more than five per cent of the voting rights, unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations:

Explanation.— For purposes of determining the quantum of acquisition of additional voting rights under this sub-regulation,—

(i) gross acquisitions alone shall be taken into account regardless of any intermittent fall in shareholding or voting rights whether owing to disposal of shares held or dilution of voting rights owing to fresh issue of shares by the target company.

(ii) in the case of acquisition of shares by way of issue of new shares by the target company or where the target company has made an issue of new shares in any given financial year, the difference between the pre-allotment and the post-allotment percentage voting rights shall be regarded as the quantum of additional acquisition.

8. I now proceed to deal with the issues on merits as under:

ISSUE I - Whether the Noticees have violated the provisions of Regulation 3(2) of SAST Regulations?

9. From the SCN, I note that the Noticees were alleged to have violated the provisions of Regulation 3(2) of SAST Regulations, by not making an open offer upon



increase in shareholding by more than 5% of the shareholding in the Target Company.

10. As per the provisions of Regulation 3(2) of SAST Regulations, acquirer, along with PACs, holding 25% or more shares or voting rights in a target company, may acquire more than 5% of the shares or voting rights in the target company in a financial year, only after making an open offer for acquiring shares of such target company in accordance with SAST Regulations. For the purpose of determining the quantum of additional voting rights, gross acquisitions shall be taken into account, regardless of any intermittent fall in the shareholding; in case of new shares issued to the acquirer, the difference between the pre-allotment and the post-allotment percentage voting rights shall be regarded as the quantum of additional acquisition.

11. I note that the shareholding pattern of the Target Company prior to and post issuance of 18 lakh equity shares is provided in the table below:

| Particulars | Shareholding pattern prior to issuance of 18,00,000 shares (Prior to May 08, 2023) | | Shareholding pattern post issuance of 18,00,000 shares (as on May 08, 2023) | |
|--------------------------------|--|---------------|---|---------------|
| | Number of shares | % | Number of shares | % |
| Promoters | | | | |
| Narendrasinh J Chauhan | 4259480 | 48.38 | 6059480 | 57.14 |
| Soham Narendrasinh Chauhan | 1498000 | 17.01 | 1498000 | 14.13 |
| Ranjitsinh Gambhirsinh Solanki | 10140 | 0.12 | 10140 | 0.10 |
| Jagrutiben N Chauhan | 10000 | 0.11 | 10000 | 0.09 |
| Jignasha Ranjitsinh Solanki | 7140 | 0.08 | 7140 | 0.07 |
| Vilasben Ashokkumar Parmar | 240 | 0.00 | 240 | 0.00 |
| Total | 5785000 | 65.71 | 7585000 | 71.53 |
| Public | 3019000 | 34.29 | 3019000 | 28.47 |
| Total | 8804000 | 100.00 | 10604000 | 100.00 |



12. As seen from the table above, pursuant to allotment of 18,00,000 equity shares, shareholding of Promoter/ Promoter Group increased by more than 5% of prescribed limit as per Regulation 3(2) of SAST Regulations. I note that pursuant to the conversion of warrants into the equity shares, shareholding of the Acquirer (Noticee 1) increased by more than 5% which in turn resulted in increase in his shareholding and also that of the Promoter/ Promoter Group of the Target Company, by 5.82%. Thus, open offer was required to be made before acquiring the shares, in accordance with the provisions of Regulation 3(2) of the SAST Regulations.

13. In their response to the SCN, the Noticees submitted the following:

13.1. The impugned acquisition was pursuant to a preferential allotment, undertaken to rescue the target company which was in financial distress. It did not result in any change of control and there was no prejudice to public shareholders. The preferential allotment of warrants to Noticee 1 was approved on November 02, 2021. As 18 months' period for conversion of warrants was expiring, the option to convert the warrants into equity shares was exercised and this resulted in increased shareholding of Noticee 1, marginally exceeding 5% threshold by 0.82%.

13.2. As on date of the submissions to the SCN, the equity share price of the target company is Rs. 28, which double of the warrant issue price of Rs. 14. Thus, the actions of preferential allotment benefitted the public shareholders, far from being prejudiced.

13.3. The warrants and shares were allotted only to Noticee 1 and other Noticees had no role to play and did not have any common objective with Noticee 1. Moreover, the shareholding of other Noticees have declined and other non-promoter third party shareholders were inducted into the target company. In view of the foregoing, no penalty is warranted.



14. I note from the shareholding pattern submitted by the target company on May 08, 2023 that Noticees 1 to 8 were promoters / members of promoter group, of the Target Company. Thus, they were deemed to be Persons Acting in Concert (PACs) in terms of Regulation 2(q) of SAST Regulations, which provides the definition of PAC.

15. The Noticees' submissions that the preferential allotment was made to rescue the target company and public shareholders were benefitted by the preferential allotment of warrants to Noticee 1, are not relevant, as the provisions of Regulation 3(2) of SAST Regulations mandate making an open offer before acquiring more than 5% of equity shares or voting rights in a target company in a financial year, while 25% or more equity shares or voting rights are already held by the Acquirer, along with PACs.

Based on the above, I find that the allegation of violation of provisions of Regulation 3(2) of SAST Regulations against the Noticees, being Persons acting in concert, stands established.

ISSUE II - Do the violations, if any, attract penalty u/s 15H of the SEBI Act?

16. I note that since the above violations are established, the Noticees are liable for monetary penalty u/s 15H of the SEBI Act, as applicable, the text of which is reproduced hereunder:

SEBI Act

Penalty for non-disclosure of acquisition of shares and takeovers.

15H. If any person, who is required under this Act or any rules or regulations made thereunder, fails to, —

- (i) disclose the aggregate of his shareholding in the body corporate before he acquires any shares of that body corporate; or
- (ii) make a public announcement to acquire shares at a minimum price; or
- (iii) make a public offer by sending letter of offer to the shareholders of the concerned company; or
- (iv) make payment of consideration to the shareholders who sold their shares pursuant to letter of offer, he shall be liable to a penalty which shall not be less than ten lakh rupees but which may



extend to twenty-five crore rupees or three times the amount of profits made out of such failure, whichever is higher.

ISSUE III - If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in Section 15J of SEBI Act?

17. While determining the quantum of penalty u/s 15H of the SEBI Act, it is important to consider the factors stipulated in Section 15J of the SEBI Act, which read as under:

SEBI Act

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

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

18. I note that no quantifiable figures are available to assess the disproportionate gain or unfair advantage made as a result of such non-compliance by Noticees. Further from the material available on record, it is not possible to ascertain the exact monetary loss to the investors on account of non-compliance by these Noticees, nor has it been alleged by the SEBI. Further, as per the available records, it is observed that Noticees have not been penalised earlier for any of the aforesaid violations. However, I am of the view that suitable penalty must be imposed for non-compliance in order to ensure that such violation can be prevented in future.

ORDER

19. Having considered all the facts and circumstances of the case, the material available on record, and the factors mentioned in Section 15J of the SEBI Act, in light of judgment of the Hon'ble Supreme Court in SEBI vs. Bhavesh Pabari (2019) 5 SCC 90, in exercise of power conferred u/s 15-I of the SEBI Act r/w Rule 5 of the



SEBI Adjudication Rules, I impose the following penalty upon Noticees for the violations as mentioned hereunder.

| Noticee No. | Name of Noticee | Provisions violated | Penalty under | Penalty Amount |
|-------------|--------------------------------|-------------------------------------|-------------------------------|--|
| 1 | Narendrasinh J Chauhan | Regulation 3(2) of SAST Regulations | Section 15H of SEBI Act, 1992 | Rs. 10,00,000/- (Rs. Ten Lakh Only) to be paid jointly and severally by Noticees 1 to 8. |
| 2 | Soham Narendrasinh Chauhan | | | |
| 3 | Ranjitsinh Gambhirsinh Solanki | | | |
| 4 | Jagrutiben N Chauhan | | | |
| 5 | Jignasha Ranjitsinh Solanki | | | |
| 6 | Vilasben Ashokkumar Parmar | | | |
| 7 | Kajal Jitendrakumar Chauhan | | | |
| 8 | Jitendrakumar J Chauhan | | | |

In my view, the said penalty to be commensurate with the violation on the part of the Noticees.

20. 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

21. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not limited to recovery proceedings u/s 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties.



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

Amit
Kapoor

Digitally signed by
Amit Kapoor
Date: 2026.05.21
17:12:07 +05'30'

DATE: MAY 21, 2026

PLACE: MUMBAI

AMIT KAPOOR
ADJUDICATING OFFICER