



## SECURITIES AND EXCHANGE BOARD OF INDIA

## ORDER

UNDER SECTIONS 11(1) AND 11(2)(h) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH REGULATION 11(5) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011

IN THE MATTER OF PROPOSED ACQUISITION OF SHARES AND VOTING RIGHTS IN –

| TARGET COMPANY             | PROPOSED ACQUIRER |
|----------------------------|-------------------|
| VADILAL INDUSTRIES LIMITED | IVG TRUST         |

## BACKGROUND

1. Vadilal Industries Limited (hereinafter referred to as “**Target Company**”) is a company incorporated under the provisions of the Companies Act, 1956, having its registered office at Vadilal House 53, Shrimali Society, Nr. Navrangpura Police Station, Navrangpura, Ahmedabad – 380009, Gujarat, India. The equity shares of the Target Company are listed on the BSE Ltd. (hereinafter referred to as “**BSE**”) and the National Stock Exchange of India Ltd. (hereinafter referred to as “**NSE**”).
2. An application dated August 07, 2025 (hereinafter referred to as “**Application**”) seeking exemption from the applicability of regulation 3 and regulation 5 read with regulation 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as “**SAST Regulations, 2011**”) was received by SEBI on behalf of IVG Trust (hereinafter referred to as “**Acquirer Trust**”) in the matter of proposed direct and indirect acquisition of shares and voting rights in the Target Company by the Acquirer Trust.



3. While the Application was under examination, the Acquirer Trust informed that partition of an HUF entity which was initially contemplated in the proposed transaction would not be undertaken and accordingly the Acquirer Trust sought to update the application to reflect the revised transaction structure. The updated application was received by SEBI on November 9, 2025. Subsequently, various clarifications were sought which included, *inter alia*, clarification related to discrepancy in the names of the settlor, trustees and beneficiaries as stated in the KYC document, Trust Deed and shareholding pattern filed with the exchange. The aforesaid discrepancy was confirmed by the Acquirer Trust and accordingly, the Acquirer Trust was advised to rectify the same. The relevant undertakings and amended Trust Deed was submitted by the Acquirer Trust on May 08, 2026 and thereafter the Application was examined and final clarifications were sought on May 19, 2026. The final reply with respect to the aforesaid clarifications was received on June 03, 2026 from the Acquirer Trust.

#### **DETAILS OF THE PROPOSED ACQUISITION**

4. The Acquirer Trust, vide the Application, has submitted the following:
- (a) The issued, subscribed and paid-up equity share capital of the Target Company is INR 7,18,78,300 divided into 71,87,830 equity shares having a face value of INR 10/- each (as per information available on BSE website).
- (b) The shareholding pattern of the Target Company, as appearing on the BSE Website as on March 31, 2026, is as under:


**Table no. 1**

#### **Shareholding structure of the Target Company**

| <b>Sr. No</b> | <b>Name</b>                       | <b>No. of Shares</b> | <b>% shareholding</b> |
|---------------|-----------------------------------|----------------------|-----------------------|
| <b>A.</b>     | <b>Promoter/Promoter Group</b>    |                      |                       |
| 1.            | Gandhi Virendra<br>Ramchandra HUF | 1,19,699             | 1.67                  |
| 2.            | Rajesh R. Gandhi HUF              | 62,411               | 0.87                  |
| 3.            | Rajesh Ramchandra Gandhi          | 2,27,721             | 3.17                  |



| Sr. No                             | Name                                    | No. of Shares    | % shareholding |
|------------------------------------|---|------------------|----------------|
| 4.                                 | Devanshu Laxmanbhai Gandhi              | 3,45,691         | 4.81           |
| 5.                                 | Virendrabhai Ramchandra Gandhi          | 1,58,634         | 2.21           |
| 6.                                 | Mamta Rajesh Gandhi                     | 1,22,251         | 1.70           |
| 7.                                 | Ila V Gandhi                            | 1,07,931         | 1.50           |
| 8.                                 | Deval Devanshu Gandhi                   | 59,266           | 0.82           |
| 9.                                 | Janmajay Virendrabhai Gandhi            | 14,893           | 0.21           |
| 10.                                | Navinchandra Chimanlal Modi             | 6,999            | 0.10           |
| 11.                                | Khevna Raj Shah                         | 809              | 0.01           |
| 12.                                | Dharini Ketan Khambhatta                | 811              | 0.01           |
| 13.                                | Hemali Piyushkumar Surati               | 11,808           | 0.16           |
| 14.                                | Vadilal International Private Limited   | 28,09,704        | 39.09          |
| 15.                                | Vadilal Finance Company Private Limited | 3,28,311         | 4.57           |
| 16.                                | Veronica Constructions Private Limited  | 2,44,600         | 3.40           |
| 17.                                | Byad Packaging Industries Pvt Ltd       | 10,137           | 0.14           |
| 18.                                | Vadilal Marketing Private Limited       | 10,330           | 0.14           |
| 19.                                | Axilrod Private Limited                 | 9,943            | 0.14           |
| 20.                                | Vadilal Enterprises Limited             | 150              | 0.00           |
| <b>Total Promoter Shareholding</b> |   | <b>46,52,099</b> | <b>64.72%</b>  |
| <b>B.</b>                          | <b>Public shareholding</b>              | <b>25,35,731</b> | <b>35.28%</b>  |



| Sr. No | Name                      | No. of Shares    | % shareholding |
|--------|---------------------------|------------------|----------------|
|        | <b>Total Shareholding</b> | <b>71,87,830</b> | <b>100.00%</b> |

- (c) Vadilal International Private Limited (hereinafter referred to as “**VIPL**”), Vadilal Finance Company Private Limited (hereinafter referred to as “**VFCPL**”), Veronica Constructions Private Limited (hereinafter referred to as “**VCPL**”) and Axilrod Private Limited (hereinafter referred to as “**Axilrod**”) are part of Promoter and Promoter group of the Target Company. (The aforesaid promoters of the Target Company are collectively referred to as “**Promoter Group Companies**”)
- (d) VIPL holds 28,09,704 shares which is 39.09% of the target company; VFCPL holds 3,28,311 shares which represents 4.57% in the target company; VCPL holds 2,44,600 shares which is 3.40% in the Target Company and Axilrod holds 9,943 shares which is 0.14% in Target Company. These promoter group companies collectively hold 33,92,558 shares representing 47.20% shareholding in the Target Company.
- (e) The shareholding pattern of VIPL is as follows:

**Table no. 2**  
**Shareholding structure of VIPL**

| Sr. No | Name   | No. of Shares | %     |
|--------|--|---------------|-------|
| 1.     | Virendrabhai Ramchandra Gandhi with Janmajay Virendrabhai Gandhi | 49,956        | 33.30 |
| 2.     | Virendrabhai Ramchandra Gandhi                                   | 44            | 0.03  |
| 3.     | Devanshu Laxmanbhai Gandhi with Deval Devanshu Gandhi            | 50,000        | 33.33 |
| 4.     | Rajesh Ramchandra Gandhi with Mamta Rajesh Gandhi                | 47,010        | 31.34 |
| 5.     | Mamta Rajesh Gandhi  | 1,790         | 1.19  |
| 6.     | Rajesh Ramchandra Gandhi   | 1,179         | 0.79  |



|    |   |                 |               |
|----|---|-----------------|---------------|
| 7. | Mamta Rajesh Gandhi with Rajesh Ramchandra Gandhi   | 17              | 0.01          |
| 8. | Kalpita Rajesh Gandhi with Rajesh Ramchandra Gandhi | 4               | 0.00          |
|    | <b>Total</b>  | <b>1,50,000</b> | <b>100.00</b> |

(f) The shareholding pattern of VFCPL is as follows:

**Table no. 3**

**Shareholding structure of the VFCPL**

| Sr. No | Name   | No. of Shares | %     |
|--------|--|---------------|-------|
| 1.     | Ila V Gandhi   | 1,500         | 15.00 |
| 2.     | Virendrabhai Ramchandra Gandhi with Ila V Gandhi                 | 1,353         | 13.53 |
| 3.     | Virendrabhai Ramchandra Gandhi with Devanshu Laxmanbhai Gandhi   | 149           | 1.49  |
| 4.     | Virendrabhai Ramchandra Gandhi with Janmajay Virendrabhai Gandhi | 93            | 0.93  |
| 5.     | Virendrabhai Ramchandra Gandhi                                   | 77            | 0.77  |
| 6.     | Gandhi Virendra Ramchandra HUF                                   | 54            | 0.54  |
| 7.     | Devanshu Laxmanbhai Gandhi                                       | 3,135         | 31.35 |
| 8.     | Mamta Rajesh Gandhi  | 1,500         | 15.00 |
| 9.     | Rajesh Ramchandra Gandhi with Mamta Rajesh Gandhi                | 1,490         | 14.90 |
| 10.    | Vadilal International Pvt. Ltd.                                  | 187           | 1.87  |
| 11.    | Rajesh Ramchandra Gandhi   | 78            | 0.78  |
| 12.    | Ramchandra Gandhi with Devanshu Laxmanbhai Gandhi                | 75            | 0.75  |
| 13.    | Krishna N. Choksi with Ramchandra Gandhi                         | 65            | 0.65  |
| 14.    | Vaibhavi C. Choksi with Ramchandra Gandhi                        | 65            | 0.65  |



| Sr. No | Name   | No. of Shares | %             |
|--------|--|---------------|---------------|
| 15.    | Nilaben M. Modi with Manojkumar<br>Vadilal Modi        | 56            | 0.56          |
| 16.    | Ramchandra Gandhi                                      | 56            | 0.56          |
| 17.    | Mamta Rajesh Gandhi with Rajesh<br>Ramchandra Gandhi   | 38            | 0.38          |
| 18.    | Sharmisthaben P Surati with<br>Pravinchandra M Surti   | 18            | 0.18          |
| 19.    | Kalpiti Rajesh Gandhi with Rajesh<br>Ramchandra Gandhi | 9             | 0.09          |
| 20.    | Ramchandra Gandhi (Ranchhodlal &<br>Sons)              | 1             | 0.01          |
| 21.    | Ushaben N. Modi  | 1             | 0.01          |
|        | <b>Total</b>   | <b>10,000</b> | <b>100.00</b> |

(g) The shareholding pattern of VCPL is as follows:

**Table no. 4**

**Shareholding structure of the VCPL**

| Sr. No | Name  | No. of Shares | %     |
|--------|---|---------------|-------|
| 1.     | Janmajay Virendrabhai Gandhi  | 1,500         | 15.00 |
| 2.     | Ila V Gandhi with Janmajay<br>Virendrabhai Gandhi                   | 1,241         | 12.41 |
| 3.     | Virendrabhai Ramchandra Gandhi with<br>Janmajay Virendrabhai Gandhi | 300           | 3.00  |
| 4.     | Deval Devanshu Gandhi with<br>Aakanksha Devanshu Gandhi             | 1,540         | 15.40 |
| 5.     | Mamta Rajesh Gandhi with Kalpit<br>Rajesh Gandhi                    | 1,539         | 15.39 |
| 6.     | Byad Packaging Industries Pvt Ltd                                   | 1,500         | 15.00 |
| 7.     | Kalpiti Rajesh Gandhi   | 1,500         | 15.00 |



| Sr. No | Name                          | No. of Shares | %             |
|--------|-------------------------------|---------------|---------------|
| 8.     | Vadilal International Pvt Ltd | 880           | 8.80          |
|        | <b>Total</b>                  | <b>10,000</b> | <b>100.00</b> |

(h) The shareholding pattern of Axilrod is as follows:

**Table no. 5**

**Shareholding structure of the Axilrod**

| Sr. No | Name                           | No. of Shares | %             |
|--------|--------------------------------|---------------|---------------|
| 1.     | Janmajay Virendrabhai Gandhi   | 2,402         | 6.00          |
| 2.     | Ila V Gandhi                   | 2,401         | 6.00          |
| 3.     | Virendrabhai Ramchandra Gandhi | 30,415        | 76.00         |
| 4.     | Khevna Raj Shah                | 2,401         | 6.00          |
| 5.     | Dharini Ketan Khambhatta       | 2,401         | 6.00          |
|        | <b>Total</b>                   | <b>40,020</b> | <b>100.00</b> |

(i) The Acquirer Trust, established under the provisions of the Indian Trust Act, 1882 vide trust deed dated July 24, 2025 read with deed of amendment dated May 04, 2026 is irrevocable and discretionary private trust. The details of the Settlers, Trustees and Beneficiaries of Acquirer Trust are given below:

**Table no. 6**

**Particulars of the Acquirer Trust**

| Status  | Name                              | Relationship with Transferor   |
|---------|-----------------------------------|--|
| Settlor | Ila V Gandhi<br>(PAN: AFHPG6644Q) | Spouse of the Transferor and Promoter/Promoter Group of the Target Company |



| Status        | Name  | Relationship with Transferor   |
|---------------|---|--|
| Transferor    | Virendrabhai Ramchandra Gandhi<br>(PAN: ABDPG4799C) | Self and Promoter/Promoter Group of the Target Company                     |
| Trustee(s)    | Virendrabhai Ramchandra Gandhi<br>(PAN: ABDPG4799C) | Self and Promoter/Promoter Group of the Target Company                     |
|               | Janmajay Virendrabhai Gandhi<br>(PAN: ABNPG2073M)   | Son of the Transferor and Promoter/Promoter Group of the Target Company    |
| Beneficiaries | Virendrabhai Ramchandra Gandhi<br>(PAN: ABDPG4799C) | Self and Promoter/Promoter Group of the Target Company                     |
|               | Ila V Gandhi<br>(PAN: AFHPG6644Q)                   | Spouse of the Transferor and Promoter/Promoter Group of the Target Company |
|               | Janmajay Virendrabhai Gandhi<br>(PAN: ABNPG2073M)   | Son of the Transferor and Promoter/Promoter Group of the Target Company    |
|               | Lineal descendants of Janmajay Virendrabhai Gandhi  | Lineal descendant of Son of Transferor                                     |

- (j) The Acquirer Trust proposes to acquire shares and voting rights in the Target Company directly and indirectly from certain promoters/promoter group members of the Target Company in the following manner:
- (k) The direct acquisition of shares and voting rights in the Target Company by the Acquirer Trust is proposed to take place in the following manner:



- I. Ila V Gandhi and Janmajay Virendrabhai Gandhi will gift their shareholding in Target Company to Virendrabhai Ramchandra Gandhi.

**Table no. 7**

**Details of proposed direct acquisition in Target Company**

| Name of the Company        | Transferor                   | Acquirer                       | No of shares    | %            |
|----------------------------|------------------------------|--------------------------------|-----------------|--------------|
| Vadilal Industried Limited | Ila V Gandhi                 | Virendrabhai Ramchandra Gandhi | 1,07,931        | 1.50         |
|                            | Janmajay Virendrabhai Gandhi |                                | 14,893          | 0.21         |
| <b>Total</b>               |                              |                                | <b>1,22,824</b> | <b>1.71%</b> |

- II. Pursuant to aforesaid transfer, Virendrabhai Ramchandra Gandhi, who will cumulatively hold 2,81,458 shares (3.92%) of Target Company, will transfer these shares to the Acquirer Trust by way of gift.
- (I) The indirect acquisition of shares and voting rights in the Target Company by the Acquirer Trust is proposed to take place in the following manner:
- I. With respect to the sharers of VIPL, VFCPL, VCPL and Axilrod held by Virendrabhai Ramchandra Gandhi, Ila V Gandhi and Janmajay Virendrabhai Gandhi, held either individually/Jointly, the said shares will be gifted to Virendrabhai Ramchandra Gandhi as following:

**Table no. 8**

**Details of proposed indirect acquisition in Promoter Group Companies**

| Name of the company                   | Transferor                          | Acquirer                       | No of shares | %     |
|---------------------------------------|-------------------------------------|--------------------------------|--------------|-------|
| Vadilal International Private Limited | Virendrabhai Ramchandra Gandhi with | Virendrabhai Ramchandra Gandhi | 49,956       | 33.30 |



| Name of the company                           | Transferor  | Acquirer                              | No of shares | %            |
|---|---|---------------------------------------|--------------|--------------|
|   | Janmajay<br>Virendrabhai<br>Gandhi  |                                       |              |              |
| <b>Sub-Total of VIPL</b>                      |   |                                       | 49,956       | 33.30        |
| Vadilal Finance<br>Company Private<br>Limited | Ila V Gandhi  | Virendrabhai                          | 1,500        | 15.00        |
|   | Virendrabhai<br>Ramchandra<br>Gandhi with<br>Ila V Gandhi                       | Ramchandr<br>a Gandhi                 | 1,353        | 13.53        |
|   | Virendrabhai<br>Ramchandra<br>Gandhi with<br>Devanshu<br>Laxmanbhai<br>Gandhi   |                                       | 149          | 1.49         |
|   | Virendrabhai<br>Ramchandra<br>Gandhi with<br>Janmajay<br>Virendrabhai<br>Gandhi |                                       | 93           | 0.93         |
| <b>Sub-Total of VFCPL</b>                     |   |                                       | <b>3,095</b> | <b>30.95</b> |
| Vernoica<br>Constructions<br>Private Limited. | Janmajay<br>Virendrabhai<br>Gandhi  | Virendrabhai<br>Ramchandr<br>a Gandhi | 1500         | 15.00        |
|   | Ila V Gandhi<br>with<br>Janmajay<br>Virendrabhai                                |                                       | 1,241        | 12.41        |



| Name of the company         | Transferor   | Acquirer            | No of shares | %            |
|-----------------------------|--|---------------------|--------------|--------------|
|                             | Gandhi   |                     |              |              |
|                             | Virendrabhai Ramchandra Gandhi with Janmajay Virendrabhai Gandhi |                     | 300          | 3.00         |
| <b>Sub-Total of VCPL</b>    |  |                     | <b>3,041</b> | <b>30.41</b> |
| Axilrod Private Limited     | Ila V Gandhi   | Virendrabhai        | 2,401        | 6.00         |
|                             | Janmajay Virendrabhai Gandhi                                     | i Ramchandra Gandhi | 2,402        | 6.00         |
| <b>Sub-Total of Axilrod</b> |  |                     | <b>4,803</b> | <b>12.00</b> |

II. Subsequent to the aforesaid transaction, Virendrabhai Ramchandra Gandhi will hold 50,000 shares i.e. 33.33% shareholding in VIPL, 3,172 shares i.e. 31.72% shareholding in VFCPL, 3,041 shares i.e. 30.41% shareholding in VCPL and 35,218 shares i.e. 88% shareholding in Axilrod and will transfer those shares to Acquirer Trust by way of gift.

(m) The shares of the Target Company, VIPL, VFCPL, VCPL and Axilrod would be transferred without any consideration to the Acquirer Trust.

(n) Acquirer has mentioned in the application that Acquirer Trust would be considered as a "person acting in concert" with Promoter and Promoter group of the Target Company in terms of Regulation 2(1)(q) of the Takeover Regulations.



- (o) Pursuant to the proposed acquisitions mentioned above, the Acquirer Trust along with other promoters and members of promoter group would directly and indirectly acquire control over the Target Company.
- (p) There would be no alteration in the total equity share capital of the Target Company as a result of the proposed acquisition. The shareholding pattern of the Target Company before and after the proposed acquisition will be as under:

**Table no. 9**  
**Change in shareholding of the Target Company pursuant to proposed transactions**

| Particulars                        | Shareholding Before the proposed acquisition |      | Proposed acquisition |        | Shareholding After the proposed acquisition |      |
|------------------------------------|--|------|----------------------|--------|---|------|
|                                    | No. of Shares                                | %    | No. of Shares        | %      | No. of Shares                               | %    |
| <b>Promoter and Promoter group</b> |  |      |                      |        |   |      |
| Gandhi Virendra Ramchandra HUF     | 1,19,699                                     | 1.67 | -                    | -      | 1,19,699                                    | 1.67 |
| Rajesh R. Gandhi HUF               | 62,411                                       | 0.87 | -                    | -      | 62,411                                      | 0.87 |
| Rajesh Ramchandra Gandhi           | 2,27,721                                     | 3.17 | -                    | -      | 2,27,721                                    | 3.17 |
| Devanshu Laxmanbhai Gandhi         | 3,45,691                                     | 4.81 | -                    | -      | 3,45,691                                    | 4.81 |
| Virendrabhai Ramchandra Gandhi     | 1,58,634                                     | 2.21 | (1,58,634)           | (2.21) | -   | -    |



| Particulars                             | Shareholding Before the proposed acquisition |       | Proposed acquisition |        | Shareholding After the proposed acquisition |       |
|---|--|-------|----------------------|--------|---|-------|
|   | No. of Shares                                | %     | No. of Shares        | %      | No. of Shares                               | %     |
| Mamta Rajesh Gandhi                     | 1,22,251                                     | 1.70  | -                    | -      | 1,22,251                                    | 1.70  |
| Ila V Gandhi                            | 1,07,931                                     | 1.50  | (1,07,931)           | (1.50) | -   | -     |
| Deval Devanshu Gandhi                   | 59,266                                       | 0.82  | -                    | -      | 59,266                                      | 0.82  |
| Janmajay Virendrabhai Gandhi            | 14,893                                       | 0.21  | (14,893)             | (0.21) | -   | -     |
| Navinchandra Chimanlal Modi             | 6,999  | 0.10  | -                    | -      | 6,999                                       | 0.10  |
| Khevna Raj Shah                         | 809  | 0.01  | -                    | -      | 809   | 0.01  |
| Dharini Ketan Khambhatta                | 811  | 0.01  | -                    | -      | 811   | 0.01  |
| Hemali Piyushkumar Surati               | 11,808                                       | 0.16  | -                    | -      | 11,808                                      | 0.16  |
| Vadilal International Private Limited   | 28,09,704                                    | 39.09 | -                    | -      | 28,09,704                                   | 39.09 |
| Vadilal Finance Company Private Limited | 3,28,311                                     | 4.57  | -                    | -      | 3,28,311                                    | 4.57  |
| Veronica Constructions Private Limited  | 2,44,600                                     | 3.40  | -                    | -      | 2,44,600                                    | 3.40  |



| Particulars                       | Shareholding Before the proposed acquisition |               | Proposed acquisition |        | Shareholding After the proposed acquisition |               |
|-----------------------------------|--|---------------|----------------------|--------|---|---------------|
|                                   | No. of Shares                                | %             | No. of Shares        | %      | No. of Shares                               | %             |
| Byad Packaging Industries Pvt Ltd | 10,137                                       | 0.14          | -                    | -      | 10,137                                      | 0.14          |
| Vadilal Marketing Private Limited | 10,330                                       | 0.14          | -                    | -      | 10,330                                      | 0.14          |
| Axilrod Private Limited           | 9,943  | 0.14          | -                    | -      | 9,943                                       | 0.14          |
| Vadilal Enterprises Limited       | 150  | 0.00          | -                    | -      | 150   | 0.00          |
| <b>Acquirer</b>                   |  |               |                      |        |   |               |
| IVG Trust                         | -  | -             | (2,81,458)           | (3.92) | <b>2,81,458</b>                             | <b>3.92</b>   |
| <b>Total</b>                      | <b>46,52,099</b>                             | <b>64.72</b>  | Nil                  | Nil    | <b>46,52,099</b>                            | <b>64.72</b>  |
| <b>Public Shareholding</b>        |  |               |                      |        |   |               |
| Public                            | 25,35,731                                    | 35.28%        | Nil                  | Nil    | 25,35,731                                   | 35.28%        |
| <b>Total</b>                      | <b>71,87,830</b>                             | <b>100.00</b> | Nil                  | Nil    | <b>71,87,830</b>                            | <b>100.00</b> |

(q) The abovementioned direct and indirect acquisition of shares/control and voting rights by the Acquirer Trust in the Target Company (hereinafter referred to as “**Proposed Acquisitions**”) would attract the applicability of the provisions of regulation 3 and regulation 5 read with regulation 4 of the SAST Regulations, 2011. Vide the Application, the Acquirer Trust have sought exemption from SEBI in respect of the same.

## GROUNDS FOR SEEKING EXEMPTION



5. The Acquirer Trust has, *inter alia*, provided the following grounds for seeking exemption from the applicability of the provisions of regulation 3 and regulation 5 read with regulation 4 of the SAST Regulations, 2011:

- (a) The proposed acquisition of shares of Target Company is undertaken to carry out an internal reorganization within the promoter family and is intended to streamline succession and promote welfare of promoter family. The proposed acquisition would not affect or prejudice the interests of the public shareholders of Target Company in any manner.
- (b) The Acquirer Trust should fall within the definition of 'promoter group' under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as the trustees and ultimate beneficiaries of the Acquirer Trust are promoters and members of the promoter group family of Target Company. Thus, the proposed acquisition would not result in any increase / decrease in the holding of the promoters or promoter group in Target Company.
- (c) The proposed acquisition of shares by the Acquirer Trust would also not result in change in control and management of Target Company. Shri Virendrabhai Ramchandra Gandhi and Shri Janmajay Virendrabhai Gandhi (trustees of the Acquirer Trust) through whom control would be exercised over the assets of the Acquirer Trust, are also members belonging to promoter and promoter group of Target Company in their individual capacity.
- (d) There is no effective change in the exercise of voting power or in the control / management of Target Company and Target Company. Even where pre-acquisition shareholding pattern and post-acquisition shareholding pattern of promoter and members of the promoter group in Target Company change, aggregate shareholding of the promoter and members of the promoter group in Target Company would remain the same.
- (e) Target Company shall continue to be in compliance with the minimum public shareholding requirements under the Securities Contracts (Regulation) Rules, 1957 (hereinafter referred to as "**SCRR**") and the SEBI (LODR) Regulations, 2015 (hereinafter referred to as "**LODR**")



**Regulations**”) as the pre-acquisition shareholding and post-acquisition shareholding of public in Target Company would remain same.

- (f) Trustees are representative of the Acquirer Trust and accordingly all regulations can therefore be enforced on the trustees in their individual capacity. Accordingly, there shall be no difficulty as regards enforceability of the provisions of SEBI Act, 1992 and the regulations framed thereunder if the shares of Target Company are held by the trustees for the benefit of the beneficiaries of the Acquirer Trust.
- (g) The Acquirer Trust is an irrevocable private family trust, settled as a discretionary trust, for the benefit of the members of the promoter group. The trustees and ultimate beneficiaries are individuals from the promoter family and persons belonging to the category ‘promoter and members of promoter group’. The structure in no way results in lack of transparency and does not in any way impact the interest of investors.
- (h) The acquisition of shares and voting rights of Target Company and Promoter Group Companies holding shares in Target Company by the Acquirer Trust is for efficient succession planning and for holding the controlling interest in Target Company ultimately in one entity rather than spreading the holding amongst different individuals.
- (i) The Acquirer Trust is in compliance with the following conditions outlined in the Chapter 8 of SEBI Circular No. SEBI/HO/CFD/PoD-1/P/CIR/2023/31 dated February 16, 2023 (hereinafter referred to as “**SEBI Circular**”):
  - (i) The Acquirer Trust is in substance, only a mirror image of the promoters’ holdings and consequently, there is no change of ownership or control of the shares or voting rights in the target company.
  - (ii) Only individual promoters or their immediate relatives or lineal descendants are Trustees and beneficiaries of the Acquirer Trust.
  - (iii) The beneficial interest of the beneficiaries of the Acquirer Trust has not been and will not in the future, be transferred, assigned or encumbered in any manner including by way of pledge/mortgage.



- (iv) In case of dissolution of the Acquirer Trust, the assets will be distributed only to the beneficiaries of the trust or to their legal heirs;
- (v) The Trustees will not be entitled to transfer or delegate any of their powers to any person other than one or more of themselves.
- (vi) Any change in the trustees/beneficiaries and any change in ownership or control of shares or voting rights held by the Acquirer Trust shall be disclosed within 2 days to the concerned stock exchanges with a copy endorsed to SEBI for its record.
- (vii) As far as the provisions of the SEBI Act, 1992 and the regulations framed thereunder are concerned, the ownership or control of shares or voting rights will be treated as vesting not only with the Trustees but also indirectly with the beneficiaries.
- (viii) The liabilities and obligations of individual transferors under the SEBI Act, 1992 and the regulations framed thereunder will not change or get diluted due to transfers to the Acquirer Trust.
- (ix) The Acquirer Trust shall confirm, on an annual basis, that they are in compliance with the exemption order passed by SEBI. The said confirmation shall be furnished to the Target Company which it shall disclose prominently as a note to the shareholding pattern filed for the quarter ending March 31 each year, under regulation 31 of the LODR Regulations.
- (x) The Acquirer Trust shall get their compliance status certified by an independent auditor annually and furnish the certificate to the Stock Exchanges for public disclosure with a copy endorsed to SEBI for its records.
- (xi) The proposed acquisitions are in accordance with the provisions of the Companies Act, 2013 and other applicable laws.
- (xii) The transferors are disclosed as promoters in the shareholding pattern filed with the Stock Exchanges for a period of at least 3 years prior to the proposed acquisition.
- (xiii) There is no layering in terms of trustees/beneficiaries in the case of the Acquirer Trust.



(xiv) The Trust Deed do not contain any limitation of liability of the trustees/beneficiaries in relation to the provisions of the SEBI Act, 1992 and all regulations framed thereunder.

6. The Acquirer Trust has also provided undertakings regarding compliance with the criteria stipulated in guidelines stated in Chapter 8 of the SEBI Circular.

## CONSIDERATION

7. I have considered the Application submitted by the Acquirer Trust and other material available on record. Before I proceed further, I deem it fit to draw reference to the relevant provisions of the SAST Regulations, 2011, which provide as under:

***“Substantial acquisition of shares or voting rights.***

**3(1):** *No acquirer shall acquire shares or voting rights in a target company which taken together with shares or voting rights, if any, held by him and by persons acting in concert with him in such target company, entitle them to exercise twenty-five per cent or more of the voting rights in such target company unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations*

**(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.*

*Provided that the acquisition beyond five per cent but upto ten per cent of the voting rights in the target company shall be permitted for the financial year*



*2020-21 only in respect of acquisition by a promoter pursuant to preferential issue of equity shares by the target company.*

***Acquisition of control.***

*4. Irrespective of acquisition or holding of shares or voting rights in a target company, no acquirer shall acquire, directly or indirectly, control over such target company unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with these regulations.*

*Indirect acquisition of shares or control.*

***Indirect acquisition of shares or control.***

*5(1). For the purposes of regulation 3 and regulation 4, acquisition of shares or voting rights in, or control over, any company or other entity, that would enable any person and persons acting in concert with him to exercise or direct the exercise of such percentage of voting rights in, or control over, a target company, the acquisition of which would otherwise attract the obligation to make a public announcement of an open offer for acquiring shares under these regulations, shall be considered as an indirect acquisition of shares or voting rights in, or control over the target company.”*

8. Without reiterating the facts as stated above, I note the following:

- (a) The Application submitted is in respect of the proposed direct and indirect acquisition of shares and voting rights in the Target Company, i.e., **Vadilal Industries Limited**. The Proposed Acquisition as detailed above, which is to be made by the Acquirer Trust, will lead to the direct and indirect acquisition of shares and voting rights in the Target Company and acquisition of control over the Target Company which will attract the provisions of Regulation 3 and Regulation 5 read with regulation 4 of the SAST Regulations, 2011.
- (b) The Proposed Acquisition is in furtherance to an internal reorganization within the immediate relatives of the Promoters and are intended to



streamline succession and promote the welfare of the family. The Proposed Acquisition would be non-commercial transactions which would not affect or prejudice the interests of the public shareholders of the Target Company in any manner.

- (c) The trustees and beneficiaries of the Acquirer Trust, through which control would be exercised over the Target Company, are the immediate relatives or lineal descendants of the Promoter and Promoter group of the Target Company.
  - (d) There will be no change in control of the Target Company pursuant to the Proposed Acquisition, as stipulated under Chapter 8 of the SEBI Circular.
  - (e) The pre-acquisition and post-acquisition shareholding of the Promoter and Promoter group in the Target Company will remain the same.
  - (f) There will be no change in the public shareholding of the Target Company.
  - (g) The Target Company shall continue to be in compliance with the Minimum Public Shareholding requirements under the SCRR and the LODR Regulations.
  - (h) The Acquirer Trust has confirmed that it is in compliance with the conditions outlined in Chapter 8 of the SEBI Circular and will always remain in compliance with aforesaid guidelines.
9. Considering all the aforementioned, I am of the view that exemption as sought for in the Application may be granted to the Acquirer Trust, subject to certain conditions as ordered herein below.



## ORDER

10. I, in exercise of powers conferred upon me under section 19 read with section 11(1) and section 11(2)(h) of the SEBI Act, 1992 and regulation 11(5) of the SAST Regulations 2011, hereby grant exemption to the Acquirer Trust, viz., **IVG Trust**, from complying with the requirements of regulation 3 and regulation 5 read with regulation 4 of the SAST Regulations, 2011 with respect to the proposed direct and indirect acquisitions in the Target Company, viz., **Vadilal Industries Limited**, by way of the proposed transaction as mentioned in the Application.

11. The exemption so granted is subject to the following conditions:

- (a) The Proposed Acquisition shall be in accordance with the relevant provisions of the Companies Act, 2013 and other applicable laws.
- (b) On completion of the Proposed Acquisition, the Acquirer Trust shall file a report with SEBI within a period of 21 days from the date of such acquisition.
- (c) The statements/averments made or facts and figures mentioned in the Application and other submissions by the Acquirer Trust are true and correct.
- (d) The Acquirer Trust shall ensure compliance with the statements, disclosures and undertakings made in the Application. The Acquirer Trust shall also ensure compliance with the provisions of Chapter 8 of the SEBI Circular.
- (e) The Acquirer Trust shall also ensure that the covenants in the Trust Deed are not contrary to the above conditions. In such case, the Trust Deed shall be suitably modified and expeditiously reported to SEBI.

12. The exemption granted above is limited to the requirements of making an open offer under the SAST Regulations, 2011 and shall not be construed as an exemption from the disclosure requirements under Chapter V of the aforesaid Regulations; compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, Listing Agreement / LODR Regulations or any other applicable Acts, Rules and Regulations.

13. The exemption granted above from making an open offer in respect of the Proposed Acquisitions shall remain valid for a period of one (1) year from the date of this Order and the Acquirer Trust shall complete the implementation of the Proposed



Acquisitions within such period, failing which the granted exemption shall lapse and cease to exist.

14. The Application filed by the Acquirer Trust is accordingly disposed of.

**PLACE: MUMBAI**  
**DATE: July 03, 2026**

**KAMLESH CHANDRA VARSHNEY**  
**WHOLE TIME MEMBER**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**