



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 ENTERPRISES LIMITED	IVG TRUST

BACKGROUND

1. Vadilal Enterprises Limited (hereinafter referred to as “**Target Company**”) is a company incorporated under the provisions of the Companies Act, 1956, having its registered office at 3rd Floor, South Block, Punishka House, Bopal-Ambli road, Ahmedabad-380058, Gujarat, India. The equity shares of the Target Company are listed on the BSE Ltd. (hereinafter referred to as “**BSE**”).
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 its Application, has submitted the following:
- (a) The issued, subscribed and paid-up equity share capital of the Target Company is INR 86,26,680 divided into 8,62,668 equity shares having a face value of INR 10/- each (as per information available on BSE website). 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

Sr. No	Name	No. of Shares	Percentage of Shares (%)
1.	Virendra Ramchandra Gandhi HUF*	11,689	1.35
2.	Rajesh R. Gandhi HUF	2,116	0.25
3.	Devanshu Laxmanbhai Gandhi	1,20,696	13.99
4.	Rajesh Ramchandra Gandhi	78,775	9.13
5.	Janmajay Virendrabhai Gandhi	10,613	1.23
6.	Mamta Rajesh Gandhi	21,345	2.47
7.	Kalpit Rajesh Gandhi	70	0.01



8.	Ila V Gandhi	8,957	1.04
9.	Deval Devanshu Gandhi	4,710	0.55
10.	Virendrabhai Ramchandra Gandhi	73,173	8.48
11.	Manojkumar Vadilal Modi	229	0.03
12.	Sharmisthaben P Surati	720	0.08
13.	Dharini Ketan Khambhatta	70	0.01
14.	Khevna Raj Ramanlal*	70	0.01
15.	Hemali Piyushkumar Surati	1,826	0.21
16.	Byad Packaging Industries Pvt Ltd	18,700	2.17
17.	Vadilal Chemicals Limited	100	0.01
18.	Vadilal Marketing Private Limited	43,299	5.02
19.	Axilrod Private Limited	43,308	5.02
20.	Jaina Janmejay Gandhi	10	0.00
Total Promoter Shareholding		4,40,476	51.06
21.	Public Shareholding	4,22,192	48.94%
Total		8,62,668	100.00%

*Note:

1. Target Company has informed that as per the PAN details the name of HUF is Gandhi Virendra Ramchandra HUF and that the Target Company shall take necessary steps to update and align the shareholders record.

2. Target Company has informed that the name of the Khevna Raj Shah is inadvertently reflected as Khevna Raj Ramanlal and that the Target Company has undertaken to take necessary steps to align the shareholders' records.

(b) Axilrod Private Limited (hereinafter referred to as "Axilrod") is currently categorized as part of promoter and promoter group of the Target Company and holds 5.02% of equity share capital of the Target Company. The shareholding pattern of Axilrod is as follows:



Table no. 2
Shareholding structure of Axilrod

Sr. No.		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 Khambatta	2,401	6.00
	Total	40,020	100.00

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

Table no. 3
Particulars of the Acquirer Trust

Particulars	Person	Relationship with Transferor
Settlor	Ila V Gandhi (PAN: AFHPG6644Q)	Spouse of the Transferor and Promoter of the Target Company



Particulars	Person	Relationship with Transferor
Transferor	Virendrabhai Ramchandra Gandhi (PAN: ABDPG4799C)	Self and Promoter/Promoter group of the Target Company
Trustee(s)	Virendrabhai Ramchandra Gandhi (PAN: ABDPG4799C)	Self and Promoter/Promoter group of the Target Company
	Janmajay Virendrabhai Gandhi (PAN: ABNPG2073M)	Son of the Transferor and Promoter/Promoter group of the Target Company
Beneficiaries	Virendrabhai Ramchandra Gandhi (PAN: ABDPG4799C)	Self and Promoter of the Target Company
	Ila V Gandhi (PAN: AFHPG6644Q)	Spouse of the Transferor and Promoter/Promoter group of the Target Company
	Janmajay Virendrabhai Gandhi (PAN: ABNPG2073M)	Son of the Transferor and Promoter/Promoter group of the Target Company
	Lineal descendants of Mr. Janmajay Virendrabhai Gandhi	Lineal descendants of Son of Transferor

- (d) The Acquirer Trust proposes to acquire interest in the Target Company directly and indirectly from certain promoters/promoter group members of the Target Company.
- (e) 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. As the first step, the following promoters will transfer their shareholding in the Target Company to Mr. Virendrabhai Ramchandra Gandhi.



Table no. 4

Details of proposed direct acquisition

Name of the Company	Name of Transferor	No. of Shares held in the Company
Vadilal Enterprises Limited	Smt. Ila V Gandhi	8,957 (1.04%)
	Mr. Janmajay Virendrabhai Gandhi	10,613 (1.23%)

- II. Pursuant to the aforesaid transaction, the shareholding of the Mr. Virendrabhai Ramchandra Gandhi will increase from 8.37% to 10.64%.
 - III. As the consequent step, Mr. Virendrabhai Ramchandra Gandhi (Transferor) will transfer his shareholding, i.e., 10.64% of the Target Company to the Acquirer Trust.
- (f) The Acquirer Trust will make an indirect acquisition of 43,308 equity shares, representing 5.02% of the Target Company by virtue of acquiring 88% of the equity share capital and control in the Axilrod. The Acquirer Trust proposes to acquirer the shareholding and control of Axilrod in the following manner:
- I. As the first step, the following promoters will transfer their shareholding in Axilrod to Mr. Virendrabhai Ramchandra Gandhi (Transferor):

Table no. 5

Details of proposed indirect acquisition



Name of the Company	Name of Transferor	No. of Shares held in the Company
Axilrod Private Limited	Smt. Ila V Gandhi	2,401 (6.00%)
Axilrod Private Limited	Mr. Janmajay Virendrabhai Gandhi	2,402 (6.00%)

- II. Pursuant to the above, the shareholding of the Mr. Virendrabhai Ramchandra Gandhi in Axilrod will increase from 76.00% to 88.00%.
- III. As the subsequent step, Mr. Virendrabhai Ramchandra Gandhi (Transferor) will transfer his shareholding, i.e., 88.00% of the Axilrod to the Acquirer Trust.
- (g) The shares of the Target Company and Axilrod would be transferred without any consideration to the Acquirer Trust.
- (h) Acquirer Trust has mentioned in the application that it would be considered as Person Acting in Concert with the promoter(s) and promoter group of the Target Company in terms of regulation 2(1)(q) of the SAST Regulations, 2011.
- (i) There would be no alteration in the total equity share capital of the Target Company as a result of the proposed acquisition.
- (j) 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. The shareholding pattern of the Target Company before and after the proposed acquisition will be as under:



Table no. 6

Change in shareholding of the Target Company pursuant to proposed transactions

Particulars	Shareholding before the proposed acquisition		Proposed Transaction		After the proposed acquisition	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Promoters & Promoter Group other than Acquirer						
Virendrabhai Ramchandra Gandhi	73,173	8.48%	(72,207)	(8.37%)	-	-
Ila V Gandhi	8,957	1.04%	(8,957)	(1.04%)	-	-
Janmajay Virendrabhai Gandhi	10,613	1.23%	(10,613)	(1.23%)	-	-
Virendra Ramchandra Gandhi HUF	11,689	1.35%	-	-	11,689	1.35%
Rajesh R Gandhi HUF	2,116	0.25%	-	-	2,116	0.25%
RajeshRamchandra Gandhi	78,775	9.13%	-	-	78,775	9.139%
Devanshubhai Laxmanbhai Gandhi	1,20,696	13.99%	-	-	1,20,696	13.99%
Mamta RajeshGandhi	21,345	2.47%	-	-	21,345	2.47%



Particulars	Shareholding before the proposed acquisition		Proposed Transaction		After the proposed acquisition	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Deval Devanshu Gandhi	4,710	0.55%	-	-	4,710	0.55%
Hemali Piyushkumar Surati	1,826	0.21%	-	-	1,826	0.21%
Dharini KetanKhambhatta	70	0.01%	-	-	70	0.01%
Khevna Raj Ramanlal ¹	70	0.01%	-	-	70	0.01%
KalpitRajesh Gandhi	70	0.01%	-	-	70	0.01%
Sharmisthaben P Surati	720	0.08%	-	-	720	0.08%
Vadilal Chemicals Limited	100	0.01%	-	-	100	0.01%
Vadilal Marketing Private Limited	43,299	5.02%	-	-	43,299	5.02%
Byad Packaging Industries Private Limited	18,700	2.17%	-	-	18,700	2.17%
Axilrod Private Limited	43,308	5.02%	-	-	43,308	5.02%
Manojkumar Vadilal Modi	229	0.03%	-	-	229	0.03%
Jaina Janmejy Gandhi	10	0.00%	-	-	10	0.00%
Total	4,40,476	51.06%	(91,777)	(10.64)	3,47,733	40.42%
Acquirer and PAC						
IVG Trust	-	-	91,777	10.64%	91,777	10.64%
Public						



Particulars	Shareholding before the proposed acquisition		Proposed Transaction		After the proposed acquisition	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Public Shareholders	4,22,192	48.94%	-	-	4,22,192	48.94%
Total	8,62,668	100.00%	-	-	8,62,668	100.00%

- (k) The abovementioned direct and indirect acquisition of shares/control and voting rights by the Acquirer Trust in the Target Company would attract the applicability of the provisions of regulation 3, 4 and 5 of the SAST Regulations, 2011. Vide the Application, the Acquirer Trust has sought exemption from SEBI in respect of the same.

GROUND FOR SEEKING EXEMPTION

5. The Acquirer Trust has, *inter alia*, provided the following grounds for seeking exemption from applicability of the provisions of regulations 3, 4 and 5 of the SAST Regulations, 2011:
- The proposed acquisition of shares of the 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 the Target Company in any manner.
 - 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 of the Target Company and their immediate relatives. Thus, the proposed acquisition would not result in any increase or decrease in the holding of the promoters or promoter group in the Target Company.
 - The proposed acquisition of shares by the Acquirer Trust would also not result in change in control and management of the 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 the Target Company in their individual capacity.

- (d) There is no effective change in the exercise of voting power or in the control / management of the Target Company. Even where pre-acquisition shareholding pattern and post-acquisition shareholding pattern of promoter and members of the promoter group in the Target Company change, aggregate shareholding of the promoter and members of the promoter group in the Target Company would remain the same.
- (e) The 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “**LODR Regulations**”) as the pre-acquisition shareholding and post-acquisition shareholding of public in the 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 the 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 the Target Company and Axilrod by the Acquirer Trust is for efficient succession planning and for holding the controlling interest in the 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 transferor is disclosed as a promoter 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 does 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)

(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.

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 Enterprises 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 sub-regulation (2) of Regulation 3, regulation 4 and regulation 5 of the SAST Regulations, 2011.



- (b) The proposed acquisitions are 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 acquisitions 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 acquisitions, 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 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, 4 and 5 of the SAST Regulations, 2011 with respect to the proposed direct and indirect acquisitions in the Target Company, viz., **Vadilal Enterprises 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 acquisitions 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 Deeds are not contrary to the above conditions. In such case, the Trust Deeds 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