

## SECURITIES AND EXCHANGE BOARD OF INDIA

## ORDER

UNDER SECTION 11(1) AND SECTION 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 ACQUIRERS                                                                                                                                                                             |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AMARA RAJA ENERGY & MOBILITY LIMITED | <ol style="list-style-type: none"> <li>1. MR. RAMACHANDRA N GALLA</li> <li>2. RNG JAYADEV TRUST</li> <li>3. RNG RAMADEVI TRUST</li> <li>4. JAYADEV TRUST</li> <li>5. RAMADEVI TRUST</li> </ol> |

### Background

1. Amara Raja Energy & Mobility Limited ("**Target Company**") is a company incorporated under the Companies Act, 1956, having registered office at Renigunta, Cuddapah Road, Karakambadi, Tirupati, Andhra Pradesh - 517520, India. It was incorporated on February 13, 1985. The equity shares of the Target Company are listed on the BSE Ltd. ("**BSE**") and National Stock Exchange of India Ltd. ("**NSE**").
2. An application dated December 17, 2024 (referred to as "**Application**") seeking exemption from the applicability of regulations 3, 4 and 5 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**Takeover Regulations, 2011**") for a proposed indirect acquisition of shares in the Target Company was received from Mr. Ramachandra N. Galla ("hereinafter referred to as "**Applicant**" or "**Trustee of Acquirer Trusts**").
3. The Application was filed by Mr. Ramachandra N. Galla in his capacity as trustee of four trusts namely RNG Jayadev Trust, RNG Ramadevi Trust, Jayadev Trust and Ramadevi Trust ("**Acquirer Trusts**").
4. RNGalla Family Private Limited ("**RFPL**"), one of the promoters of the Target Company, holds 32.86% in the Target Company. Mr. Ramachandra N. Galla proposes to acquire shares in RFPL from his immediate family, which would take his shareholding in RFPL from 43.20% to 99.53%.

5. Mr. Ramachandra N. Galla then proposes to transfer his 99.53% shareholding in RFPL to the four Acquirer Trusts. Mr. Ramachandra N. Galla and the four Acquirer Trusts are hereinafter together referred to as the “**Proposed Acquirers**”.

**Details of the Proposed Acquisitions:**

6. The Applicant, vide the Application submitted on behalf of the Acquirer Trusts, *inter-alia*, submitted as under:
- (a) The issued, subscribed and paid-up equity share capital of the Target Company is INR 18,30,25,364/- divided into 18,30,25,364 equity shares of INR 1/- each. The promoters and promoter group entities collectively hold 32.86% of the paid-up share capital of the Target Company and the remaining 67.14% is held by public shareholders.
- (b) The shareholding pattern of Target Company for the quarter ended September 30, 2024 is as follows:

| S. No.                             | Name of shareholder            | No. of shares       | Percentage of Shareholding (%) |
|------------------------------------|--------------------------------|---------------------|--------------------------------|
| <b>Promoter and Promoter group</b> |                                |                     |                                |
| 1.                                 | Mr. Ramachandra N Galla        | -                   | -                              |
| 2.                                 | Mrs. Amara Kumari Galla        | -                   | -                              |
| 3.                                 | Mr. Jayadev Galla              | -                   | -                              |
| 4.                                 | Mrs. Padmavathi Galla          | -                   | -                              |
| 5.                                 | Mr. Ashok Galla                | -                   | -                              |
| 6.                                 | Mr. Siddharth Galla            | -                   | -                              |
| 7.                                 | Mrs. Ramadevi Gourineni        | -                   | -                              |
| 8.                                 | Mr. Harshavardhana Gourineni   | -                   | -                              |
| 9.                                 | Mr. Vikramadithya Gourineni    | -                   | -                              |
| 10.                                | G V Ramakrishna Vara Prasad    | -                   | -                              |
| 11.                                | RNGalla Family Private Limited | 6,01,45,316         | 32.86                          |
| 12.                                | Mangal Industries Limited      | -                   | -                              |
| <b>Total (A)</b>                   |                                | <b>6,01,45,316</b>  | <b>32.86</b>                   |
| <b>Public Shareholding</b>         |                                |                     |                                |
| 13.                                | Public Shareholders (B)        | 12,28,80,048        | 67.14                          |
| <b>Total Shareholding (A+B)</b>    |                                | <b>18,30,25,364</b> | <b>100.00</b>                  |

- (c) The shareholding pattern of RNGalla Family Private Limited (“**RFPL**”), one of the promoters of the Target Company is as follows:

| S. No.       | Name of shareholder                                                | No. of shares      | Percentage of Shareholding (%) |
|--------------|--------------------------------------------------------------------|--------------------|--------------------------------|
| 1.           | Mr. Ramachandra N Galla                                            | 93,08,140          | 43.20                          |
| 2.           | Mr. Jayadev Galla                                                  | 49,77,038          | 23.10                          |
| 3.           | Mrs. Ramadevi Gourineni                                            | 26,97,308          | 12.52                          |
| 4.           | Mrs. Amara Kumari Galla<br>(also known as Mrs. Aruna Kumari Galla) | 14,43,510          | 6.70                           |
| 5.           | Mr. Harshavardhana Gourineni                                       | 8,79,843           | 4.08                           |
| 6.           | Mr. Vikramadithya Gourineni                                        | 8,79,381           | 4.08                           |
| 7.           | Mr. Ashok Galla                                                    | 6,34,695           | 2.95                           |
| 8.           | Mr. Siddharth Galla                                                | 6,24,242           | 2.90                           |
| 9.           | Mrs. Padmavathi Galla                                              | 1,01,907           | 0.47                           |
| <b>Total</b> |                                                                    | <b>2,15,46,064</b> | <b>100.00</b>                  |

### **Proposed Acquisition 1**

- (d) The Applicant intends to acquire 1,21,36,017 shares representing 56.33% of the share capital of RFPL from shareholders mentioned at S. No. 2 to 8 above, by way of gift.
- (e) All the shareholders of RFPL also form part of the Promoter and Promoter group of Target Company.
- (f) The Proposed Acquisition 1 is an *inter-se* transfer of shares of RFPL, a promoter company of the Target Company, amongst shareholders of the RFPL who are also promoters of the Target Company.
- (g) The shareholding pattern of the RFPL before and after the Proposed Acquisition 1 is given in the Table below:

| S. No. | Particulars                                                        | Before the proposed acquisition |              | Proposed acquisition |              | After the proposed acquisition |              |
|--------|--------------------------------------------------------------------|---------------------------------|--------------|----------------------|--------------|--------------------------------|--------------|
|        |                                                                    | No. of Shares                   | % of holding | No. of Shares        | % of holding | No. of Shares                  | % of holding |
| 1.     | Mr. Ramachandra N Galla                                            | 93,08,140                       | 43.20        | 1,21,36,017          | 56.33        | 2,14,44,157                    | 99.53        |
| 2.     | Mr. Jayadev Galla                                                  | 49,77,038                       | 23.10        | (49,77,038)          | (23.10)      | -                              | -            |
| 3.     | Mrs. Ramadevi Gourineni                                            | 26,97,308                       | 12.52        | (26,97,308)          | (12.52)      | -                              | -            |
| 4.     | Mrs. Amara Kumari Galla<br>(also known as Mrs. Aruna Kumari Galla) | 14,43,510                       | 6.70         | (14,43,510)          | (6.70)       | -                              | -            |
| 5.     | Mr. Harshavardhana Gourineni                                       | 8,79,843                        | 4.08         | (8,79,843)           | (4.08)       | -                              | -            |
| 6.     | Mr. Vikramadithya Gourineni                                        | 8,79,381                        | 4.08         | (8,79,381)           | (4.08)       | -                              | -            |

| S. No. | Particulars           | Before the proposed acquisition |               | Proposed acquisition |              | After the proposed acquisition |               |
|--------|-----------------------|---------------------------------|---------------|----------------------|--------------|--------------------------------|---------------|
|        |                       | No. of Shares                   | % of holding  | No. of Shares        | % of holding | No. of Shares                  | % of holding  |
| 7.     | Mr. Ashok Galla       | 6,34,695                        | 2.95          | (6,34,695)           | (2.95)       | -                              | -             |
| 8.     | Mr. Siddharth Galla   | 6,24,242                        | 2.90          | (6,24,242)           | (2.90)       | -                              | -             |
| 9.     | Mrs. Padmavathi Galla | 1,01,907                        | 0.47          | -                    | -            | 1,01,907                       | 0.47          |
|        | <b>Total</b>          | <b>2,15,46,064</b>              | <b>100.00</b> | <b>-</b>             | <b>-</b>     | <b>2,15,46,064</b>             | <b>100.00</b> |

(h) Pursuant to the aforesaid Proposed Acquisition 1, the shareholding of the Applicant will increase to 2,14,44,157 shares (99.53%) from 93,08,140 shares (43.20%) in RFPL. There will be no change in the shareholding and control of the Target Company.

### **Proposed Acquisition 2**

- (i) Subsequent to the completion of Proposed Acquisition 1, the Applicant intends to settle 2,14,44,157 shares (99.53%) in RFPL, into the following family trusts (collectively referred to as “**Acquirer Trusts**”)
- RNG Jayadev Trust (“**Trust 1**”)
  - RNG Ramadevi Trust (“**Trust 2**”)
  - Jayadev Trust (“**Trust 3**”)
  - Ramadevi Trust (“**Trust 4**”)

- (j) The aforesaid shares are proposed to be settled into the Acquirer Trusts in the following manner:

| Name of the Trust  | Number of Shares of RFPL proposed to be settled by the Applicant | % of shareholding in RFPL |
|--------------------|------------------------------------------------------------------|---------------------------|
| RNG Jayadev Trust  | 76,48,937                                                        | 35.50                     |
| RNG Ramadevi Trust | 31,02,713                                                        | 14.40                     |
| Jayadev Trust      | 62,35,975                                                        | 28.94                     |
| Ramadevi Trust     | 44,56,532                                                        | 20.68                     |
| <b>Total</b>       | <b>2,14,44,157</b>                                               | <b>99.53</b>              |

- (k) RNG Jayadev Trust, RNG Ramadevi Trust, Jayadev Trust and Ramadevi Trust registered vide trust deeds dated December 12, 2023 (read with registered supplemental deeds dated August 12, 2024 and November 06, 2024), are irrevocable private trusts settled under the provisions of the Indian Trusts Act, 1882. The details of Settlor, Trustees and Beneficiaries of the Acquirer Trusts are given below:

### Trust 1 – RNG Jayadev Trust

| Status                 | Name                     | Relationship with Applicant                             |
|------------------------|--------------------------|---------------------------------------------------------|
| Settlor and Transferor | Mr. Ramachandra N. Galla | Self and Promoter of the Target Company                 |
| Trustee(s)             | Mr. Ramachandra N. Galla | Self and Promoter of the Target Company                 |
|                        | Mrs. Amara Kumari Galla  | Spouse of Transferor and Promoter of the Target Company |
| Beneficiaries          | Mrs. Amara Kumari Galla  | Spouse of Transferor and Promoter of the Target Company |
|                        | Mr. Jayadev Galla        | Son of Transferor and Promoter of the Target Company    |
|                        |                          | Lineal descendants of son of the transferor             |

### Trust 2 – RNG Ramadevi Trust

| Status                 | Name                     | Relationship with Applicant                               |
|------------------------|--------------------------|-----------------------------------------------------------|
| Settlor and Transferor | Mr. Ramachandra N. Galla | Self and Promoter of the Target Company                   |
| Trustee(s)             | Mr. Ramachandra N. Galla | Self and Promoter of the Target Company                   |
|                        | Mrs. Amara Kumari Galla  | Spouse of Transferor and Promoter of the Target Company   |
| Beneficiaries          | Mrs. Amara Kumari Galla  | Spouse of Transferor and Promoter of the Target Company   |
|                        | Mrs. Ramadevi Gourineni  | Daughter of Transferor and Promoter of the Target Company |
|                        |                          | Lineal descendants of daughter of the transferor          |

### Trust 3 – Jayadev Trust

| Status        | Name                     | Relationship with Applicant                             |
|---------------|--------------------------|---------------------------------------------------------|
| Settlor       | Mr. Ramachandra N. Galla | Self and Promoter of the Target Company                 |
| Trustee(s)    | Mr. Ramachandra N. Galla | Self and Promoter of the Target Company                 |
|               | Mrs. Amara Kumari Galla  | Spouse of Transferor and Promoter of the Target Company |
| Beneficiaries | Mr. Jayadev Galla        | Son of Transferor and Promoter                          |

|  |                     |                                                           |
|--|---------------------|-----------------------------------------------------------|
|  |                     | of the Target Company                                     |
|  | Mr. Ashok Galla     | Grandson of Transferor and Promoter of the Target Company |
|  | Mr. Siddharth Galla | Grandson of Transferor and Promoter of the Target Company |
|  |                     | Lineal descendants of son of the transferor               |

#### Trust 4 – Ramadevi Trust

| Status        | Name                         | Relationship with Applicant                               |
|---------------|------------------------------|-----------------------------------------------------------|
| Settlor       | Mr. Ramachandra N. Galla     | Self and Promoter of the Target Company                   |
| Trustee(s)    | Mr. Ramachandra N. Galla     | Self and Promoter of the Target Company                   |
|               | Mrs. Amara Kumari Galla      | Spouse of Transferor and Promoter of the Target Company   |
| Beneficiaries | Mrs. Ramadevi Gourineni      | Daughter of Transferor and Promoter of the Target Company |
|               | Mr. Harshavardhana Gourineni | Grandson of Transferor and Promoter of the Target Company |
|               | Mr. Vikramadithya Gourineni  | Grandson of Transferor and Promoter of the Target Company |
|               | Master Vihaan Gourineni      | Great Grandson of Transferor                              |
|               |                              | Lineal descendants of daughter of the Transferor          |

- (l) Upon completion of the Proposed Acquisition 2, the Acquirer Trusts would be able to indirectly exercise rights over shares constituting 32.86% of the share capital of the Target Company.
- (m) Pursuant to the Proposed Acquisition 1 and 2, there will be no direct change in the shareholding of the Target Company and the shareholding of RFPL and other promoter and promoter group of the target company will remain same.
- (n) The shareholding of the Target Company before and after the Proposed Acquisition 1 and 2 is as follows:

| Particulars                        | Before the proposed acquisition |              | Proposed acquisition |              | After the proposed acquisition |              |
|------------------------------------|---------------------------------|--------------|----------------------|--------------|--------------------------------|--------------|
|                                    | No. of Shares                   | % of holding | No. of Shares        | % of holding | No. of Shares                  | % of holding |
| <b>Promoter and Promoter Group</b> |                                 |              |                      |              |                                |              |
| Dr. Ramachandra N Galla            | -                               | -            | -                    | -            | -                              | -            |

| Particulars                  | Before the proposed acquisition |               | Proposed acquisition |              | After the proposed acquisition |               |
|------------------------------|---------------------------------|---------------|----------------------|--------------|--------------------------------|---------------|
|                              | No. of Shares                   | % of holding  | No. of Shares        | % of holding | No. of Shares                  | % of holding  |
| Mr. Jayadev Galla            | -                               | -             | -                    | -            | -                              | -             |
| Dr. Ramadevi Gourineni       | -                               | -             | -                    | -            | -                              | -             |
| Mrs. Amara Kumari Galla      | -                               | -             | -                    | -            | -                              | -             |
| Mr. Harshavardhana Gourineni | -                               | -             | -                    | -            | -                              | -             |
| Mr. Vikramadithya Gourineni  | -                               | -             | -                    | -            | -                              | -             |
| Mr. Ashok Galla              | -                               | -             | -                    | -            | -                              | -             |
| Mr. Siddharth Galla          | -                               | -             | -                    | -            | -                              | -             |
| Mrs. Padmavathi Galla        | -                               | -             | -                    | -            | -                              | -             |
| G V Ramakrishna Vara Prasad  | -                               | -             | -                    | -            | -                              | -             |
| RFPL                         | 6,01,45,316                     | 32.86         | -                    | -            | 6,01,45,316                    | 32.86         |
| Mangal Industries Ltd.       | -                               | -             | -                    | -            | -                              | -             |
| <b>Total (A)</b>             | <b>6,01,45,316</b>              | <b>32.86</b>  | <b>-</b>             | <b>-</b>     | <b>6,01,45,316</b>             | <b>32.86</b>  |
| Public (B)                   | 12,28,80,048                    | 67.14         | -                    | -            | 12,28,80,048                   | 67.14         |
| <b>Total (A+B)</b>           | <b>18,30,25,364</b>             | <b>100.00</b> | <b>-</b>             | <b>-</b>     | <b>18,30,25,364</b>            | <b>100.00</b> |

- (o) The abovementioned indirect acquisition of shares and voting rights due to *inter se* transfer of shares within RFPL to Ramachandra N. Galla, and subsequently from Ramachandra N. Galla to the Acquirer Trusts, would attract the applicability of the provisions of regulation 5 and regulation 3 (1) read with regulation 4 of the Takeover Regulations, 2011. Vide the Application, Proposed Acquirers have sought exemption from SEBI in respect of the same.

7. The Applicant/Proposed Acquirers have, *inter-alia*, provided the following grounds for seeking exemption:

- (a) *This Application has been made in respect of the Proposed Family Succession Arrangement (taking place in one or more tranches) in the Target Company, seeking exemption from making an open offer in terms of regulation 3, regulation 4 and regulation 5 of the Takeover Regulations, 2011.*
- (b) *The members of the Promoter Group are cooperating with the common objective of acquiring and thereby, consolidating their 'control' in the Target Company. Therefore, they fulfil the requirements as laid out for 'persons acting in concert' laid down in regulation 2 (1)(q)(1) of the Takeover Regulations, 2011. Regulation 2 (1)(q)(1) defines 'persons acting in concert' as "persons who*

*cooperate to achieve the common objective of acquiring control of a Target Company in order to exercise such control”.*

- (c) Furthermore, regulation 3(1) read with regulation 4 of the Takeover Regulations, 2011 specifies that no persons acting in concert can acquire direct or indirect control of a Target Company or shares representing voting rights or voting rights exceeding 25% (twenty-five percent) of the total voting rights in a Target Company without publicly announcing an open offer for such acquisition.*
- (d) However, regulation 10(1)(a)(ii) (General exemptions for inter-se transfers among the Promoters) and regulations 11 (1) and 11 (5) of the Takeover Regulations, 2011 provide an exception to this requirement. SEBI may grant an exemption to any application from complying with this obligation subject to specific conditions SEBI may deem fit in the interest of investors or the securities market. The Schedule annexed to the Circular further reinforces this flexibility as numerous applications pertaining to the transfer of equity shares from promoters of listed entities to family trusts have been granted this exemption by SEBI.*
- (e) Promoter Group is the promoter of the Target Company as per the disclosures made by the Target Company for 3 (three) preceding years in terms of the provisions of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Promoter has created four trusts, i.e., Trust 1, Trust 2, Trust 3 and Trust 4 vide Trust Deed 1, Trust Deed 2, Trust Deed 3 and Trust Deed 4 respectively, in order to:
  - i. Enable structured and seamless intergenerational succession of his assets, including his ownership/control in the Target Company so as to eradicate the possibility of future conflict within the Promoter Family; and*
  - ii. To provide resources for the Promoter Family's needs and requirements in changing circumstances.**
- (f) By transferring their ownership in RFPL (indirectly in the Target Company) into the Family Trusts, the members of the Promoter Group are not abdicating their current control in the Target Company. It is, to the contrary, an internal reorganization and consolidation of the Promoter Group's shareholding, wherein such control will continue to remain in the Promoter Family. The ownership or control of shares or voting rights post the Proposed Family Succession Arrangement will, in substance, be a mirror image of the Promoter Group's shareholding prior to the Proposed Family Succession Arrangement. Therefore, this Proposed Family Succession Arrangement is a mere familial arrangement with no real commercial aspect which ought to trigger the obligation to announce an open offer under the Takeover Code. It is being undertaken out of the Promoter's love and affection for his family.*
- (g) As specified above, there is no change of control or management in the Target Company by way of the Proposed Family Succession Arrangement. The trustees and beneficiaries (in context of the Indian Trusts Act, 1882) in the Family Trusts are the Promoter Family, i.e., Promoter, his immediate relatives and the lineal descendants of the immediate relatives. The Family Trusts will*

*become a part of the promoter group of the Target Company, in the context of regulation 2(u) of the Takeover Regulations, 2011, as a result of the Proposed Family Succession Arrangement. Therefore, the Promoter Group will continue to maintain control in the Target Company, in concert with Promoter Family after the culmination of the Proposed Family Succession Arrangement.*

- (h) The Proposed Family Succession Arrangement shall not have any effect on the business of the Target Company. There will be no change, in substance, to the promoter shareholding pattern, save and except that the Family Trusts shall also become a part of the promoter group of the Target Company as a result of the Proposed Family Succession Arrangement. There will be no change in public shareholding as a result of the Proposed Transaction. There will be no changes in the board of directors or key managerial personnel of the Target Company as a result of the Proposed Family Succession Arrangement. Therefore, the Proposed Family Succession Arrangement shall not prejudice the interest of any shareholders in any manner.*
- (i) The trustees for 4 (four) Acquirers / Family Trusts ("Trustee") are the promoters, i.e., Dr. Ramachandra N. Galla and Mrs. Amara Kumari Galla wife of the Promoter. The beneficiaries in Family Trusts are Dr. Ramachandra N. Galla's immediate relatives, i.e., lineal descendants (Promoter Family).*
- (j) Therefore, SEBI was requested to interpret the extant provisions of applicable law in a purposive manner so as to allow a more structured approach to succession of the Promoter's control of the Target Company within the Promoter Family and to allow the Promoter to secure the future wellbeing of his family.*

## **CONSIDERATION**

8. I have considered the Application and other material available on record. Before I proceed, it would be appropriate to quote the relevant regulatory provision(s) of Takeover Regulations, 2011, for ease of reference:

***"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.*

***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.”*

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

- (a) The Application submitted is in respect of the proposed indirect acquisition of shares and voting rights in the Target Company. The proposed acquisitions as detailed above, to be made by the Proposed Acquirers, will lead to indirect acquisition of control of the Target Company and will attract the provisions of regulation 5 (1) and regulation 3 (1) read with regulation 4 of the Takeover Regulations, 2011.
- (b) The proposed acquisitions are in furtherance to an internal reorganization within the Promoter Family and are intended to streamline succession and promote the welfare of the Promoter Family. The proposed indirect 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 the beneficial owners of the Acquirer Trusts are either individual promoters or their immediate family relatives or lineal descendants.
- (d) There will be no change in control of the Target Company pursuant to the proposed acquisitions, as stipulated under the Chapter 8 of SEBI Circular No. SEBI/HO/CFD/PoD-1/P/CIR/2023/31 issued on February 16, 2023 (“SEBI Circular”).
- (e) 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 proposed indirect acquisitions would not affect or prejudice the interests of the public shareholders of the Target Company in any manner;
- (h) The Target Company shall continue to be in compliance with the Minimum Public Shareholding requirements under the Securities Contracts Regulation Rules, 1957 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (i) The Acquirer Trusts have confirmed that they are in compliance with the Guidelines outlined in the SEBI Circular, which contain the following clauses:
  - i. The Acquirer Trusts are 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 Trusts.

- iii. The beneficial interest of the beneficiaries of the Acquirer Trusts 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 Trusts, 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 Trusts 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 Trusts.
- ix. The Acquirer Trusts 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- x. The Acquirer Trusts shall get their compliance status certified from 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 case of the Acquirer Trusts.
- xiv. The Trust Deeds 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.
- xv. The proposed acquisitions, which are to be undertaken by the Applicant and Acquirer Trusts, will attract the provisions of regulation 5 (1) and regulation 3 (1) read with regulation 4 of the Takeover Regulations, 2011.

10. Considering the above, I am of the view that exemption as sought for in the Application may be granted to the Proposed Acquirers, subject to certain conditions as ordered herein below.

## **ORDER**

11. I, in exercise of the 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 Takeover Regulations, 2011, hereby grant exemption to the Proposed Acquirers, viz., **Mr. Ramachandra N. Galla, RNG Jayadev Trust, RNG Ramadevi Trust, Jayadev Trust and Ramadevi Trust**, from complying with the requirements of regulation 5 and regulation 3 (1) read with regulation 4 of the Takeover Regulations, 2011 with respect to the proposed indirect acquisition in the Target Company, viz., **Amara Raja Energy & Mobility Limited**, by way of proposed acquisition/transaction(s) as mentioned in the Application.
12. 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 Proposed Acquirers shall file a report with SEBI within a period of 21 days from the date of such acquisition, as provided in the Takeover Regulations, 2011;
  - (c) The statements / averments made or facts and figures mentioned in the Application and other submissions by the Proposed Acquirers are true and correct;
  - (d) The Proposed Acquirers shall ensure compliance with the statements, disclosures and undertakings made in the Application. The Proposed Acquirers shall also ensure compliance with the provisions of the SEBI Circular.
  - (e) The Proposed Acquirers 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.
13. The exemption granted above is limited to the requirements of making open offer under the Takeover Regulations, 2011 and shall not be construed as exemption from the disclosure requirements under Chapter V of the aforesaid Regulations; compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, Listing Agreement / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable Acts, Rules and Regulations.
14. The exemption granted vide this Order from making an open offer pursuant to the Proposed Acquisitions shall remain valid for a period of one (1) year from the date of this Order and the Proposed Acquirers shall complete the implementation of the Proposed Acquisition within such period, failing which the granted exemption shall lapse and cease to exist.

15. The Application dated December 17, 2024 filed by the Proposed Acquirers is accordingly disposed of.

**PLACE: MUMBAI**

**DATE: JANUARY 24, 2025**

**ASHWANI BHATIA  
WHOLE TIME MEMBER  
SECURITIES AND EXCHANGE BOARD OF INDIA**