WTM/KCV/CFD/07/2026-27

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 ACQUIRER
Elgi Rubber Company Limited	**Varnam Securities Trust**

Background

1. Elgi Rubber Company Limited **(“Target Company”**), a company incorporated on October 16, 2006 under provisions of the Companies Act, 1956, having its registered office at Plot No 227/1, Race Course, Tea Estates Compound, Coimbatore, 641018. The equity shares of the Target Company are listed on the National Stock Exchange of India Ltd. **(“NSE”)**.

2. An Application dated May 19, 2026 alongwith submissions dated June 3, 2026 (**“Application”**) seeking exemption from applicability of provisions of regulation 3(1) read with regulation 4 and regulation 5 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (**“SAST Regulations, 2011”**) was received by the Securities and Exchange Board of India **(“SEBI”)** from Mr. Sudarsan Varadaraj, in his capacity as the trustee of the Varnam Securities Trust (**“Acquirer Trust”/ “Proposed Acquirer”**) in the matter of proposed direct as well as indirect acquisition of shares and voting rights in the Target Company by the Acquirer Trust.

Details of the proposed acquisition:

3. The Acquirer Trust vide the Application has submitted the following:

(a) The issued and paid-up share capital of the Target Company is INR 5,00,50,000/- divided into 5,00,50,000 equity shares of INR 1/- each. The shareholding pattern of the Target Company, for the quarter ended March 2026 is as under:

Table no. 1

Shareholding in the Target Company			
Sr. No.	**Name**	**No. of shares**	**% shareholding**
Promoters and Promoter Group			
1.	Sudarsan Varadaraj	2,35,67,500	47.09
2.	Harsha Varadaraj	22,52,637	4.50
3.	Varshini Varadaraj	22,52,635	4.50
4.	Jairam Varadaraj	1,41,750	0.28
5.	Sumanth Ramamurthi	8,792	0.02
6.	Anvar Jay Varadaraj	7,084	0.01
7.	Maya Jay Varadaraj	7,084	0.01
8.	Varun Jay Varadaraj	7,084	0.01
9.	LRG Technologies Limited	35,41,475	7.08
10.	Elgi Equipments Limited	7,63,700	1.53
11.	* Varnam Securities Trust represented by Sudarsan Varadaraj, Managing Trustee	-	-
Total Promoter Shareholding (A)		**3,25,49,741**	**65.03**
B.	**Public shareholding**	**1,75,00,259**	**34.97**
Total Shareholding (A+B+C)		**5,00,50,000**	**100.00**

* *Note : There are various entities which are shown as part of promoter / promoter group of the Target Company in shareholding pattern filed with BSE with Nil shares. However, name of entity marked with asterisk (*) is only shown since this entity is the Acquirer Trust.*

(b) As seen from the above shareholding pattern of the Target company, LRG Technologies Limited **("LRG Technologies")** holds 35,41,475 shares which is 7.08% of the total paid up capital of the Target Company.

(c) The shareholding pattern of LRG Technologies as disclosed in the Application is as follows:

Table no. 2

Name	No. of Shares	%
Sudarsan Varadaraj	34,95,770	85.79
Varshini Varadaraj	2,36,500	5.80
Harsha Varadaraj	2,36,500	5.80
Bharathi Varadaraj	1,06,200	2.61
SR Venkatachalam	10	0.00
MD Selvaraj	10	0.00
Total	**40,75,000**	**100.00**

(d) As seen from the above shareholding pattern of LRG Technologies, Sudarsan Varadaraj, who is part of the promoter / promoter group of the Target company holds 85.79% of the shareholding in LRG Technologies.

(e) Varnam Securities Trust, settled under the provisions of the Indian Trusts Act, 1882 vide registered trust deed dated May 08, 2026 is a determinate and irrevocable private trust. The details of the Settlors, Trustees and Beneficiaries of the Acquirer Trust are tabulated below:

Table no. 3

Varnam Securities Trust		
Particulars	**Person**	**Relationship with Sudarsan Varadaraj (Transferor)**
Settlor/ Transferor	Sudarsan Varadaraj	Self and Promoter of the Target Company
Trustees	Sudarsan Varadaraj	Self and Promoter of the Target Company
	Varshini Varadaraj	Daughter of Transferor and part of Promoter Group of the Target Company

	Harsha Varadaraj	Son of Transferor and part of Promoter Group of the Target Company
Beneficiaries	Sudarsan Varadaraj	Self and Promoter of the Target Company
	Varshini Varadaraj	Daughter of Transferor and part of Promoter Group of the Target Company
	Harsha Varadaraj	Son of Transferor and part of Promoter Group of the Target Company
	Christopher James Eden	Spouse of Varshini Varadaraj who is part of the promoter group of the Target company
	Srinidhi Guruswamy	Spouse of Harsha Varadaraj who is part of the promoter group of the Target company
	Lineal descendants of Sudarsan Varadaraj which will include child/children of Harsha Varadaraj and Varshini Varadaraj	Lineal descendants of Transferor

(f) The Acquirer Trust proposes to acquire interest in the Target Company, directly as well as indirectly from Sudarsan Varadaraj, the promoter of the Target Company.

(g) The acquisition of shares and voting rights in the Target Company by the Acquirer Trust is proposed to take place in the following manner:

Part A – Direct Acquisition

(h) Sudarsan Varadaraj out of his total shareholding of 2,35,67,500 shares (47.09%) in the target company, proposes to transfer 2,13,15,350 shares, representing 42.59% of the total paid up capital in the Target Company to the Acquirer Trust in the following manner:

Table no. 4

Transferor	Acquirer	No. of shares proposed to be transferred	% of shareholding in the Target company
Sudarsan Varadaraj	Varnam Securities Trust	2,13,15,350	42.59

Part B – Indirect Acquisition

(i) Sudarsan Varadaraj holds 34,95,770 shares (85.79%) in LRG Technologies which is part of the promoter/promoter group in the Target company. While LRG Technologies in turn holds 35,41,475 shares (7.08%) in the Target company. The indirect acquisition of shares and voting rights by the Acquirer Trust in the Target Company is proposed to take place by transfer of 34,95,770 shares (85.79%) shares of LRG Technologies held by Sudarsan Varadaraj to the Acquirer Trust. The details of the above transfer is as under:

Table no. 5

Particulars	Transferor	No. of shares proposed to be transferred by Transferor	(%) of shares proposed to be transferred	Acquirer
Transfer of 85.79% holding in LRG Technologies	Sudarsan Varadaraj	34,95,770	85.79	Varnam Securities Trust

(j) Sudarsan Varadaraj wishes to settle 34,95,770 shares held by him in LRG Technologies to Acquirer Trust. Post transfer of aforementioned shares of LRG Technologies, the Acquirer Trust shall indirectly acquire 7.08% voting rights and interest in the Target Company.

(k) The proposed direct and indirect acquisition of equity shares of the Target Company will be made by way of gift without any consideration.

(l) Pursuant to the proposed acquisition of shares/voting rights, there would be no alteration in total equity share capital of the Target Company as a result of the proposed acquisitions. The shareholding pattern of the Target Company, before and after the proposed acquisitions, will be as under:

Table no. 6

NAME	SHAREHOLDING BEFORE THE PROPOSED TRANSACTION		PROPOSED TRANSACTION		SHAREHOLDING AFTER THE PROPOSED TRANSACTION	
	No of Shares	% Holding	No of Shares	% Holding	No of Shares	% Holding
Promoters and Promoter Group other than the Acquirers and PACs						
Sudarsan Varadaraj	2,35,67,500	47.09	**2,13,15,350**	**42.59**	**22,52,150**	**4.50**
Harsha Varadaraj	22,52,637	4.50	-	-	22,52,637	4.50
Varshini Varadaraj	22,52,635	4.50	-	-	22,52,635	4.50
Jairam Varadaraj	1,41,750	0.28	-	-	1,41,750	0.28
Sumanth Ramamurthi	8,792	0.02	-	-	8,792	0.02
Anvar Jay Varadaraj	7,084	0.01	-	-	7,084	0.01
Maya Jay Varadaraj	7,084	0.01	-	-	7,084	0.01
Varun Jay Varadaraj	7,084	0.01	-	-	7,084	0.01
LRG Technologies Limited	35,41,475	7.08	-	-	35,41,475	7.08
Elgi Equipments Limited	7,63,700	1.53	-	-	7,63,700	1.53
*Varnam Securities Trust represented by Sudarsan Varadaraj, Managing Trustee	-	-	-	-	-	-
Total Promoter Holding	3,25,49,741	65.03	2,13,15,350	42.59	1,12,34,391	22.44
Acquirer and PACs (Also part of the Promoter and Promoter Group)						
Acquirer Trust	-	-	2,13,15,350	42.59	2,13,15,350	42.59
Public						
Public Shareholders	**1,75,00,259**	**34.97**	-	-	**1,75,00,259**	**34.97**
Total	**5,00,50,000**	**100.00**	-	-	**5,00,50,000**	**100.00**

* Note : *There are various entities which are shown as part of promoter / promoter group of the Target Company in shareholding pattern filed with BSE with Nil shares. However, name of entity marked with asterisk (*) is only shown since this entity is the Acquirer Trust.*

(m) As per the application, the abovementioned direct and indirect acquisition of shares and voting rights by the Acquirer Trust in the Target Company would attract the applicability of the provisions of regulations 3(1) read with Regulation 4 and Regulation 5 of the SAST Regulations, 2011.

Grounds for seeking exemption

4. Vide the Application, the Acquirer Trust has, *inter alia,* stated the following grounds for seeking exemption under SAST Regulations, 2011:

   (a) The Acquirer is a private family trust set up for the benefit of the promoter/ promoter group and their relatives. In other words, the beneficiaries of the Acquirer Trust are promoter/ promoter group and their relatives.

   (b) All the trustees of the Acquirer Trust are entities belonging to the promoter/promoter group.

   (c) The contribution of the aforesaid shares to the Acquirer Trust is intended to streamline succession and promote welfare of family of promoter/promoter group. The proposed acquisition would be a non-commercial transaction which would not affect or prejudice the interest of the public shareholders of the Target company in any manner.

   (d) The persons who are currently part of promoter/promoter group and who are in control and management of the Target company will continue to be part of promoter/promoter group and will continue to retain effective control and management of the Target company in their capacity of trustees and beneficiaries of the Acquirer Trust.

   (e) There is no change in beneficial ownership or control of the shares or voting rights in the Target company.

   (f) There is no layering in terms of trustees/beneficiaries in case of the Acquirer Trust.

   (g) The proposed transaction in no way affects or in no way is prejudicial to the interest of the public shareholders of the Target company.

   (h) The proposed acquisitions are internal reorganizations within the promoter family. There will be no prejudice to public shareholders since promoter/promoter group shareholding percentage and public shareholding remain unchanged. The Target Company will continue to comply with Minimum Public Shareholding norms and there will be no adverse impact on governance or management of the Target Company.

   (i) The Acquirer Trust has also provided undertaking regarding compliance with the criteria stipulated in Chapter 8 of the SEBI Master Circular dated February 16, 2023.

(j) The Acquirer Trust confirmed that they are in compliance with the following conditions outlined in Chapter 8 of the SEBI Master Circular No. SEBI/HO/CFD/PoD-1/P/CIR/2023/31 dated February 16, 2023 which contains the following clauses:

(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 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 Acquirer 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 Securities and Exchange Board of India Act, 1992 (**"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 it is 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 Trust shall get its 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 acquisition is in accordance with the provisions of the Companies Act, 2013 and other applicable laws.

(xii) The transferor is disclosed as promoter in the target company in the shareholding pattern filed with the Stock Exchanges for a period of at least 3 years prior to the Proposed Acquisition (except for holding on account of inheritance).

(xiii) There is no layering in terms of trustees / beneficiaries in case of the Acquirer Trust.

(xiv) The Trust deed agreement 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.

Consideration

5. 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 provisions of regulation 3(1) read with regulation 5 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.*

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."*

6. 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., **Elgi Rubber Company Limited**. The Acquirer Trust is shown as part of the promoter/ promoter group since December 2024. Therefore, it is already in control of the target company alongwith Persons Acting in Concert. In view of the same, the proposed acquisition as detailed above, which are to be made by the Acquirer Trust, will lead to direct and indirect acquisition of shares and voting rights of the Target Company and will attract the provisions of regulation 3(1) read with regulation 5 of the SAST Regulations, 2011.

(b) The proposed acquisition is in furtherance of an internal reorganization within the Promoter Family and is intended to streamline succession and promote welfare of Promoter Family. The proposed direct and indirect acquisition would be a non-commercial transaction which would not affect or prejudice the interests of the public shareholders of the Target Company in any manner.

(c) The trustees and the beneficiaries of the Acquirer Trust 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 acquisition, as stipulated under Chapter 8 of the SEBI Master Circular No. SEBI/HO/CFD/PoD-1/P/CIR/2023/31 dated February 16, 2023.

(e) The pre–acquisition and post–acquisition shareholding of the promoter/ 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 Securities Contracts

(Regulation) Rules, 1957 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(h) The transferor is disclosed as promoter in the shareholding pattern of the Target company filed with the Stock Exchanges for a period of at least three years prior to transfer.

(i) The Acquirer Trust has also confirmed that it is in compliance with the conditions outlined in Chapter 8 of the SEBI Master Circular No. SEBI/HO/CFD/PoD-1/P/CIR/2023/31 dated February 16, 2023, as mentioned at sub-para (j) of para 4 above.

7. Considering 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

8. 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 Proposed Acquirer, viz., **Varnam Securities Trust**, from complying with requirements of regulation 3(1) read with regulation 5 of the SAST Regulations, 2011 with respect to the proposed direct and indirect acquisition in the Target Company, viz., **Elgi Rubber Company Limited**, by way of proposed transactions as mentioned in the Application.

9. 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 Proposed Acquirer shall file a report with SEBI within a period of 21 days from the date of such acquisition, as provided in the SAST Regulations 2011.

(c) The statements / averments made or facts and figures mentioned in the Application and other submissions by the Proposed Acquirer are true and correct.

(d) The Proposed Acquirer shall ensure compliance with statements, disclosures and undertakings made in the Application. The Proposed Acquirer shall also ensure compliance with provisions of Chapter 8 of the SEBI Master Circular No. SEBI/HO/CFD/PoD-1/P/CIR/2023/31 dated February 16, 2023.

(e) The Proposed Acquirer 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.

10. The exemption granted above is limited to requirements of making open offer under the SAST 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.

11. The exemption granted above from making an open offer in respect of the Proposed Acquisition shall remain valid for a period of one (1) year from the date of this Order and the Proposed Acquirer shall complete the implementation of the Proposed Acquisition within such period, failing which the granted exemption shall lapse and cease to exist.

12. The Application dated May 19, 2026 read with other submissions, filed by **Varnam Securities Trust,** is accordingly disposed of.

KAMLESH CHANDRA VARSHNEY

Digitally signed by KAMLESH CHANDRA VARSHNEY
Date: 2026.07.15 11:27:44 +05'30'

PLACE: MUMBAI **KAMLESH CHANDRA VARSHNEY**

DATE: July 15, 2026 **WHOLE TIME MEMBER**

SECURITIES AND EXCHANGE BOARD OF INDIA