Nodal Co-ordination Cell
Informal guidance

Issue No: I/25868/2026
November 16, 2026

Navigant Corporate Advisors Limited
Registered Merchant Banker
804, Meadows, Sahar Plaza Complex
J B Nagar, Andheri- Kurla Road
Andheri (East) Mumbai-400 059

Sir,

Kind attention: Mr. Sarthak Vijlani, Managing Director

Subject: **Application under the SEBI (Informal Guidance) Scheme, 2025 – Interpretation of Regulation 13A of the SEBI (Merchant Bankers) Regulations, 1992 in relation to valuation activities undertaken under the Income Tax Act and the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019**

Reference: ***Regulation 13A of the SEBI (Merchant Bankers) Regulations, 1992, as inserted by the SEBI (Merchant Bankers) (Amendment) Regulations, 2025.***

1. This has reference to your application dated August 05, 2026 (**"Application"**) seeking informal guidance in the form of an interpretive letter under the Securities and Exchange Board of India (Informal Guidance) Scheme, 2025 with respect to the applicability of Regulation 13A of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 (**"MB Regulations"**) to certain valuation activities undertaken by you.

2. In this regard, the relevant provisions of Regulation 13A of the MB Regulations are reproduced below for reference:

*"**Permitted Activities***
13A. (1)**.....**
(2) A merchant banker may also undertake –
(i) other activities regulated by the Board in accordance with the respective regulations made by the Board by obtaining the relevant certificate of registration; and/or
(ii) activities which fall under the purview of any other financial sector regulator or an authority specified by the Board, in accordance with the regulations or guidelines, if any, issued by such financial sector regulator or authority; and/or
(iii) activities that do not fall under the purview of the Board or any other financial sector regulator or authority, which shall be fee-based, non-fund based and pertain to the financial services sector;
on an arms-length basis through separate business units of such merchant banker, in such manner and subject to such other conditions as may be specified by the Board.
.....

Explanation: For the purpose of this sub-regulation, the expression "financial sector regulator" shall mean an authority or body constituted under any law for the time being in force to regulate services or transactions in the financial sector and includes the Reserve Bank of India, Insurance Regulatory and Development Authority of India, Pension Fund Regulatory and Development Authority, International Financial Services Centres Authority, Ministry of Corporate Affairs, Insolvency and Bankruptcy Board of India or such other authority as may be specified by the Board, from time to time……

……

(4) The merchant banker that does not possess the registration for valuation related activities from the relevant regulatory authority shall conclude the existing valuation assignments undertaken by it within a period of nine months from the date of coming into force of the Securities and Exchange Board of India (Merchant Bankers) (Amendment) Regulations, 2025."

3. The submissions made in your application have been examined. Without necessarily agreeing with your analysis, we are of the view that in terms of Regulation 13A(4) of the MB Regulations, any Merchant Banker carrying out valuation related activity would be required to obtain registration from the relevant regulatory authority.

4. Further, the valuation related activities pertaining to financial services sector would qualify as permitted activity in terms of Regulation 13A of the MB Regulations subject to compliance with other applicable requirements under the MB Regulations, including the requirement to obtain registration as a 'valuer' from the relevant regulatory authority in terms of section 247 of the Companies Act, 2013.

5. This letter has been issued with the approval of the Competent Authority and the guidance is based on the representation made in your application. Different facts or conditions would require a different result. This letter expresses the relevant Department's position on enforcement action only. It does not express the decision of the Board on the questions presented and does not preclude you from taking any other opinion, as deemed appropriate.

Yours faithfully,

Anamika Shripat