Navigant

NAVIGANT CORPORATE ADVISORS LIMITED

Regd. Office: 804, Meadows, Sahar Plaza Complex, J B Nagar, Andheri- Kurla Road, Andheri (East) Mumbai-400 059; **Tel:** +91-22- 4120 4837 / +91 22 4973 5078
Email: navigant@navigantcorp.com; **Website:** www.navigantcorp.com;
(CIN: L67190MH2012PLC231304)

Date: August 05, 2026

To,
The Nodal Co-ordination Cell
(Kind attention: The Division Chief, Market Intermediaries Regulation and Supervision Department)
Securities and Exchange Board of India
SEBI Bhavan, Plot No. C4-A, 'G' Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051.
E-mail: iguidance@sebi.gov.in

Subject: Application under the SEBI (Informal Guidance) Scheme, 2025 seeking an Interpretive Letter on 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.

Dear Sir / Madam,

This application is made under the SEBI (Informal Guidance) Scheme, 2025 (the **"Scheme"**). The Applicant seeks an **Interpretive Letter** in terms of Paragraph 7(b) of the Scheme. The application is submitted in the standard form stipulated in Schedule-I to the Scheme (**Part A**), followed by a detailed statement of facts, applicable legal provisions and analysis (**Part B**), in compliance with Paragraph 8(d) of the Scheme.

PART A — STANDARD FORM OF INFORMAL GUIDANCE APPLICATION

(As per Schedule-I to the SEBI (Informal Guidance) Scheme, 2025)

Name of the Applicant	Navigant Corporate Advisors Limited
Category of Applicant	Intermediary registered with the Board - Merchant Banker (Category I), eligible to apply under Paragraph 6(a) of the Scheme. SEBI Registration No.: INM000012243 CIN: L67190MH2012PLC231304
If guidance is sought in representative capacity, details thereof	Not applicable. The application is made by the Applicant in its own capacity and in respect of its own business activities. The Applicant has a direct and proximate interest in the subject matter of this application.
Nature of informal guidance	Interpretive Letter under Paragraph 7(b) of the Scheme. (No-action Letter is not sought.)
Details of fee paid	Fee of ₹50,000/- (Rupees Fifty Thousand only) plus applicable GST paid by way of SEBI Payment Gateway on 05.08.2026.



	Proof of payment and the payment particulars in the format prescribed under Paragraph 8(c) of the Scheme are enclosed as Annexure IV.
Details of the transaction / factual situation	The Applicant, a SEBI-registered Merchant Banker, presently undertakes (i) valuation of unquoted equity shares and other assets for fiscal purposes under the Income-tax Act, 1961 / Income-tax Act, 2025, and (ii) valuation for pricing of equity instruments in FDI and resident–non-resident transfer transactions under the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019. Neither framework requires the valuer to hold a registration as a "registered valuer" with IBBI or any similar registration; on the contrary, both expressly recognise a SEBI-registered Merchant Banker as an eligible valuer. The full factual situation is set out in Part B, Paragraphs 4 and 5.
Relevant regulatory provisions	Regulation 13A(2)(iii) and Regulation 13A(4) of the SEBI (Merchant Bankers) Regulations, 1992, as inserted by the SEBI (Merchant Bankers) (Amendment) Regulations, 2025. Read with: Section 56(2)(x) and Section 50CA of the Income-tax Act, 1961/ Section 92 of Income Tax Act, 2025 and its relevant Rules; and Rule 21 of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 framed under the Foreign Exchange Management Act, 1999.
Query	**Query 1** - Whether the Applicant may continue to undertake valuation assignments under the Income-tax Act and the NDI Rules without being subject to the nine-month wind-down obligation under Regulation 13A(4) of the MB Regulations. **Query 2** - Whether such valuation activities qualify as permissible activities under Regulation 13A(2)(iii) of the MB Regulations. The queries are set out in full in Part B, Paragraph 7.
Whether confidentiality is required under Paragraph 15 of the Scheme	No. The Applicant does not seek confidential treatment.
Contact details of the Applicant	Navigant Corporate Advisors Limited Registered Office: 804, Meadows, Sahar Plaza Complex, J B Nagar, Andheri- Kurla Road, Andheri (East) Mumbai-400 059 Contact Person: Mr. Sarthak Vijlani, Managing Director (DIN: 05174824) Telephone: 022-41204837 / Mobile: +91-9867707383 E-mail: navigant@navigantcorp.com / sarthak@navigantcorp.com



PART B — DETAILED APPLICATION

1. Brief background of the Applicant and eligibility under the Scheme

1.1 Navigant Corporate Advisors Limited (the **"Applicant"**) is a company incorporated under the Companies Act, 1956 and holds a valid Certificate of Registration as a Merchant Banker granted by the Securities and Exchange Board of India (**"SEBI"** / **"Board"**) under the SEBI (Merchant Bankers) Regulations, 1992 (the **"MB Regulations"**). The Applicant is duly compliant with all applicable provisions of the MB Regulations.

1.2 Being an intermediary registered with the Board, the Applicant is eligible to seek informal guidance under Paragraph 6(a) of the Scheme.

1.3 The application relates to the Applicant's own, existing and continuing business activities. The Applicant therefore has a direct and proximate interest in the subject matter of the application, and the application does not involve any hypothetical situation.

2. Purpose of this application

2.1 The Applicant seeks an Interpretive Letter under Paragraph 7(b) of the Scheme on the interpretation and applicability of Regulation 13A of the MB Regulations, as amended, specifically in relation to valuation activities carried out by the Applicant under:

(a) the Income-tax Act, 1961 and/or the Income-tax Act, 2025, read with the Income-tax Rules (collectively, the **"IT Act"**); and

(b) the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 framed under the Foreign Exchange Management Act, 1999 (the **"NDI Rules"**).

2.2 The guidance is sought so as to enable the Applicant to determine, with regulatory certainty, whether such valuation assignments must be concluded within the transitional period prescribed under Regulation 13A(4) of the MB Regulations, or whether they may lawfully be continued as permissible activities under Regulation 13A(2)(iii).

3. Regulatory framework — Regulation 13A of the MB Regulations

3.1 The SEBI (Merchant Bankers) (Amendment) Regulations, 2025 (the "Amendment Regulations") were notified on December 03, 2025 and came into force on January 01, 2026. Regulation 13A of the MB Regulations was substituted thereby. The relevant sub-regulations are reproduced below for ready reference.

3.2 Regulation 13A(2) — Permissible activities:

"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."

3.3 Regulation 13A(4) — Transitional provision for valuation activities:

"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."



4. Nature of the valuation activities carried out by the Applicant

4.1 The Applicant presently undertakes valuation assignments in the following two distinct regulatory contexts.

4.2 **Valuation under the IT Act (IT Act Valuation).** The Applicant determines the fair market value (FMV) of unquoted equity shares and other assets as required under various provisions of the IT Act, including the provisions corresponding to Section 56(2)(x) and Section 50CA of the Income-tax Act, 1961 read with Rules 11U, 11UA and 11UAA of the Income-tax Rules, 1962 (and the equivalent or successor provisions under the Income-tax Act, 2025). These valuations are required for fiscal purposes such as computation of income, determination of deemed consideration and the anti-abuse provisions relating to transfer of property for inadequate consideration.

4.3 **Valuation under the NDI Rules (FEMA Valuation).** The Applicant undertakes valuations for the purposes of pricing of equity instruments in transactions involving foreign direct investment, issue of equity instruments to persons resident outside India, and transfer of equity instruments between persons resident in India and persons resident outside India, in compliance with the pricing guidelines prescribed under Rule 21 of the NDI Rules read with the Foreign Exchange Management Act, 1999.

4.4 In each case the activity is advisory and certification-based in character: it is fee-based, non-fund based, and pertains to the financial services sector. The Applicant does not assume any principal position, does not deploy its own funds, and does not undertake any fund-based exposure in connection with such assignments.

5. Position under the IT Act and the NDI Rules regarding eligibility of the valuer

5.1 The Applicant respectfully submits that neither the IT Act nor the NDI Rules prescribes a separate registration, licence or authorisation as a pre-condition for undertaking the valuation assignments described in Paragraph 4 above. In particular:

(i) neither framework requires such valuations to be undertaken only by a person registered as a "registered valuer" with the Insolvency and Bankruptcy Board of India under Section 247 of the Companies Act, 2013 read with the Companies (Registered Valuers and Valuation) Rules, 2017, nor by a person registered in any other authority in a valuation-specific capacity; and

(ii) there is accordingly no "registration for valuation related activities" issued by any "relevant regulatory authority" that the Applicant could obtain in respect of these particular assignments.

5.2 **On the contrary, both frameworks expressly recognise a SEBI-registered Merchant Banker as an eligible valuer for these purposes.** Under the relevant Income-tax Rules, the fair market value of unquoted equity shares determined under the discounted free cash flow method is required to be determined by a merchant banker. Similarly, Rule 21 of the NDI Rules requires the price of equity instruments to be worked out in accordance with any internationally accepted pricing methodology on an arm's length basis, **duly certified by a Chartered Accountant, a SEBI-registered Merchant Banker or a practising Cost Accountant**. The Applicant's certificate of registration as a Merchant Banker granted by the Board is therefore itself the qualification that the applicable frameworks recognise for the performance of these assignments.

6. Legal analysis and submissions

6.1 Regulation 13A(4) is, on its plain language, a transitional provision addressed to a specific class of merchant bankers, namely those that do not possess "registration for valuation related activities from the relevant regulatory authority". The provision presupposes the existence of (a) a relevant regulatory authority, and (b) a registration granted by that authority for valuation related activities.

6.2 Where the applicable law does not contemplate any such registration for the valuation in question, the condition that triggers Regulation 13A(4) is not satisfied, and the nine-month wind-down obligation would, on a purposive and harmonious construction, not be attracted. A contrary reading would produce the anomalous result that a merchant banker must discontinue an activity which the applicable law expressly permits it to perform in its capacity as a merchant banker, and for which no registration is available to be obtained.



6.3 The valuation activities described in Paragraph 4 above are not regulated as a distinct or separately registered financial activity by the Board or by any other financial sector regulator or authority. While the Income-tax Act and the NDI Rules prescribe the circumstances in which valuations are required and recognise a SEBI-registered Merchant Banker as an eligible valuer, they do not require the valuer to obtain any separate registration, licence or authorisation for undertaking such valuation assignments. These activities are advisory and certification-based in nature, are fee-based and non-fund based, and pertain to the financial services sector. Accordingly, the Applicant is of the prima facie view that such activities fall within the scope of Regulation 13A(2)(iii) of the MB Regulations.

6.4 The Applicant is, in the premises, of the prima facie view that such valuation activities may be continued under Regulation 13A(2)(iii), through a separate business unit and on an arm's-length basis, subject to compliance with the conditions prescribed thereunder and with such manner and conditions as may be specified by the Board, without attracting the transitional obligation under Regulation 13A(4). The Applicant seeks the Board's interpretive guidance to confirm this understanding.

6.5 The Applicant confirms that it will, in any event, conduct such activities through a separate business unit on an arm's-length basis and in compliance with all conditions that may be specified by the Board in this regard.

7. Query / clarification sought

The Applicant respectfully submits that the interpretation set out above reflects its bona fide understanding of the applicable legal provisions, and seeks the Board's guidance in order to obtain regulatory certainty. In view of the foregoing, the Applicant seeks an Interpretive Letter on the following queries:

Query 1: Whether Navigant Corporate Advisors Limited, a Merchant Banker registered with SEBI, is permitted to continue carrying out valuation activities under the Income-tax Act, 1961 / Income-tax Act, 2025 (including FMV-based valuations for fiscal purposes) and under the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (including pricing-related valuations for foreign direct investment and resident–non-resident transfer transactions), in the absence of any mandatory registration requirement for such valuation activities under the said laws, without being subject to the nine-month wind-down obligation prescribed under Regulation 13A(4) of the MB Regulations.

Query 2: Whether such valuation activities, in the absence of any requirement of registration under the applicable statute or rules, qualify as permissible activities under Regulation 13A(2)(iii) of the MB Regulations — being fee-based, non-fund-based activities pertaining to the financial services sector which do not fall under the purview of the Board or of any other financial sector regulator or authority — subject to compliance with the conditions prescribed thereunder.

8. Statements required under the Scheme

8.1 The application is not general in nature and completely and sufficiently describes the factual situation (Paragraph 11(a) of the Scheme).

8.2 The application does not involve any hypothetical situation; it relates to valuation assignments actually undertaken and presently being undertaken by the Applicant (Paragraph 11(b)).

8.3 The Applicant has a direct and proximate interest in the subject matter of the application (Paragraph 11(c)).

8.4 All applicable legal provisions have been cited in Part A and in Paragraphs 3 to 6 above (Paragraph 11(d)).

8.5 To the best of the Applicant's knowledge and belief, no No-action Letter or Interpretive Letter has been issued by any Department of the Board on a substantially similar question involving substantially similar facts (Paragraph 11(e)).

8.6 No investigation, enquiry, adjudication or other enforcement action has been initiated against the Applicant in relation to the subject matter of this application (Paragraph 11(f)), and no connected issue is pending before any Tribunal or Court or is otherwise sub judice (Paragraph 11(g)).

8.7 **Confidentiality:** The Applicant does not seek confidential treatment under Paragraph 15 of the Scheme.



9. Supporting documents

The following documents are enclosed with this application:

(a) Copy of the Certificate of Registration as Merchant Banker issued by SEBI — **Annexure I**;
(b) Copy of the Memorandum and Articles of Association of the Applicant — **Annexure II**;
(c) Duly signed undertaking-cum-declaration of the Applicant — **Annexure III**; and
(d) Proof of payment of fee together with payment particulars in the format prescribed under Paragraph 8(c) of the Scheme — **Annexure IV**.

10. Fee

The fee of ₹50,000/- (Rupees Fifty Thousand only), together with applicable GST, prescribed under Paragraph 8(c) of the Scheme has been paid. Proof of payment and the payment particulars in the prescribed format are enclosed as Annexure IV. A copy of the payment confirmation has also been sent to tad@sebi.gov.in in the format prescribed under Paragraph 8(c).

11. Conclusion

The Applicant respectfully requests the Board to consider this application and to issue an Interpretive Letter on the queries raised herein at the earliest, so as to enable the Applicant to conduct its business in a compliant and certain regulatory environment, particularly having regard to the transitional period prescribed under Regulation 13A(4).

The Applicant remains available to furnish any further information or clarification that the Board may require in connection with this application, and undertakes to respond to any clarification sought within the timelines prescribed under Paragraph 10 of the Scheme.

Thanking you,

Yours faithfully,

For Navigant Corporate Advisors Limited



Sarthak Vijlani
Managing Director
DIN: 05174824

Date: 05.08.2026
Place: Mumbai

Encl.: Annexures I to IV, as above.