SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

Recent Amendments - 2025 (w.e.f. 03 December 2025)

Summary of Key Changes

Regulation / Provision	Earlier Provision	Amended Provision (w.e.f. 03 December 2025)	Key Impact
① Regulation 8 - Offer Price for Infrequently Traded Shares	The offer price was determined by the Acquirer and the Manager to the Open Offer (Merchant Banker), considering the prescribed valuation parameters.	The offer price shall be determined by an Independent Registered Valuer registered under Section 247 of the Companies Act, 2013.	• Independent and objective valuation • Greater transparency in price discovery • Enhanced investor confidence
② Regulation 9 - Offer Price where Regulation 8 cannot be applied	Valuation was carried out by the Acquirer and Merchant Banker using generally accepted valuation methodologies.	Valuation shall be undertaken by an Independent Registered Valuer.	• Removes pricing discretion of acquirer • Ensures fairness for public shareholders • Consistent and robust valuation approach
③ Role of Merchant Banker	Merchant Banker participated in determining the offer price in valuation based cases.	Merchant Banker will continue to manage the Open Offer process and ensure regulatory compliance, while valuation responsibility shifts to the Registered Valuer.	• Clear segregation of roles • Valuation independence ensured • Focus on process management
④ Valuation Framework	Valuation relied on the Acquirer and Merchant Banker applying the prescribed parameters.	Mandatory involvement of an IBBI Registered Valuer for valuation under Regulations 8 and 9.	• Higher credibility of valuation reports • Standardized methodology • Reduced conflict of interest
⑤ Investor Protection	Existing safeguards under the Regulations.	Strengthened investor protection through independent valuation framework.	• Better protection of minority shareholders • Fairer and equitable treatment • Strengthened trust in takeover process

At a Glance

- **Notification** : SEBI (SAST) (Amendment) Regulations, 2025
- **Notification Date** : 05 December 2025
- **Effective Date** : 03 December 2025 (as notified by SEBI)
- **Major Change** : Valuation under Reg. 8 and 9 to be done by Independent Registered Valuer instead of Acquirer and Merchant Banker.
- **Objective** : Improve transparency, eliminate conflict of interest and strengthen protection of minority shareholders.
- **SEBI Notification No.** : SEBI/LAD-NRO/GN/2025/227

Compliance Checklist

- ☑ Determine whether shares are frequently or infrequently traded.
- ☑ Check applicability of Regulation 8 or Regulation 9.
- ☑ Appoint an IBBI Registered Valuer wherever required.
- ☑ Obtain valuation report before finalising the offer price.
- ☑ Ensure disclosures in PA, DPS and Letter of Offer are consistent with the valuation report.
- ☑ Maintain valuation records for regulatory review and audit.

FAQs

Q1. What is the most significant amendment?
→ Valuation of offer price under Regulations 8 and 9 is now carried out by an Independent Registered Valuer instead of the Acquirer and Merchant Banker.

Q2. Who can act as the Registered Valuer?
→ A valuer registered with IBBI under Section 247 of the Companies Act, 2013.

Q3. Does this amendment apply to all Open Offers?
→ No. It applies in cases where shares are infrequently traded or where Regulation 8 cannot be applied and valuation is required under Reg. 9.

Q4. Has the role of Merchant Banker been reduced?
→ No. Merchant Banker continues to manage the Open Offer process and ensure compliance. Valuation responsibility has been separated.

Q5. Why did SEBI introduce this change?
→ To ensure independent, fair and transparent valuation, avoid conflict of interest and strengthen investor protection.

Key Takeaway

The 2025 amendments to SEBI (SAST) Regulations introduce an independent valuation framework by mandating valuations from IBBI Registered Valuers. This brings greater transparency, strengthens investor protection and aligns takeover regulations with contemporary valuation standards.

Note

These amendments do not alter the thresholds for Open Offer trigger, disclosure requirements or creeping acquisition limits. The principal reform relates to valuation and determination of offer price.