

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

Under Section 12 (3) of the Securities and Exchange Board of India Act, 1992 read with Regulation 27 of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008

In respect of

Sr. No.	Name of the Noticee	SEBI Registration No.
1.	Corporate Strategic Allianz Private Limited	INM000011260

In the matter of Corporate Strategic Allianz Private Limited

BACKGROUND

1. Corporate Strategic Allianz Private Limited (hereinafter referred to as “**the Noticee**”) is registered as a Merchant Banker with Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”).
2. SEBI conducted an inspection of the Noticee for the period from April 01, 2022 to September 30, 2023 (hereinafter referred to as “**inspection period**” / “**IP**”) in order to examine compliance with the applicable requirements. The scope of inspection was to, *inter alia*, verify whether the Noticee had complied with the SEBI (Merchant Bankers) Regulations, 1992 (hereinafter referred to as “**MB Regulations**”) and circulars issued by SEBI.
3. The summary of contraventions alleged to have been committed by the Noticee and the corresponding provisions of MB Regulations and relevant SEBI Circulars are given in the table below:

Table 1

S. No.	Alleged Violations	Regulatory Provisions
1	Failed to maintain adequate infrastructure to carry out merchant banking activity	Regulation 6(aa) of MB Regulations
2	Non-payment of renewal fees	Regulation 12 read with Schedule II of MB Regulations
3	Failed to intimate change in address and contact details to SEBI	9A(1)(f) of MB Regulations and SEBI circular no. SEBI/HO/MIRSD/MIRSD1/CIR/P/2017/38 dated May 02, 2017* (hereinafter referred to as “the 2017 Circular”)
4	Non submission of Half yearly reports	Circular No. MIRSD/DPS-2/MB/Cir-16/2008 dated May 06, 2008 (hereinafter referred to as “the 2008 Circular”) read with Regulation 28(2) of MB Regulations and Circular No. CIR/MIRSD/6/2012 dated May 14, 2012* (hereinafter referred to as “the 2012 Circular”) read with Regulation 28(2) of MB Regulations

4. Based on the findings of the said inspection, a Designated Authority (hereinafter referred to as **“DA”**) was appointed to inquire into and to submit a report pertaining to the aforesaid allegations. The DA issued a show-cause notice dated April 10, 2024 (hereinafter referred to as **“DA SCN”**) to the Noticee under Regulation 25(1) of SEBI (Intermediaries) Regulations, 2008 (hereinafter referred as **“Intermediaries Regulations”**) to show cause as to why appropriate recommendation should not be made against it in terms of Regulation 26 of the Intermediaries Regulations and Regulation 35 of MB Regulations for the violations alleged to have been committed by the Noticee as enumerated in Table 1.
5. The DA SCN was issued at the last known addresses of Noticee through Speed Post Acknowledgment Due (**“SPAD”**) which returned undelivered. The

DA SCN was also sent through digitally signed e-mail dated April 22, 2024 to the email ID, as available in the UCC database, which also bounced back. Subsequently, an attempt was made to deliver the DA SCN by way of affixture but the same was not successful. Thereafter, the DA SCN was served through publication in Times of India (English Edition), Ahmedabad Express (Gujarati Edition) and Metro Herald (Hindi Edition) on June 12, 2024. Through the said newspaper publication, the Noticee was also advised to appear for personal hearing before the DA on June 21, 2024. However, neither did the Noticee appear for the hearing on June 21, 2024 nor did it send any communication in relation to the proceedings.

6. On account of failure of the Noticee to appear before the DA and file any written submissions, the matter was proceeded with on the basis of material available on record. After considering the allegations levelled in the show-cause notice, and the material available on record, the DA, submitted the Enquiry Report dated June 25, 2024 and made the following recommendation:

“33. In view of the above observation and the violation committed by the Noticee, in terms of Regulation 26 of SEBI (Intermediaries) Regulations, 2008 and Regulation 35 of SEBI (Merchant Bankers) Regulations, 1992 I hereby recommend that the certificate of Registration no INM000011260 of Corporate Strategic Allianz Pvt Ltd be Cancelled.”

7. Pursuant to the aforesaid recommendation of the DA, the Enquiry Report was forwarded to the Noticee in terms of Regulation 27(1) of the Intermediaries Regulations, vide Post Enquiry Show Cause Notice (hereinafter referred to as **“Post Enquiry SCN”**) dated July 25, 2024. The Noticee was advised to file its reply to the Post Enquiry SCN along with supporting documents, if any.
8. I note that the Post Enquiry SCN was sent to four different addresses of the Noticee via SPAD but the same returned undelivered. Additionally, the Post Enquiry SCN was also attempted to be served upon the Noticee on two different E-mail IDs, however, both the emails bounced back and did not get

delivered. Thereafter, delivery of the Post Enquiry SCN was attempted through the mechanism of Market Infrastructure Intermediaries, in terms of the SEBI Circular, on the registered address of the Noticee but the same also remained unsuccessful.

9. In view of the fact that the Post Enquiry SCN could not be delivered to the Noticee by different means, the Post Enquiry SCN (along with a hearing notice) was served upon the Noticee by way of newspaper publication. The SCN-cum-Hearing Notice was published in the newspapers, namely, Times of India (English Edition), Ahmedabad Express (Gujarati Edition) and Metro Herald (Hindi Edition), advising the Noticee to attend the hearing scheduled on November 8, 2024 at 2.30 PM.
10. I note from the material available on record that pursuant to the publication in the above mentioned newspapers, a person named Mr. Soham Shah, collected the Post Enquiry SCN from Western Regional Office of SEBI on October 25, 2024. Thereafter, the Post Enquiry SCN was also sent to personal Email ID of Mr. Soham and another email ID - corporate9999@gmail.com on October 30, 2024. It was also intimated that a hearing was scheduled in the matter on November 8, 2024. Subsequently, a reply on behalf of the Noticee was received from the Email ID corporate9999@gmail.com wherein the following was submitted:
 - a. The Noticee is a SEBI registered merchant banker;
 - b. SEBI had suspended the Noticee's registration vide order dated August 24, 2020 in the matter of Corporate Strategic Allianz Ltd, Merchant Banker.
 - c. All its bank accounts and demat accounts were frozen and the same impacted the functioning of the Noticee;
 - d. Mr. Ashok Shah, the person managing the company died because of COVID and therefore, the Noticee did not comply with the applicable regulations;
 - e. The Noticee has nothing to say in its defense and its license may accordingly be cancelled.
11. Pursuant to the above, on November 7, 2024, an email was received from corporate9999@gmail.com that the Noticee did not wish to avail the

opportunity of hearing and the Certificate of Registration of the Noticee may be cancelled. I note that the hearing scheduled on November 8, 2024 was not attended by the Noticee.

12. Before proceeding with the matter on its merits, I deem it important to mention that the fact of collection of Post Enquiry SCN from the regional office of SEBI and submission that the Certificate of Registration of the Noticee be cancelled are not being taken on record for the reason that there is no Letter of Authority appointing Mr. Soham Sham as an Authorized Representative of the Noticee. Additionally, the emails (received from the Email ID – corporate9999@gmail.com) have also not been received from the registered email IDs of the Noticee.
13. In view of the same, I shall now examine the matter on its merits on the basis of the material available on record.

ISSUES FOR CONSIDERATION:

14. I have carefully perused the Enquiry Report served upon the Noticee along with the Post-Enquiry SCN, the SCN issued by the DA and other material available on record. In the instant proceedings, the DA has recommended the cancellation of Certificate of registration of the Noticee. On perusal of the material available on record, following issues arise for my consideration:
 - a. Whether the Noticee failed to maintain adequate infrastructure to carry merchant banking activity?
 - b. Whether the Noticee failed to pay renewal fees?
 - c. Whether the Noticee failed to intimate SEBI about change in address and contact details?
 - d. Whether the Noticee failed to file half-yearly reports?
15. Before I proceed to examine the charges vis-à-vis the evidence available on record, it would be appropriate to refer to the relevant provisions of the securities laws, which are alleged to have been violated by the Noticee. The same are reproduced below for ease of reference:

“Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992

Consideration of application.

Regulation 6 - The Board shall take into account for considering the grant of a certificate, all matters which are relevant to the activities relating to merchant banker and in particular the applicant complies with the following requirements, namely: —

(aa) the applicant has the necessary infrastructure like adequate office space, equipment, and manpower to effectively discharge his activities;

Payment of fees and the consequences of failure to pay fee.

Regulation 12 (1) - Every applicant eligible for grant of a certificate shall pay such fees in such manner and within the period specified in Schedule II.

(2) Where a merchant banker fails to pay the annual fees as provided in sub-regulation (1), read with Schedule II, the Board may suspend the registration certificate, whereupon the merchant banker shall cease to carry on any activity as a merchant banker for the period during which the suspension subsists.

SCHEDULE II

Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992

Fees

1. Every merchant banker shall pay a sum of [twenty lakh] rupees as registration fee at the time of grant of certificate of [***] registration.

2. [A merchant banker who has been granted a certificate of registration, to keep its registration in force, shall pay a fee of nine lakh rupees every three years from the sixth year, from the date of grant of certificate of registration or from the date of grant of certificate of initial registration granted prior to the commencement of the Securities and Exchange Board of India (Change in Conditions of Registration of Certain Intermediaries) (Amendment) Regulations, 2016, as the case may be.]

3.(a) The fee referred to in paragraph 1 shall be paid by the merchant banker within fifteen days from the date of receipt of intimation from the Board under sub-regulation (1) of regulation 8.

[(b) The fee referred to in paragraph 2 shall be paid by the merchant banker one month before the expiry of the block for which the fee has been paid.]

[3A. The non-refundable fee payable along with an application for registration under sub-regulation (1A) of regulation 3 [***] shall be a sum of [fifty thousand] rupees.]

[4. The fee specified in paragraphs 1, 2 and 3A shall be payable by the merchant banker by way of direct credit in the bank account through online payment using SEBI payment gateway.]

Conditions of registration.

Regulation 9A (1) - [Registration granted under regulation 8] shall be subject to the following conditions, namely:—

(f) it shall immediately intimate the Board, details of changes that have taken place in the information that was submitted, while seeking registration.]

Disclosures to the Board.

Regulation 28 (2) - The merchant banker shall submit a periodic report in such manner as may be specified by the Board from time to time.

SEBI circular no. SEBI/HO/MIRSD/MIRSD1/CIR/P/2017/38 dated May 02, 2017

https://www.sebi.gov.in/legal/circulars/may-2017/online-registration-mechanism-for-securities-market-intermediaries_34793.html

SEBI circular no. Cir. No. MIRSD/DPS-2/MB/Cir-16/2008 dated May 06, 2008

2. Currently, the Merchant Bankers are submitting the half-yearly reports in hard copy. It has now been decided that beginning from the half year ended September 30, 2008 the Merchant Bankers shall submit the half-yearly reports to SEBI in electronic form only and the submission of such reports in hard copy shall be dispensed with. Henceforth, Merchant bankers are advised to submit the half-yearly reports for the period ended March 31 and September 30 in the prescribed format to e-mail id mb@sebi.gov.in in pdf and excel format. Thus, Merchant Bankers shall submit two files by e-mail – one file in pdf format and the other in excel format on a half-yearly basis.

https://www.sebi.gov.in/legal/circulars/may-2008/reporting-of-information-on-a-half-yearly-basis-merchant-bankers_6512.html

SEBI circular no. Cir. No. CIR/MIRSD/6/2012 dated May 14, 2012

https://www.sebi.gov.in/legal/circulars/may-2012/review-of-regulatory-compliance-and-periodic-reporting_22759.html."

CONSIDERATION AND FINDINGS:

Issue 1: Whether the Noticee has failed to maintain adequate infrastructure to carry merchant banking activity?

16. It is noted that the inspection against the Noticee was initiated and the notice of inspection dated October 16, 2023 alongwith a pre-inspection questionnaire was issued to the Noticee. It has been alleged that the Noticee violated Regulation 6(aa) of the MB Regulations for not having the requisite

infrastructure owing to the fact that it had no presence at the addresses available on record and even the emails sent to its email addresses on record did not elicit any response.

17. Based on the Unique Client Code (UCC) details of the Noticee, the notice of inspection along with the pre-inspection questionnaire was issued on below-mentioned addresses/ Email IDs:

- **Address 1-** 402 Samedh Building, Near Associated Petrol Pump C G Road, Ahmedabad, Gujarat, 380006
- **Address 2** - 22B Center Point Flats, Panchwati Ambawadi, Ahmedabad, Gujarat-380006.
- **Email IDs** - (1)mayur@csapl.com (2)csa_999@rediffmail.com and (3)devendra@csapl.com.

18. The inspection notice and the PIQ could not be served upon the aforesaid available addresses and Email IDs of the Noticee. Pursuant thereto, SEBI conducted a site visit on December 19, 2023 at the aforesaid addresses and found that the Noticee was not available on the said addresses. Additionally, it is noted that 'Address 1' above was occupied by some other entity.

19. In view of the above, I find that the Noticee was not operational at any of the addresses available and therefore the physical inspection of the Noticee could not be conducted and the delivery of notice of inspection and pre-inspection questionnaire at the email IDs, available with SEBI, also failed. Accordingly, I observe that the Noticee was not engaging in the merchant banking activities from the addresses available with SEBI and thus, the Noticee has failed to maintain necessary infrastructure to carry out any merchant banking activities as required under regulation 6(aa) of the MB Regulations.

Issue 2: Whether the Noticee has failed to pay renewal fees?

20. It was observed during the course of inspection that the Noticee had not paid the renewal fees for three blocks and had allegedly violated regulation 12 read with Schedule II of the MB Regulations.

21. In terms of regulation 12 read with Schedule II of the MB Regulations, a merchant banker, from the sixth year onwards from the date of registration, is required to pay a fee of ₹9,00,000/- every three years for renewal of the Certificate of Registration. Further, the said renewal fee has to be paid one month prior to the expiry of the period for which fees has already been paid.
22. The Noticee was granted the registration certificate on January 25, 2014. Accordingly, for the first five years, i.e., till January 25, 2019, the Noticee was not required to make any payments. However, one month prior to the beginning of the sixth year, i.e., January 26, 2019, the Noticee was required to pay the renewal fee. Accordingly, the Noticee was required to pay the renewal fees for the blocks, i.e., January 26, 2019-January 25, 2022 and January 26, 2022-January 25, 2025. The record clearly shows that the Noticee failed to make the said payments for renewal of its certificate. I, therefore, agree with the findings of the DA that the Noticee has violated regulation 12 read with Schedule II of the MB Regulations.

Issue 3 - Whether the Noticee has failed to intimate SEBI about change in address and contact details?

23. It was noted during the course of inspection that the Noticee had failed to intimate SEBI about the change in address and contact details and had accordingly violated regulation 9A(1)(f) of the MB Regulations and the provisions of the 2017 Circular mentioned in Table 1.
24. In terms of regulation 9A(1)(f) of the MB Regulations and the 2017 Circular a merchant banker shall forthwith intimate the Board, through SI portal, details of changes that have taken place in the information that was submitted at the time of seeking registration. In this regard, as recorded earlier, the Noticee was not available/ reachable at the addresses/ contact details which were submitted by it at the time of seeking registration. Additionally, while examining the matter, two more addresses of the Noticee were found (through *ZaubaCorp*

platform) and the details of the said addresses were not submitted/ updated by the Noticee on the SI Portal. As noted earlier, even on these addresses, the Noticee was not operational. In view of the above, I agree with the findings of the DA that the Noticee has violated regulation 9A(1)(f) of the MB Regulations and provisions of the 2017 Circular mentioned in Table 1.

Issue 4 - Whether the Noticee has failed to file half-yearly reports?

25. As found during the inspection, the Noticee had not submitted the Half-Yearly Reports from April 1, 2022 to September 30, 2023. In terms of the provisions of 2008 Circular read with regulation 28(2) of the MB Regulations and 2012 Circular read with regulation 28(2) of the MB Regulations, Merchant Bankers are required to submit the half-yearly report in the specified format. The Noticee ought to submit the half-yearly reports for the period ended March 31 and September 30 in the prescribed format to e-mail id mb@sebi.gov.in in pdf and excel format. As evident from the material available on record, the Noticee has failed to submit the requisite reports for the period from April 1, 2022 to September 30, 2023. Accordingly, I agree with the findings of the DA and note that the Noticee is in violation of the provisions of 2008 Circular read with regulation 28(2) of the MB Regulations and 2012 Circular read with regulation 28(2) of the MB Regulations.
26. It is also pertinent to note that SEBI vide its Order dated August 12, 2016 had, *inter alia*, restrained the Noticee from accessing the securities market directly or indirectly, and had further prohibited it from buying, selling or otherwise dealing in securities, directly or indirectly for a period of 3 years from the date of the said order, for conniving and conspiring to make illegal profit /gains in the matter of Platinum Corporation Limited. Further, vide the said Order dated August 12, 2016, the Noticee was also directed to disgorge an amount of ₹20,64,745 along with 12% interest calculated from February 01, 2007. Pursuant thereto, enquiry proceedings were also initiated against the Noticee, which culminated with passing of Order dated August 24, 2020, whereby, Noticee's registration as a Merchant Banker was suspended with immediate effect. The said suspension would continue till the end of one year from the date of actual receipt by SEBI of

the disgorgement amount along with due interest, in full, which the Noticee is liable to pay as per the directions contained in the aforesaid SEBI order dated August 12, 2016. It is also noted that the Noticee had preferred an appeal against the said Order dated August 24, 2020 before Hon'ble SAT which was dismissed. Further, for non-payment of disgorgement amount, recovery proceedings were also initiated against the Noticee which are pending. Thus, since the Noticee has failed to pay the disgorgement amount, it is still under suspension in light of the Order dated August 24, 2020.

27. Considering the totality of the circumstances discussed in aforesaid paragraphs and the above violations on part of the Noticee, I am inclined to agree with the recommendation made by the DA that the certificate of registration of the Noticee be cancelled.

DIRECTIONS

28. In view of the above, I, in exercise of the powers conferred upon me under Section 19 of the SEBI Act, 1992 read with Regulation 27(5) of the Intermediaries regulations, cancel the certificate of registration of the Noticee, i.e., Corporate Strategic Allianz Private Limited [Registration No. INM000011260].
29. A copy of the Order shall be served on the Noticee and the concerned Market Infrastructure Institutions for their information and record.

Sd/-

DATE: MARCH 21, 2025

PLACE: MUMBAI

AMARJEET SINGH

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA