



CHIEF GENERAL MANAGER &
DESIGNATED AUTHORITY

BY SPEED POST & DIGITALLY SIGNED EMAIL

SEBI/EAD-3/BM/GN/ 14164/1 /2024

April 10, 2024

CORPORATE STRATEGIC ALLIANZ PVT LTD
(PAN: AACCC8085A)

✓ **Address 1** - 402, Samedh Building, Near Associated Petrol Pump,
C G Road, Ahmedabad, 380006.

Address 2 - 22B, Center Point Flats, Panchwati Ambawadi,
Ahmedabad 380006

Address 3 - 101, Ground Floor, Prerak Apartment, 61, Pritam Nagar,
Opp. Gujarat College Ground, Ahmedabad 380006

Notice under Regulation 25(1) of Securities and Exchange Board of India
(Intermediaries) Regulations, 2008 in the matter of Corporate Strategic Allianz Pvt Ltd.

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') ordered inspection of Corporate Strategic Allianz Pvt Ltd (hereinafter referred to as **Noticee**) for the period from April 01, 2022 to September 30, 2023 (hereinafter referred to as '**Inspection Period**'). The scope of inspection was to inter alia verify whether the Noticee had complied with the SEBI (Merchant Bankers) Regulations, 1992, and circulars issued by SEBI.
2. The Noticee is a SEBI-registered Merchant Banker having SEBI registration number INM000011260 as Merchant Banker.
3. SEBI, vide communiqué dated March 20, 2024, (**Annexure 1**) appointed the undersigned as the Designated Authority (DA) under Regulation 24(2) of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008, (hereinafter referred to as **Intermediaries Regulations**) to enquire into the violation alleged to have been committed by the Noticee and to submit a report and make a recommendation in compliance with regulation 25 and 26 of the Intermediaries Regulations.

4. The violations alleged to have been committed by the Noticee are as follows-

Alleged violation 1 - Failed to maintain adequate infrastructure to carry merchant banking activity

5. During inspection it was observed that the registered and correspondence address of Noticee was at:

Address 1- 402 Samedh Building, Near Associated Petrol Pump C G Road,
Ahmedabad, Gujarat, 380006

6. However earlier correspondence(s) made by SEBI with Noticee in respect to payment of renewal fees were returned undelivered. Therefore, in order to issue the notice of inspection and pre-inspection questionnaire to Noticee, vide email dated September 26, 2023, NSE and BSE were requested to provide UCC details of Noticee.

7. Based on the UCC details of Noticee (**Annexure-2**) provided by BSE and NSE, following additional address of Noticee was found:

Address 2 - 22B Center Point Flats,
Panchwati Ambawadi,
Ahmedabad, Gujarat-380006.

8. Accordingly, an inspection notice dated October 16, 2023 and pre-inspection questionnaire were issued to Noticee at Address 1 and Address 2 mentioned above as well as through email dated October 16, 2023 (**Annexure 3**) at the following email ids available i.e. : (1) mayur@csapl.com (2) csa_999@rediffmail.com and (3) devendra@csapl.com.
9. However, the inspection notice dated October 16, 2023 issued at both the addresses mentioned above have returned undelivered with remark "Not known"(**Annexure 4**). Also, delivery of email dated October 16, 2023 to all the email ids mentioned above had failed (**Annexure 5**).

Site Visit by SEBI

10. SEBI conducted a site visit on December 19, 2023 at both the addresses mentioned above and observed the following-
- a) Noticee was not found at Address 1 mentioned at para 5 above and another entity namely Hytech Education is operating from the said premises.
 - b) Noticee was also not found at Address 2 mentioned at para 6 above and the premises were found to be locked.
11. SEBI also found another address of Noticee from Zaubacorp.com
- Address 3-** 101, Ground Floor, Prerak Apartment,
61, Pritamnagar, Opp. Gujrat College Ground,
Ahmedabad, Gujarat-380006
12. During the site visit to the aforesaid address, it was observed that the Noticee was not available at the said address also and premises were found to be locked.
13. It may be noted that the Address-3 is the registered address of Noticee as per database of Ministry of Corporate Affairs.
14. Therefore, during the physical site, it was found that the Noticee was not operational at any of the addresses and physical inspection of the Noticee could not be conducted. Hence, allegedly Noticee did not exist/operate from office premises at any of the address available with SEBI.
15. Accordingly, it is alleged that Noticee does not have any physical infrastructure to carry out any Merchant Banking activity as required under Regulation 6(aa) SEBI (Merchant Bankers) Regulations, 1992. Therefore, it is alleged that Noticee violated Regulation 6(aa) of SEBI (Merchant Bankers) Regulation, 1992.

Violation 2 - Non-payment of renewal fees

16. It is noted that Noticee has not paid the renewal fees for the three block of 2017-20, 2020-23 and 2023-26. Therefore, it is alleged that the Noticee has violated the Regulation 12 read with Schedule II of SEBI (Merchant Bankers) Regulation 1992.

Violation 3 - Failed to intimate change in address and contact details to SEBI

17. As alleged above at paragraph 15 that Noticee was not found at the addresses available with the SEBI. Also, the delivery of emails to all the email ids available with SEBI has failed. Therefore, it is alleged that the Noticee has not intimated the change in address and contact details through SI portal. Hence, it is alleged that the Noticee has violated the Regulation 9A(1)(f) of SEBI (Merchant Bankers) Regulations, 1992, and SEBI circular no. SEBI/HO/MIRSD/MIRSD1/CIR/P/2017/38 dated May 02, 2017.

Violation 4 - Non submission of Half yearly reports

18. It is observed that the Noticee has not submitted any Half Yearly Report from April 01, 2022 to September 30, 2023. In view of the same, it is alleged that the Noticee has violated Circular No. MIRSD/DPS-2/MB/Cir-16/2008 dated May 06, 2008 read with Regulation 28(2) of SEBI (Merchant Banking) Regulations 1992 and Circular No. CIR/MIRSD/6/2012 dated May 14, 2012 read with Regulation 28(2) of SEBI (Merchant Banking) Regulations 1992.
19. The text of the abovementioned alleged provisions is given below:

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, equipments, 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.]

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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

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

20. You are, therefore, called upon to show cause as to why appropriate recommendation should not be made against you as prescribed under regulations 26 of Intermediaries Regulations and regulation 35 of SEBI (Merchant Bankers) Regulations, 1992. The provisions are reproduced herein below:

Regulation 26 of the Intermediaries Regulations

Recommendation of Action

(1) After considering the material available on record and the reply, if any, the designated authority may by way of a report, recommend the following measures,—

(i) disposing of the proceedings without any adverse action;

(ii) cancellation of the certificate of registration;



- (iii) suspension of the certificate of registration for a specified period;
- (iv) prohibition of the noticee from taking up any new assignment or contract or launching a new scheme for such the period as may be specified;
- (v) debarment of an officer of the noticee from being employed or associated with any registered intermediary or other person associated with the securities market for such period as may be specified;
- (vi) debarment of a branch or an office of the noticee from carrying out activities for such period as may be specified;
- (vii) issuance of a regulatory censure to the noticee:

Provided that in respect of the same certificate of registration, not more than five regulatory censures under these regulations may be recommended to be issued, thereafter, the action as detailed in clause (ii) to (vi) of this sub-regulation may be considered.

(2) The designated authority shall endeavour to submit the report within one hundred and twenty days from the date of receipt of reply to the notice or date of personal hearing, whichever is later.

Regulation 35 of SEBI (Merchant Bankers) Regulations, 1992

Liability for action in case of default

35. A merchant banker who contravenes any of the provisions of the Act, Rules or Regulations framed thereunder shall be liable for one or more actions specified therein including the action under Chapter V of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008.

21. You may also note that a settlement mechanism is provided under the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018. If you wish to avail the benefit of the settlement process, you may also apply for the same in the manner provided in the said regulations under intimation to the undersigned.

22. Your reply, if any, along with supporting enclosures and documents, should reach the undersigned at the address mentioned below as well as through email at barnalim@sebi.gov.in and gauravn@sebi.gov.in within 21 days from the date of receipt of

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this notice, failing which it shall be presumed that you have no submissions to make, in which case, the matter shall be proceeded with on the basis of material/facts on record.

**Securities and Exchange Board of India,
SEBI BHAVAN- II, C-7, G- Block,
Bandra - Kurla Complex, Bandra (East),
Mumbai – 400 051.**

23. You may also indicate in your reply if you desire a Personal Hearing in the matter. Further, you are advised to provide copy of PAN and email id and also keep the undersigned informed about the change in your correspondence if any, till the proceedings are completed.

**BARNALI MUKHERJEE
DESIGNATED AUTHORITY**



Enclosures:

Annexure-1	Copy of Communique dated March 20, 2024 for appointment of DA
Annexure-2	UCC details of Noticee
Annexure-3	Email dated October 16, 2023
Annexure-4	Inspection notice dated October 16, 2023 returned undelivered.
Annexure-5	Delivery report of email dated October 16, 2023