

**BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA
CORAM : PRASHANT SARAN, WHOLE TIME MEMBER**

ORDER

Under Section 11(1), 11(2)(j), 11(4) and 11B of the Securities and Exchange Board of India Act, 1992 read with Section 12A of the Securities Contracts (Regulation) Act, 1956 in the matter of non-compliance with the requirement of minimum public shareholding by listed companies

In respect of Advance Lifestyles Limited

1. Securities and Exchange Board of India (hereinafter referred to as 'SEBI') passed an *interim order* dated June 04, 2013 (hereinafter referred to as '*the interim order*') with respect to 105 listed companies who did not comply with the Minimum Public Shareholding ('MPS') norms as stipulated under rules 19(2)(b) and 19A of the Securities Contracts (Regulation) Rules, 1957 (hereinafter referred to as 'SCRR') within the due date i.e., June 03, 2013. The *interim order* was passed without prejudice to the right of SEBI to take any other action, against the non-compliant companies, their promoters and/ or directors or issuing such directions in accordance with law. The *interim order* was to be treated as a show cause notice by those companies for action contemplated in *paragraph 18* thereof.
2. Advance Lifestyles Limited (hereinafter referred to as 'the Company') is one such company against whom the *interim order* was passed. The public shareholding in the Company on the date of the *interim order* was 22.66%. The shares of the Company are listed on the Bombay Stock Exchange Limited ('BSE') and the Ahmedabad Stock Exchange ('ASE').
3. The Company filed its reply dated June 11, 2013 to the *interim order* and made further submissions vide letter dated June 24, 2013. Thereafter, an opportunity of personal hearing was afforded to the Company on July 24, 2013, when Mr. D.B. Dholakia, Company Secretary, appeared and made submissions.
4. I have considered the reply of the Company, the letter dated June 24, 2013, the submissions made in the personal hearing, the written submissions filed and the documents submitted before me. The company has submitted that it was a sick unit under the Sick Industrial Companies Act ('SICA') and was referred and registered with the Board for Industrial and Financial Reconstruction ('BIFR'). It has been said that the company was almost out of the activities and its shares were listed with BSE, but were suspended from the year 2001 and the suspension of BSE was revoked only in October, 2011. It was submitted by the company that in order to comply with the MPS norms, it had opted to make an Offer for Sale ('OFS') in terms of SEBI Circular No.

CIR/CFD/DIL/10/2010 dated December 16, 2010. According to the Company, Mr. Phoolchand Agarwal, the Promoter and Director of the company had agreed to reduce his shareholding by 1,29,807 equity shares. Accordingly, an OFS was undertaken by the Company through BSE on May 30, 2013, wherein the promoter was able to sell only 55,011 equity shares as the bids were valid only with respect to 55,011 equity shares. Consequently the promoter holding was reduced from 79.17% to 77.40%. In order to meet the MPS requirements, the company went for another OFS for 74,786 shares on June 24, 2013 at BSE after the statutory minimum cooling period of two weeks. Pursuant to the same, the promoters holding was further reduced to 75% thereby raising the public shareholding to stipulated 25%.

5. From the aforesaid documents, it is clear that the Company has not complied with the MPS requirements on or before June 03, 2013, i.e., the prescribed due date. It is seen that the Company had undertaken the first OFS at BSE on May 30, 2013. Further, the second OFS was completed on June 24, 2013, which was much after the due date, to achieve compliance. This conduct indicates to me that the Company was not serious in complying with the MPS norms well within the due date. Therefore, the Company is warned for its conduct and is advised to ensure compliance with all the applicable laws and regulations administered by SEBI, in letter and spirit. However, considering the fact that the Company has complied with the MPS norms, though belatedly, as observed above, I do not propose to initiate further action against the Company as contemplated in paragraph 18 of the *interim order*.
6. With the above observations, I, in exercise of the powers conferred upon me under Section 19 of the Securities and Exchange Board of India Act, 1992 read with sections 11(1), 11(2)(j), 11(4) and 11B thereof and Section 12A of the Securities Contracts (Regulation) Act, 1956, hereby revoke the directions vide the *interim order* dated June 04, 2013 against the Company, Advance Lifestyles Limited, its directors, promoters and promoter group, with immediate effect.
7. Copy of this Order shall be served on the stock exchanges and depositories for their information and action that may deem fit and necessary in this case.

PLACE: Mumbai
DATE: August 8th, 2013

PRASHANT SARAN
WHOLE TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA