

**SECURITIES AND EXCHANGE BOARD OF INDIA
ORDER**

**UNDER SECTIONS 11(1), 11(4), 11A and 11B OF SECURITIES AND
EXCHANGE BOARD OF INDIA ACT, 1992 IN THE MATTER OF ONELIFE
CAPITAL ADVISORS LTD (OCAL) AGAINST FOLLOWING PERSONS**

- A. ONELIFE CAPITAL ADVISORS LTD (AAACO9540L)**
- B. DIRECTORS OF OCAL VIZ. MR. T. K. P. NAIG (ABIPN2653D), MR. PANDOO NAIG (ACNP2800J), MR. A. P. SHUKLA (AECPS3296Q), MR. TUSHAR SHIRDHARANI (AAIPS0065M), MR. DHANANJAY PARIKH (ACTPP2402L), AND MR. T. S. RAGHAVAN (AAFPR1521A)**
- C. FINCARE FINANCIAL AND CONSULTANCY SERVICES PVT LTD (AAACF6005D) AND PRECISE CONSULTING & ENGINEERING PVT LTD (AAECP8434E)**
- D. MERCHANT BANKER VIZ. ATHERSTONE CAPITAL MARKETS LTD AND SHRI GURUNATH MUDLAPUR (MANAGING DIRECTOR OF ACML) AND SHRI RANJAN AGARAWAL (COMPLIANCE OFFICER OF ACML)**

WTM/PS/IVD/ID-10/44 /DEC /11

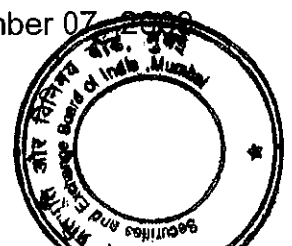
1.1 Onelife Capital Advisors Ltd (OCAL) is a SEBI registered intermediary viz. Cat-I Merchant Banker, Portfolio Manager, Stock Broker of BSE cash segment and trading member in BSE derivative segment. The SEBI registration details are as given below:

- a. "Category-1 Merchant Banker"** (SEBI Regn. No: INM000011633) w.e.f February 10, 2010
- b. "Portfolio Manager"** (SEBI Regn No: INP000003914) w.e.f. December 21, 2010.
- c. "Stock Broker"** of BSE (SEBI Regn No: INB011410033) w.e.f September 24, 2011
- d. "Trading Member"** of derivatives segment of Bombay Stock Exchange (SEBI Regn No: INF011410033) w.e.f September 24, 2011

2.1 BACKGROUND OF OCAL

2.2 The company was incorporated in the name of "Onelife Corporate Advisory Services Private Limited" on August 31, 2007. The name of the company was changed to "Onelife Capital Advisors Private Limited" on November 07, 2009.

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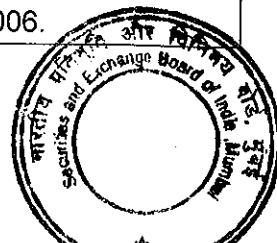


Subsequently, the company was converted into a public limited company and changed its name to "Onelife Capital Advisors Limited" on December 13, 2010. The Corporate and registered office of OCAL is at 96-98, Mint Road, Mumbai- 400 001.

2.3 Board of Directors of OCAL: The details of board of directors at time of submission of Red Herring Prospectus (RHP) is as under:

Full Name	Designation	Present residential address
Thiruvaidaimarudur Krishna Prabhakar Naig	Chairman and Director	D-241, Karmakshetra, S.S.S. Nagar, Flank Road, Mumbai - 400 037.
Pandoo Prabhakar Naig	Managing Director	Flat No. 62, Building 7, SSS Nagar, Flank Road, Mumbai - 400 037.
Dhananjay Chandrakant Parikh	Non-Executive Director	26/27, Soham B'low, Opp. Shobhana Nagar, Vasana Road, Vasana, Vadodara
Thirumakottai Subramanaiyar Raghavan	Independent Director	8/2,46, Jeevanratnam Nagar, Adyar, Chennai-20
Ayodhyaprasad Chandra Shekhar Shukla	Independent Director	D-1, Mayuresh Narayan R H CHS, 137/146, Sector 21, Nerul, Navi Mumbai - 400 706.
Tushar Shridharani	Independent Director	227, Walkeshwar Road, Nubh Smruti, 2 nd Floor, Mumbai - 400 006.

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2.4 Financial statements of OCAL:

The financial statement of OCAL since the inception of the company is under:

Statement of Profit and Loss

(Figures in Rs)

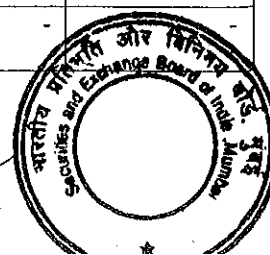
Particulars	2008	2009	2010	2011
Income	-	-	61,31,523	39,14,637
Expenditure	23,203	43,298	41,20,338	1,09,10,422
Net Profit / (Loss) before Tax as per Audited statements	(23,203)	(43,298)	20,47,005	(69,95,785)
Re-stated Net Profit / (Loss) before Tax, pursuant to Auditors' qualification	(33,203)	(41,298)	10,98,570	(60,39,390)
Net Profit after Tax	(33,203)	(41,298)	4,23,570	(60,39,390)
Surplus transferred to Balance sheet	(33,203)	(74,501))	3,49,069	(47,33,846)

Statement of Assets and Liabilities:

(Figures in Rs)

	Particulars	2008	2009	2010	2011
Assets	Fixed Asset (Net Block)	89,457	53,674	3,28,076	4,47,654
	Investment	-	-	-	3,00,96,430
	Sundry Debtors	-	-	44,83,023	44,83,023
	Cash	2,52,340	1,52,340	53,02,593	3,79,860
	Loans and Advances	-	-	4,13,81,429	10,94,08,520
	Total Asset	3,41,797	2,06,014	5,14,95,121	14,48,15,487
Liabilities	Unsecured loans	2,75,000	1,75,000	-	-

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	Particulars	2008	2009	2010	2011
	Current liabilities	-	5,515	3,42,661	1,44,203
	Prov-Gratuity	-	-	28,391	86,565
	Income Tax	-	-	6,75,000	6,75,000
Total Liabilities		66,797	25,499	5,04,49,069	14,39,09,719
Net Worth (Asset-Liabilities)					
Equity		1,00,000	1,00,000	5,01,00,000	10,01,00,000
Reserves & Surplus		(33,203)	(74,501)	12,77,113	4,38,09,719
Misc Expenditure		-	-	(9,28,044)	-
Net Worth		66,797	25,499	5,04,49,069	14,39,09,719

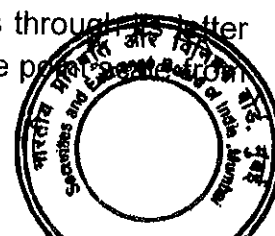
The above financial statements show that the company had reported losses for three years out of previous four years since the inception of the company in Year 2007. The recent financial statements i.e. FY 2011 shows a loss of Rs. 60.39 lakhs for the year ended March 2011. The company has also reported negative cash flow from the operating and investing activity in the three financial years i.e. FY 2008, FY 2010 and FY 2011.

3.1 DETAILS OF IPO ISSUE OF OCAL:

3.2 Onelife Capital Advisors Ltd (OCAL) had raised Rs. 36.85 cr in their IPO issue dated September 28-October 4, 2011 by issuing 33,50,000 equity shares of Rs.10 per share at issue price of Rs.110.00 each through 100% book building route. The Book Running Lead Manager (BRLM) of the issue was Atherstone Capital Markets Ltd. Syndicate Members to the issue were Almondz Global Securities Limited and HEM Securities Limited.

3.3 The issue of OCAL was graded by Credit Analysis and Research Limited (CARE) and was assigned 1, indicating poor fundamentals through its letter dated June 13, 2011. The IPO grading is assigned on a five point scale.

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1 to 5 with an "IPO Grade 5" indicating strong fundamentals and an "IPO Grade 1" indicating poor fundamentals.

3.4 The issue opened on September 28, 2011 and closed on October 4, 2011. Out of 33,50,000 shares offered in IPO, the allocation to various categories of investors are as under:

- i. 16,75,000 shares (50%) was offered to qualified institutional investors
- ii. 11,72,500 shares (35%) was offered to retail individual investors (RII)
- iii. 5,02,500 shares (15%) was offered to non-institutional investors (NII)

3.5 The issue was subscribed by 1.51 times. The subscription ratio during the Issue under each category of investors is given below:

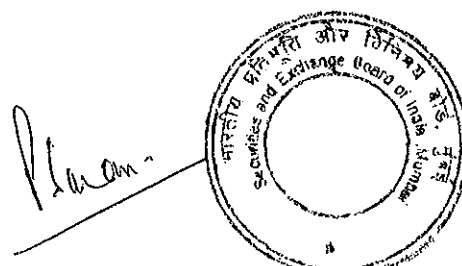
Sr. No.	Particulars	No. of Shares Allotted	No. of Shares Bided	No. of times subscription
1.	Qualified Institutional Buyers	1675000	1712750	1.02
2.	Non Institutional Investors	466150	466150	0.93
3.	Retail Investors	1208850	2929950	2.50
	Total	3350000	5108850	1.52

3.6 Details of Top Allottees:

Following are the allottees under QIB and NII:

QIB Category

Sr. No.	Name	PAN	Shares Allotted	% To Issue Capital
1	Afrasia Bank Limited A/C Leman Diversified	AABCL8363M	803443	23.98
2	Credo India Thematic Fund Limited	AADCC3273B	44008	01.31
3	Cresta Fund Ltd.	AADCC2634A	827549	24.70
	Total		16,75,000	50%



NII Category : (Top 10 allottees)

Sr. No.	Name	PAN	Shares Allotted	% To Issue Capital
1	R. B. K. Share Broking Ltd.	AAACR5488A	100000	2.99
2	Bhavesh Natavarlal Sheth**	AHGPS8752A	90900	2.71
3	Nilesh Natavarlal Sheth**	AGYPS1051P	90900	2.71
4	Vikram Karanraj Sakaria (HUF)	AACHV3447C	63650	1.90
5	Pushpa Hirachand Jain	ACBPJ8392D	22700	0.68
6	Priyanka	AYXPP8706H	15000	0.45
7	Jayantilal Ratanchand HUF	AABHJ3352H	13600	0.41
8	Sanghvi Priylataben Prafulkumar*	AEGPS6640N	12700	0.38
9	Sanghvi Pinaben Shaileshkumar*	AKVPS6260K	12700	0.38
10	Savita J Shah	AAUPS0900K	9050	0.27
		Total	4,31,200	12.88

* Sanghvi Priylataben Prafulkumar and Sanghvi Pinaben Shaileshkumar are connected / related to each other as they have common address viz. 30 Manibhadra Society, Rambag Road, Sabarmati, Ahmedabad – 380005.

** Bhavesh Natavarlal Sheth and Nilesh Natavarlal Sheth are connected / related to each other as they have common address viz. 437-438, Star Chambers, 4th Floor, Harihar Chowk, Rajkot – 360001.

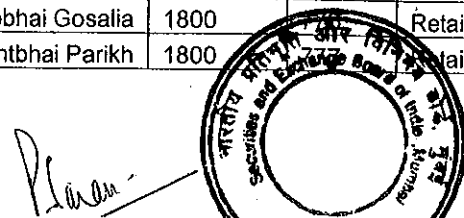
3.6.1 Observations on Retail allottees:

Out of total allottees in the retail category, it is observed that the following 80 allottees have common/similar address as given below:

- C/o. Alfa Fiscal Services Ltd. 437, Star Chambers, Harihar Chowk, Rajkot - 360001 /
- 437-38 Star Chambers, Harihar Chowk, Rajkot
- 415 – Star Chambers, Harihar Chowk, Rajkot – 360001
- 402, Star Chamber, 4th Floor, Hari-Har Chowk, Panchnath Main Road, Rajkot 360001

The details of 80 allottees are as given in table below:

APPLNO	PAN	NAME	SHR-APPL	SHR-ALTD	CATEGORY
11855644	AAKHM6545G	Manish Jayantilal Kakkad (Huf)	1800	776	Retail
11855651	AJWPD7906M	Payal Vinay Sheth	1800	776	Retail
11855652	BIGPS7886B	Madhuben Ashokbhai Sheth	1800	776	Retail
11855653	AFBPS2143E	Ashok Harjivandas Sheth	1800	777	Retail
11855654	AWWPS5657F	Sapna Hiren Shah	1800	776	Retail
11855655	AJIPG8936A	Sejal Gautam Gosalia	1800	776	Retail
11855656	AEQPG9787A	Gaotam Dilipbhai Gosalia	1800		Retail
11855657	AFPPP0005C	Dipakbhai Jayantbhai Parikh	1800		Retail



APPLNO	PAN	NAME	SHR-APPL	SHR-ALTD	CATEGORY
11855658	AGCPP4895N	Rajeshbhai Jayantbhai Parikh	1800	776	Retail
11855659	ALLPP8513B	Rahul Jayantbhai Parikh	1800	776	Retail
11855660	AOTPP7442N	Ilaben Rajeshbhai Parikh	1800	776	Retail
11855661	AORPP5664A	Shila Dipak Parikh	1800	777	Retail
11855662	AFQPP9211F	Kundanben Jayantbhai Parikh	1800	776	Retail
11855663	AAVHS3834D	Sharadchandra A Hirani (Huf)	1800	776	Retail
11855664	AAHHV0355E	Vipulkumar S Hirani (Huf)	1800	777	Retail
11855665	AAHPH4239D	Pradipkumar Jaisukhlal Hirani	1800	777	Retail
11855666	ALEPS4236M	Pareshkumar Bhupatrai Seth	1800	777	Retail
11855667	AHSPS6262M	Bhupatrai Maganlal Sheth	1800	776	Retail
11855669	AXZPS0111L	Shobhnaben Bhupatrai Sheth	1800	776	Retail
11855670	AXZPS0109A	Jalpa Pareshbhai Sheth	1800	777	Retail
11855671	AXZPS0110M	Dharmesh Bhupatrai Sheth	1800	777	Retail
11855673	AXSPS2047Q	Vishal Bhupatrai Sheth	1800	776	Retail
11855674	AQVPM9076D	Amitkumar Vasantray Mehta	1800	777	Retail
11855675	ACAPH3039A	Jignaben Vipulkumar Hirani	1800	777	Retail
11855676	AAJPH8811M	Vipulkumar Sharadchandra Hirani	1800	777	Retail
11855677	ABWPH6717J	Lilavantiben Jaysukhlal Hirani	1800	777	Retail
11855678	ABVPH8853N	Jaysukhlal Amrutlal Hirani	1800	777	Retail
11855679	ABWPH8956M	Minaben Sharadchandra Hirani	1800	776	Retail
11855680	AAJPH8813K	Sharadchandra Amrutlal Hirani	1800	776	Retail
11855681	AXDPA6469M	Nayankumar Kakubhai Adhyaru	1800	777	Retail
11855682	AORPP5663H	Parita Rahulbhai Parikh	1800	776	Retail
11855683	AAEHG4352H	Gautam D Gosalia (Huf)	1800	776	Retail
11855684	AGFPH9447M	Priya Rameshbhai Hanj	1800	776	Retail
11855685	AMYPE5266G	Vallabhbhai Ashanand Chanchal	1800	776	Retail
11855686	ANAPM3774E	Kinjal Vishal Mehta	1800	777	Retail
11855687	AMIPM2270Q	Maheshbhai Jayantilal Mehta	1800	776	Retail
11855688	AFMPB8602G	Alpesh Shantilal Bhalsod	1800	776	Retail
11855689	AEAPT9j623C	Vinodkumar Navalshankar Trivedi	1800	776	Retail
11855690	ACXPV6204E	Dilip Jaysukhbhai Vasani	1800	777	Retail
11855691	AJCPC8560A	Dimpal Chandubhai Chanchal	1800	777	Retail
11855692	AJCPC8548C	Mona Khataubhai Chanchal	1800	776	Retail
11855694	ARWPM1181H	Kushal Manish Mehta	1800	777	Retail
11855695	ARWPM1127D	Rita Manish Mehta	1800	776	Retail
11855696	ALXPM6147J	Manish Manharlal Mehta	1800	776	Retail
11855697	ASGPM6076Q	Kamlesh Pratapbhai Moya	1800	776	Retail
11855698	AHFPJ0236R	Bhagirathsinh Mahipatsinh Jadeja	1800	776	Retail
11855699	ANAPM3775F	Nikul Kamleshbhai Modi	1800	777	Retail
11855700	ANAPM3773D	Priti Kamleshbhai Modi	1800	777	Retail
11855701	ACDPM4576C	Kamleshbhai Kantilal Modi	1800	777	Retail
11855702	AQSPK9777E	Manish Jayantilal Kakkad	1800	776	Retail
11855703	AFDPT5141F	Poonam Pankajkumar Tank	1800	777	Retail
11855705	AIRPT4247P	Chandrika Bharatbhai Tank	1800	777	Retail
11855706	AAYPT4272D	Bharatkumar Purushottambhai Tank	1800	776	Retail
11855707	ARMPP3334M	Dipti Pratik Popat	1800	776	Retail

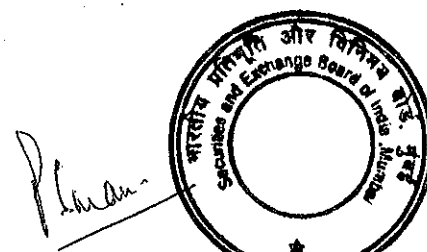
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APPLNO	PAN	NAME	SHR-APPL	SHR-ALTD	CATEGORY
11855708	AODPP7317N	Madhavi Parag Popat	1800	777	Retail
11855709	AODPP7326M	Madhuben Rameshchandra Popat	1800	777	Retail
11855710	AMLPP8905E	Rameshchandra Liladharbhai Popat	1800	776	Retail
11855711	AMYP5277B	Ashaben Vallbhbhai Chanchal	1800	777	Retail
11855712	AHWPC5004D	Kashyap Vallabhbhai Chanchal	1800	776	Retail
11855713	BHKPS7612E	Jeetkumar Bhaveshbhai Sheth	1800	776	Retail
11855714	BHKPS7644J	Krunal Nileshkumar Sheth	1800	776	Retail
11855715	BHKPS7677H	Ameykumar Ajaybhai Sheth	1800	777	Retail
11855716	BHKPS7660G	Nisarg Jayeshkumar Sheth	1800	776	Retail
11855717	BHKPS7613F	Karan Ajay Sheth	1800	777	Retail
11855718	BHKPS7676G	Darshit Bhaveshbhai Sheth	1800	776	Retail
11855719	BHKPS7643R	Disha Jayeshkumar Sheth	1800	776	Retail
11855720	AAFHS1347K	Nilesh Natavarlal Sheth	1800	776	Retail
11855721	AAHHS9289N	Ajay Natavarlal Sheth	1800	776	Retail
11855722	AAJHS5425C	Bhvesh Natavarlal Sheth	1800	776	Retail
11855723	AAFHS0472R	Jaeysh Natavarlal Sheth	1800	776	Retail
11855724	AAFHS1346J	Natavarlal Harjivandas Sheth	1800	776	Retail
11855725	ALHPS9162K	Jigna Nilesh Sheth	1800	776	Retail
11855727	AGYPS0848N	Komal Ajay Sheth	1800	776	Retail
11855728	AGGPS5893R	Ajay Natavarlal Sheth	1800	776	Retail
11855729	AHGPS8751D	Kashmira Bhavesh Sheth	1800	777	Retail
11855731	AGYPS0838C	Kajal Jayesh Sheth	1800	776	Retail
11855732	AGGPS5892Q	Jayesh Natavarlal Sheth	1800	776	Retail
11855733	AGYPS0829B	Natavarlal Harjivandas Sheth	1800	777	Retail
11855734	AOZPM4443G	Nileshbhai Liladharbhai Modi	1800	776	Retail
11855737	BHKPS7611H	Jayneel Nileshbhai Sheth	1800	777	Retail
		Total	144000	62111	
		% of allotment to total no of shares allotted in Retail category	5.14%		

3.6.2 From the allottee details, following is observed:

- The above 80 entities also have the similar address with two of the major allottees in the NII category i.e Bhavesh Natwarlal Sheth and Nilesh Natwarlal Sheth (key persons of stock broker ANS Pvt. Ltd.) who were allotted 90900 shares each.
- The address of broker ANS Pvt. Ltd. is 403, Star Chambers, 4th Floor, Harihar Chowk, Rajkot – 360001, which is similar to address provided by the above allottees.
- A total of 243911 shares have been allotted to these 82 related entities (80 retails and 2 NIIs), which is 7.28% of the total issue size.



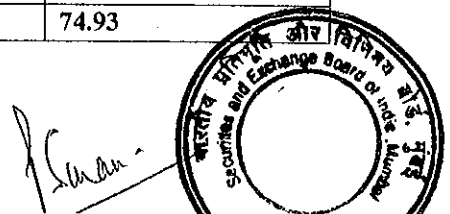
- Email ID as provided by ANS Pvt. Ltd to the BSE is anspl405@yahoo.com which is same as that of Alfa Fiscal Services Pvt. Ltd as per MCA website.
- The applications numbers of the above applicants are in continuous serial numbers. For eg:
 - Around 50 applicants are having continuous serial number viz. 11855651, 11855652, 11855653, ...11855703.
 - Further, around 25 applicants are having serial numbers viz. 11855705, 11855706, ... 11855729.
- All above 80 allottees are having their bank accounts with the same Bank branch i.e. Bank of India, Panchnath Branch, Rajkot.

3.6.3 From the above, it appears that broker ANS Pvt. Ltd. and Alfa Fiscal Services Ltd. are apparently connected / related to each other. **Further investigation needs to be carried out to ascertain whether the above 80 entities are any way connected with ANS Pvt. Ltd. and Alfa Fiscal Services Ltd and whether they have applied at the behest of broker ANS Pvt Ltd. or any other person and genuineness of the above accounts.**

3.7 Shareholding pattern of OCAL subsequent to allotment of shares issued in IPO is as follows:

Category of shareholder	Total no. of Shares	% to Share Capital
(A) Shareholding of Promoter and Promoter Group	10010000	74.93
(B) Public Shareholding	3350000	25.07
Total A + B	13360000	100.00
Shares in dematerialized form	13310000 shares (i.e. 99.63% of share capital)	

Shareholding of "Promoter and Promoter Group"		
Name of the shareholder	No. of shares	% to share capital
Naig Prabhakar K	6905000	51.68
Pandoo P Naig	3055000	22.87
Radhabai Naig	10000	0.07
Divya Pandoo Naig	10000	0.07
Sowmya Gautam Deshpande	10000	0.07
Gautam Mohan Deshpande	10000	0.07
DGS Agrotech Pvt. Ltd.	10000	0.07
Total	1,00,10,000	74.93



Shareholding of "Public" and holding more than 1% of the total number of shares		
Name of the shareholder	No. of shares	% to share capital
Cresta Fund Ltd.	827549	6.19
Afrasia Bank Ltd. A/c. Leman Diversified Fund	803443	6.01
Total	16,30,992	12.21

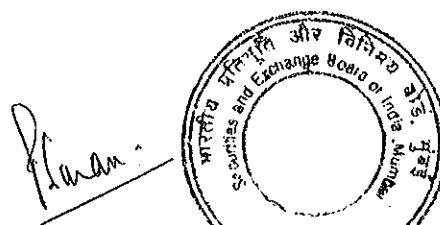
The pre-issue total number of shares of OCAL was 1,00,10,000 Equity Shares representing a pre-issue FV capital of Rs. 10,01,00,000. Subsequently on account of IPO issue, the total number of shares of OCAL increased to 1,33,60,000 Equity Shares representing a post-issue FV capital of Rs 13,36,00,000.

4.1 OBJECTS OF THE ISSUE IN TERMS OF RED HERRING PROSPECTUS (RHP)

4.2 The Company had raised Rs. 36.85 crores by issuing 33.50 lacs shares in IPO issue. The issue proceeds as stated in the RHP/ prospectus was proposed to be used for following mentioned objects:

Sr No.	Particulars of object	Amount (in million)	% vis-à-vis issue size
1	Development of Portfolio Management Services	115.78	31.42
2	General Corporate Purposes	89.76	24.36
3	Brand Building	77.00	20.90
4	Purchase of Corporate Office	70.00	19.00
5	Issue Expenses	15.96	4.33
	Total	368.50	

4.2.1 **Development of Portfolio Management Services:** Under this head, the company had proposed to utilize Rs. 115.78 million (31.42% of IPO) for establishing the office infrastructure across India for their new business activity viz. Portfolio Management Service by way of deposits/advance rental for lease arrangements, furniture and fixtures, computers/office equipments. No definitive arrangements for this purpose was made till the time of final submission of RHP.

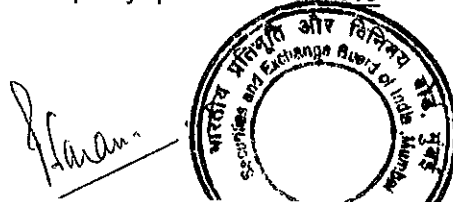


During investigation, details were sought from the BRLM to the issue, Atherstone Capital Markets Ltd (ACML) with respect to due diligence carried out by them for mentioning the amount of Rs. 115.78 million for **Development of Portfolio Management Services in RHP**. ACML has stated that OCAL had provided them the quotes for various cities in which OCAL proposed to open their offices, the details are as under:

Domestic Branches (In Rs.)										
	City	Location	Area in Sqft	Rate	Deposit	Commission	Interiors and Electricals	Annual Rental	IT & Equipment	Total
1	Mumbai	Bandra	750	500	2250000	375000	772500	4500000	500000	8397500
2	Mumbai	Borivali	1000	310	1860000	310000	1030000	3720000	800000	7720000
3	Mumbai	Kemps Corner	750	400	1800000	300000	772500	3600000	500000	6972500
4	Mumbai	Ghatkopar	750	310	1395000	232500	772500	2790000	500000	5690000
5	Navi Mumbai	Vashi	1000	225	1350000	225000	1030000	2700000	500000	5805000
6	Thane		500	210	630000	105000	505000	1260000	500000	3000000
7	Pune		500	150	450000	75000	505000	900000	500000	2430000
8	Surat		500	200	600000	100000	505000	1200000	500000	2905000
9	Rajkot		500	200	600000	100000	505000	1200000	500000	2905000
10	Ahmedabad		500	250	750000	125000	505000	1500000	500000	3380000
11	Ahmedabad		750	255	1147500	191250	757500	2295000	500000	4891250
12	Vadodara		500	125	375000	62500	505000	750000	500000	2192500
13	Indore		500	210	630000	105000	505000	1260000	500000	3000000
14	Jaipur		750	200	900000	150000	757500	1800000	500000	4107500
15	Bhopal		500	160	480000	80000	505000	960000	500000	2525000
16	Delhi		1250	350	2625000	437500	1281250	5250000	900000	10493750
17	Chennai		1250	325	2437500	406250	1281250	4875000	900000	9900000
18	Kolkata		1250	310	2325000	387500	1281250	4650000	900000	9543750
19	Bengaluru		1250	325	2437500	406250	1281250	4875000	900000	9900000
20	Hyderabad		1250	330	2475000	412500	1281250	4950000	900000	10018750
		Total	16000		27517500	4586250	16338750	55035000	12300000	115777500
		Total (in lacs)			27.52	4.59	16.34	55.04	12.30	115.78

From the above, it is seen that OCAL had proposed to utilize Rs. 115.78 million for setting up 20 offices across cities in India.

4.2.2 General Corporate Purposes: Under this head, the company had proposed to utilize Rs. 89.76 million (24.36% of IPO funds) for strategic expenses/investments towards enhancing the company productivity. No



definitive arrangements for this purpose was made till time of final submission of RHP.

- 4.2.3 **Brand Building:** Under this head, the company had proposed to utilize Rs. 77 million (20% of IPO funds) for brand building of Onelife Capital Advisors Ltd at the corporate level and its business verticals viz. Merchant Banking and Portfolio Management Services. This will be achieved through electronic media (Rs.17 million) /print media (Rs.16 million)/outdoor advertisement (Rs. 14 million) and organizing investors conferences (Rs. 30 million) over a period of three years till FY 2014.
- 4.2.4 **Purchase of Corporate Office:** Under this head, the company had proposed to utilize Rs. 70 million (19% of IPO funds) for purchase of new office premises (3000 sq.ft) Near Metro Cinema, Mumbai from Masala Gruh Properties Pvt Ltd. for Rs. 70 million for which they had entered an MOU dated 14/12/2010 and possession was expected in FY 2012.
- 4.2.5 **Issue Expenses:** Under this head, the company had proposed to utilize Rs. 15.96 million (4.33% of IPO funds) for issue expenses, of which Rs. 88 lacs was earmarked for lead management fees, underwriting and selling commission.

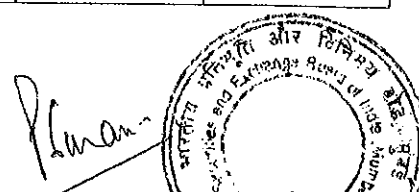
4.3 Schedule of implementation:

Sr. No.	Particulars	Expected date of Commencement	Expected date of Completion
1.	Purchase of Corporate Office	Q1 FY 2012	Q2 FY 2012
2.	Development of Portfolio Management Services	Q1 FY 2012	Q2 FY 2014
3.	Brand Building	Q1 FY 2012	Q2 FY 2014
4.	General Corporate Purposes	Q1 FY 2012	Q2 FY 2014
5.	Issue Expenses	Q1 FY 2012	Q2 FY 2012

4.4 Deployment of net proceeds:

(Rs. In Million)

Sr. No.	Objects	Amount	Estimated schedule of utilization of Net Proceeds for fiscal		
			2012	2013	2014
1.	Purchase of Corporate Office	70.00	70.00	-	-



Sr. No.	Objects	Amount	Estimated schedule of utilization of Net Proceeds for fiscal		
			2012	2013	2014
2.	Development of Portfolio Management Services	115.78	28.94	52.10	34.74
3.	Brand Building	77.00	29.00	29.00	19.00
4.	General Corporate Purposes	89.76	89.80	-	-
5.	Issue Expenses	15.96	16.00	-	-
	Total	368.50	233.70	81.10	53.70

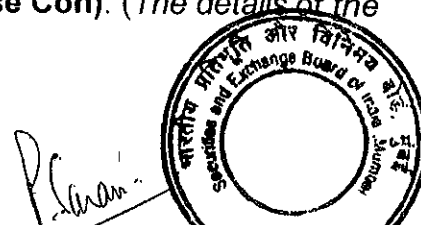
4.5 From the above, it can be seen that as per RHP, OCAL had not made any arrangements or tied-up with any party for PMS business or any other object except for purchase of Corporate Office for Rs. 7 cr from Masala Gruh Properties Pvt Ltd. The company has stated in the prospectus that pending utilization of the net proceeds for the purposes described above, the company in the interim intends to temporarily invest the funds in interest bearing liquid instruments including deposits with banks and investments in money market mutual funds and other financial products and investment grade interest bearing securities as may be approved by the Board.

5.1 MATERIAL DEVELOPMENTS AFTER SUBMISSION OF RHP BY OCAL

5.2 OCAL had submitted its RHP on September 21, 2011 with ROC. The issue opened for subscription on September 28, 2011 and closed on October 4, 2011. OCAL had allotted shares issued in IPO on October 12, 2011.

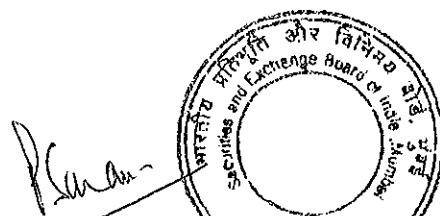
5.3 Investigations have revealed that, OCAL (as per its letter dated December 05, 2011 to SEBI) had convened a board meeting of OCAL on September 30, 2011 during IPO issue open period. As per the minutes of the said board meeting, following major decisions were taken by OCAL:

- i. Decision to take short term loans for meeting the urgent requirement of making payments to two companies viz. **Fincare Financial and Consultancy Services Private Ltd. (Fincare Con)** and **Precise Consulting and Engineering Pvt. Ltd. (Precise Con)**. (The details of the



said companies and the payments to them by OCAL are described in the subsequent paras)

- ii. It is stated in the minutes that OCAL had appointed Fincare Con and Precise Con for procuring PMS mandates and to identify suitable office premise to set up PMS branches across India and develop PMS business and that as per the terms of appointment. OCAL was required to make payments to the aforesaid companies and that **the said companies have identified locations and rent/license fee for the premises and clients** for PMS business and that the money had to be paid urgently and that they could not wait till IPO proceeds were received by OCAL. Hence, in view of the urgency of requirement of funds, the board of OCAL approved of availing the short term loans (loans) from Mercury Fund Management Co Ltd and their associates (Prudential Group) to the extent of Rs. 11.50 crores. (Details of Prudential group are described in the subsequent paras)
 - iii. OCAL Board also approved of making payments to Fincare Con and Precise Con towards **two objects to the issue i.e "Development of Portfolio Management Services" and "General Corporate Purposes"**.
 - iv. Shri Pandoo Naig, Managing Director of OCAL was authorized to make payments for setting up of branches of PMS division, finder fees and meeting their short term fund requirements to the extent of Rs. 15 crores to Precise Con and Rs. 20 crores to Fincare Con.
- 5.4 It is seen from the above that during the time when the issue was open for public subscription, the company OCAL had taken the above important decisions in the Board meeting held on September 30, 2011 with respect to **utilization of IPO proceeds of around Rs. 20 crs under two objects to the issue i.e Development of Portfolio Management Services (IPO proceeds stated to be utilized in RHP/prospectus was Rs. 11.57 cr) and General Corporate Purposes (IPO proceeds stated to be utilized in prospectus was Rs. 8.97 cr)**. The said decisions of OCAL had substantially altered the statements made in RHP/Prospectus of OCAL with respect to the utilization of IPO proceeds under **objects to issue viz. "Development of Portfolio Management Services" and "General Corporate Purposes"**. The relevant extracts of RHP under each object head is re-produced as under:



Development of Portfolio Management Services:

"We have not entered into any definitive arrangements for establishing any office. Further, no second hand equipment and instruments have been purchased or are proposed to be purchased from the Net Proceeds. Presently, no expenditure has been incurred by us towards this objective."

General Corporate Purposes:

"As of the date of this Prospectus, our Company has not entered into any letter of intent or any other commitment for any such acquisition/investments or definitive commitment for any such strategic initiatives."

- 5.5** OCAL did not disclose the above material developments related to **objects to issue viz. "Development of Portfolio Management Services" and "General Corporate Purposes"** to public by way of advertisement to public in terms of requirements mentioned in the provisions of **Regulation 60(4) of SEBI ICDR Regulations, 2009** which is extracted below:

Regulation 60(4): The issuer shall make prompt, true and fair disclosure of all material developments which take place during the following period mentioned in this sub-regulation, relating to its business and securities and also relating to the business and securities of its subsidiaries, group companies, etc., which may have a material effect on the issuer, by issuing public notices in all the newspapers in which the issuer had issued pre-issue advertisement under regulation 47 or regulation 55, as the case may be:

(a) in case of public issue, between the date of registering final prospectus or the red herring prospectus, as the case may be, with the Registrar of Companies, and the date of allotment of specified securities;

(b) in case of a rights issue, between the date of filing the letter of offer with the designated stock exchange and the date of allotment of the specified securities.

- 5.6** In view of the above, the company OCAL has violated the provisions of Regulation 60(4) of SEBI ICDR Regulations, 2009. Further, Merchant Banker of OCAL viz. Atherstone Capital Markets Ltd (ACML) has failed

to comply with the requirements of Regulation 8(2)(f) of SEBI ICDR Regulations 2009 by not reporting such developments to SEBI while issuing due diligence certificate as per Form E of Schedule VI of the said Regulations.

6.1 FINDINGS RELATED TO FINCARE CON AND PRECISE CON

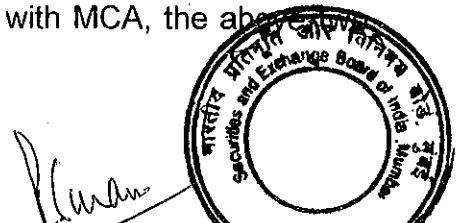
6.2 As mentioned above, OCAL has stated that they had appointed Fincare Con and Precise Con for carrying out the activities stated in the RHP under **objects to issue viz. "Development of Portfolio Management Services" and "General Corporate Purposes"**. In this regard, OCAL has stated that they had entered into MoUs with Precise Con and Fincare Con on October 1, 2011 and October 5, 2011 respectively for the purposes stated above. The said MoUs, submitted by OCAL, have projected an excellent business track record of Fincare Con and Precise Con, however investigations of KYC of Bank account and MCA filings of Fincare Con and Precise Con suggest otherwise, the details of which are discussed below:

6.3 As per the MoUs mentioned above, the details regarding Fincare Con and Precise Con are re-produced below:

"Fincare Con: *The Company, having its office at **Premises No 1, Rammanohar Gupta Building, Asalfa Village, AG Link Road, Ghatkopar (W), Mumbai-400084**, has expertise and connections in networking with Merchant Banking Organization, Stock Broking Companies, Portfolio Management Companies, Corporates, High networth Individuals, and Government bodies and strong liaison capabilities."*

"Precise Con: *The Company, having its office at **E-2, Sainath Wadi, Nari Seva Sadan Road, Ghatkopar (W)**, is in the business of Engineering and Consultancy since several years. It has extensive working relations with a lot of small and medium enterprises which is a key focus area of Onelife."*

6.4 However, from the perusal of the records related to KYC of their Bank accounts and filings made by the said companies with MCA, the above



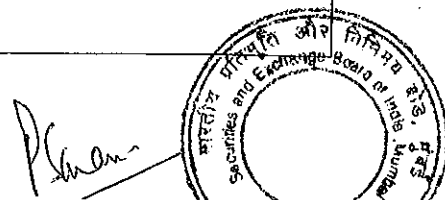
companies prima facie seems to be shell companies, the details of which are given below:

Fincare Con

Registered office Address as per Bank KYC	Names and addresses of Directors as per Bank KYC	Details as MCA filings
Bank account opened on 2/6/2011 at Indian Bank, King Circle Branch, Mumbai (OCAL also has account in the same Bank and same branch) 10, Laxmi 17 th Road, Chembur Mumbai-400071	1. Prakash Baliram Bandarkar Bhaurav Sonalkar Chawl, Room no: 1, Hanuman Nagar, Pratap Nagar Road, Bhandup-West Mumbai-400078 M:09967310558 2. Mayak Bhatt B/202, Lalji Krupa Flat, B/H Morther's School, Gotri Rd, Vadodara	• Status is shown as "Dormant" • No Annual Return found after FY 2003. • Paid-up Share capital: Rs. 1 lakh • Address: D-6, Basant Court, Sion (West), Mumbai-400022. • Directors Kalpana Vrajlal Thakker D-6, Basant Court, Sion (West), Mumbai-400022. • Krishnan Pichumani 10, Laxmi 17th Road, Chembur, Mumbai-400071 • Witness to subscribers is Shrikant D Athavale, Garden View Flat, Amritvan Complex, Opp Dindoshi Bus Depot, Goregaon (e), Mumbai-63 • No information available about address change and director

Precise Con

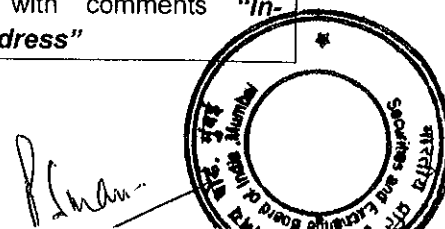
Registered office Address as Indian Bank account KYC	Name and address of Directors as Indian Bank account KYC	Details as per MCA filings
Bank account opened on 5/5/2011 at Indian Bank, King Circle Branch, Mumbai (OCAL also has account in the same Bank and same branch)	1. Ushmben Dakshesh Patel 2. Daxesh Chandrakant Patel A-602, Shakamba Tower, Nr Sterling Hospital Memnagar, Ahmedabad, 380052, Gujarat, INDIA	• Status is shown as "Defaulter" • No Annual Return found • Paid-up Share capital: Rs. nil • Address: same as Bank KYC address. Earlier address was School Building, 1/41, 66/86, Dr M G Mahimtura Marg, Mumbai-40004 • Directors: same as Bank KYC



Registered office Address as Indian Bank account KYC	Name and address of Directors as Indian Bank account KYC	Details as per MCA filings
Room No. 52, Building No.2, Sashikan Nagar, Station Road, Nr Agarwal Hospital, Bhayandar (W), Mumbai-401101		

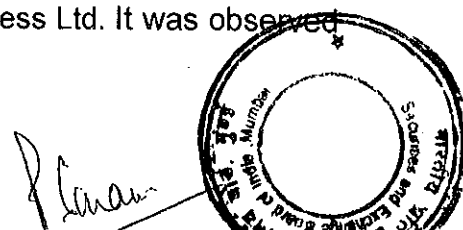
6.5 To seek clarification and their financial statements for last three years, SEBI had issued summons under Section 11C of SEBI Act, 1992 on December 14, 2011 and December 15, 2011 to Fincare Con and Precise Con at their addresses as mentioned in above MoUs dated October 01, 2011 and October 05, 2011 submitted by OCAL to SEBI and also at the addresses of these companies as stated in the KYC of their bank accounts with Indian Bank (King circle Mumbai Branch). These summonses were returned undelivered and no information was received from them. The details are as under:

Mode of delivery	Name of the company and Address	Status of delivery of summons
a. Through Hand delivery b. Speed Post	Fincare Con Premises No 1, Rammanohar Gupta Building, Asalfa Village, AG Link Road, Ghatkopar (W), Mumbai-400084,	a. Summons dated 14/12/2011 could not be delivered with comments " No such address " b. Summons dated 15/12/2011 could not be delivered with comments " Door locked, intimation served "
a. Through Hand delivery b. Speed Post	Fincare Con 10, Laxmi 17 th Road, Chembur Mumbai-400071	a. Summons dated 14/12/2011 could not be delivered with comments " No such address " b. Summons dated 15/12/2011 could not be delivered with comments " Address cannot be located "
a. Through Hand delivery b. Speed Post	Precise Con at E-2, Sainath Wadi, Nari Seva Sadan Road, Ghatkopar (W)	a. Summons dated 14/12/2011 could not deliver with comments " No such address " b. Summons dated 15/12/2011 could not deliver with comments " In-sufficient address "



Mode of delivery	Name of the company and Address	Status of delivery of summons
a. Through Hand delivery b. Through Speed Post	Room No. 52, Building No.2, Sashikan Nagar, Station Road, Nr Agarwal Hospital, Bhayandar (W), Mumbai-401101	a. Summons dated 14/12/2011 could not be delivered with comments "No such persons at the address" b. Summons dated 15/12/2011 could not be delivered with comments "Addressee moved"
a. Through Speed Post	Director of Fincare Prakash Baliram Bandarkar Bhaurav Sonalkar Chawl, Room no: 1, Hanuman Nagar, Pratap Nagar Road, Bhandup-West Mumbai-400078 M:09967310558	a. Summons dated 15/12/2011 could not be delivered with comments "Door locked, intimation served"
a. Through Speed Post	Director of Fincare Mayak Bhatt B/202, Lalji Krupa Flat, B/H Morther's School, Gotri Rd, Vadodara	a. Summons dated 15/12/2011 was delivered on 19/12/2011. However, no reply received by SEBI so far.
a. Through Speed Post	Director of Precise Con Ushmben Dakshesh Patel Daxesh Chandrakant Patel A-602, Shakamba Tower, Nr Sterling Hospital Memnagar, Ahmedabad, 380052, Gujarat, INDIA	a. Summons dated 15/12/2011 was delivered on 19/12/2011. However, no reply received by SEBI so far.

6.6 Action taken by SEBI against Fincare: It is also to be noted that SEBI had vide adjudication order no. PKK/AO/33/2011 dated February 7, 2011 imposed a penalty of Rs. 1,00,000 on Fincare Con for its role in executing synchronized and structured deals alongwith **Sparc Pesticides Pvt Ltd**/ other entities and for creation of artificial volume in the scrip and price manipulation in the matter of Jindal Stainless Limited. Further, it may be mentioned that SEBI vide Adjudication Order No. PKK/AO/46/2011 dated February 25, 2011 had imposed a penalty of Rs. 1 lacs on **Sparc Pesticides Pvt Ltd** for its role in manipulation in the scrip of Jindal Stainless Limited and vide Adjudication Order No PG/AO-63/2010 dated November 10, 2010 had imposed a penalty of Rs. 2.50 lacs for its role in manipulation in the scrip of BSEL Infrastructure Realty Ltd and Maharashtra Seamless Ltd. It was observed



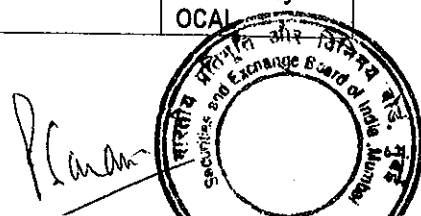
that Fincare Con had transferred some of the IPO proceeds (Rs. 69 lacs) received from OCAL to **Spark Pesticides Pvt Ltd.**

6.7 The above details in the table shows that Fincare Con and Precise Con do not have the financial capacity given their low paid-up capital and low business activity. As per the records in the MCA website, no details regarding their current status of business is found in terms of their filings related to financial statements and also their status as per MCA records are shown as "Dormant/Defaulter". Further, the summonses sent to their addresses were returned un-delivered. Further, SEBI has also imposed penalties against Fincare Con for its role in manipulation in the scrip of Jindal Stainless Limited. Hence, appointment of such companies by OCAL and providing such large amount of public money to such entities seem suspicious when seen in the back drop of the fact that OCAL had surreptitiously decided in the board meeting convened on September 30, 2011 (i.e. **immediately after the submission of RHP and during the issue open period and without disclosing to public**), to make payments to the said two companies for carrying out the activities under **objects to issue viz. "Development of Portfolio Management Services" and "General Corporate Purposes"**, which involved utilization of IPO proceeds to extent of Rs. 20 cr (which is around 55% of the IPO proceeds). Moreover, no advertisement was given by OCAL to intimate the above developments to the public.

7.1 SHORT TERM LOAN (LOAN) TAKEN BY OCAL AND ITS UTILIZATION

7.2 As mentioned above in para 5.3, OCAL in terms of approval taken in their board meeting dated September 30, 2011 had taken short term loan from **Mercury Fund Management Co Ltd and their associates (Prudential Group)** during Oct 7-13, 2011 to the extent of Rs. 11.50 crores for making payments to Fincare Con and Precise Con for carrying out the activities under **objects to issue viz. "Development of Portfolio Management Services"**. The said loans were received by OCAL in their bank account no. 905109692 with Indian Bank (King circle Mumbai Branch) from the following entities of Prudential group, the details of which are as below:

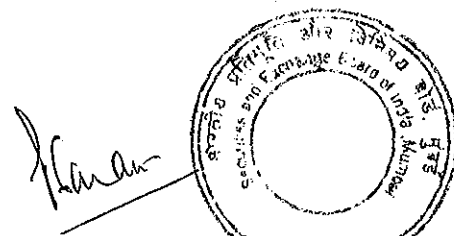
S. No	Name of company and address providing loan	Name of the Directors	Bank and Account No	Date and Amount received by OCAL
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S. No	Name of company and address providing loan	Name of the Directors	Bank and Account No	Date and Amount received by OCAL
1	Prudential Management Advisors Private Ltd 60 B Chowringee Road, Kolkata-700020 (KYC of Bank account)	-Kundal Mal Banthia -Vinod Baid s/o Late Jiwan Mal Baid, 5 Love Lock Place, Kolkata, W.B-19	Bank of Maharashtra, Kolkata 600442519407	Rs 1.5 cr on 12/10/11 Rs. 2.5 cr on 13/10/11
2	Premier Corporate Securities & Finvest Pvt Ltd 5, Love Lock Place, Kolkata, West Bengal-700019 (MCA filings) C/o Newman Business Services, 3 Old Court House Street, P.O Hare Street, Kolkata- West Bengal-700069 (Bank account KYC)	-Kundal Mal Banthia -Kamal Singh Nahata	Punjab National Bank, Kolkata 3181002100019158	Rs 1 cr on 7/10/11
3	Prudential Mercantile Pvt Ltd 5, Love Lock Place, Kolkata, West Bengal-700019 (MCA filings) C/o Newman Business Services, 3 Old Court House Street, P.O Hare Street, Kolkata- West Bengal-700069 (Bank account KYC)	-Kundal Mal Banthia -Kamal Singh Nahata	Punjab National Bank, Kolkata 3181002100019167	Rs. 1 cr on 7/10/11
4	Mercury Fund Management Company Ltd C/o Newman Business Services, 3 Old Court House Street, P.O Hare Street, Kolkata- West Bengal-700069 (MCA filings)	-Kundal Mal Banthia -Kamal Singh Nahata	Bank of Maharashtra, Kolkata 60047104985	Rs. 3 cr on 7/10/11 Rs. 2.5 cr on 12/10/11
		Total amount of loan received by OCAL		Rs. 11.50 cr

It is seen that the directors of the above companies are same. In the case of Prudential Management Advisors Private Ltd, one of the directors is Shri Vinod Baid. As per reports on internet websites, Shri Vinod Baid was arrested by the Central Bureau of Investigation (CBI) in the year 2003 in connection with the case related to siphoning of money from Bank of Rajasthan.

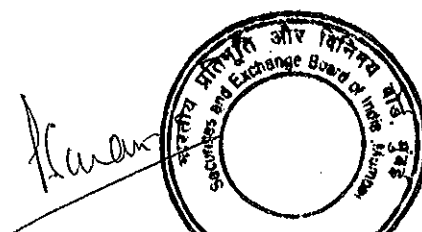
7.3 Further as per the website www.watchoutinvestors.com, various actions have been taken by SEBI and MCA against Shri Vinod Baid and the group companies of Prudential group. Some of the actions taken against them are mentioned below:



Name	Action taken by	Details of Action
Vinod Baid	SEBI imposed penalty of Rs.3,00,000 on 09-aug-2011	Did not make disclosure of shareholding/changes in shareholding to company as required under regulation 13(4) read with 13(5) of sebi (prohibition of insider trading) regulations, 1992 in matter of gennex laboratories ltd. Did not personally appear and/or provide necessary information / documents in response to summons/ notices/letters in matter of gennex laboratories ltd.
MERCURY FUND MANAGEMENT CO.LTD.	SEBI imposed penalty of Rs.27,00,000 on 21-oct-2011	Did not make disclosure of shareholding/changes in shareholding to company and stock exchanges as required under regulation 7(1) of sebi takeover code, 1997 in matter of Gennex Laboratories Ltd. Did not make public announcement as required under regulation 10 of SEBI takeover code, 1997 in matter of Gennex Laboratories Ltd. Did not make disclosure of shareholding/changes in shareholding to company as required under regulations 13(1) and 13(3) of sebi (prohibition of insider trading) regulations, 1992 in matter of Gennex Laboratories Ltd. Did not personally appear and/or provide necessary information / documents in response to summons/ notices/letters in matter of Gennex Laboratories Ltd. Indulged in issuance of misleading corporate announcements in matter of Gennex Laboratories Ltd.
PRUDENTIAL MERCANTILES PVT.LTD.	SEBI imposed penalty of rs.1,75,000 along with other entities/persons on 30-DEC-2004	Violated Sebi (Substantial Acquisition Of Shares And Takeovers) Regulations, 1997
PREMIER CORPORATE SECURITIES FINVEST PVT.LTD.	SEBI imposed penalty of rs.1,75,000 along with other entities/persons on 30-DEC-2004	Violated sebi (substantial acquisition of shares and takeovers) regulations, 1997

7.4 The examinations of the bank accounts of above entities of Prudential Group who have advanced loans to OCAL have revealed that the said entities have mainly received funds from Namokar Duplicating (P) Ltd (around Rs.8 cr). It was found that Namokar Duplicating (P) Ltd had received funds from the IPO proceeds of a new listed company viz. RDB Rasayans Ltd (RDB). Namokar Duplicating (P) Ltd is one of the shareholders of a group company of RDB. It was observed that the IPO funds of RDB were routed through the bank account of one of the group companies of RDB Rasayans Ltd (viz RDB Realty & Infrastructure Ltd) and then were credited in the bank accounts of the following companies of Prudential Group:

- Rs. 4.5 cr and Rs. 0.92 cr was credited on 7/10/2011 in the bank account of Mercury Fund Management Company Ltd



- ii. Rs. 1.64 cr was credited on 7/10/2011 in the bank account of Prudential Management Advisors Private Ltd

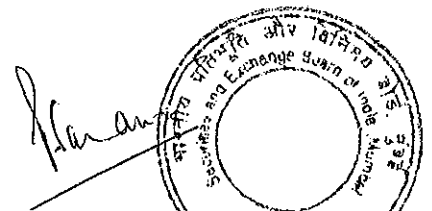
7.5 OCAL, after receiving loans from Prudential Group, transferred following amounts **for advance for setting up of PMS facilities and payment of "Finder" fee under the head of objects to issue viz. "Development of Portfolio Management Services" and "General Corporate Purposes"**

- i. Rs. 9 cr (Rs 2 Cr on 7-10-11, Rs 3 Cr on 8-10-11, Rs 2.5 Cr. on 12-10-11 and Rs 1.5 Cr on 13-10-11) to Precise Consultants & Eng Ltd (Precise Con) in its bank account no 953584344 with Indian Bank (King circle Mumbai Branch)
- ii. Rs. 2.50 cr (on 13-10-11) to Fincare Financial and Consultancy Services Ltd (Fincare Con) in its bank account no 958856767 with Indian Bank (King circle Mumbai Branch)

Precise Con and Fincare Con then transferred these funds to certain Surat based firms; **bank accounts of most of them were closed** soon after the transfer of funds from their accounts. The details of fund transfers are as under:

7.6 Precise Con had made following transfers to following entities within one-two days after receipt of funds of Rs. 9 cr from OCAL:

Name and address and other details as per Bank KYC	Bank account	Amount
Mahak enterprise Sole Prop: Ganeshlal Madanlal Shah 20A, NO 0206, Tp No 20,0206 Bazar Tekro Fa, Nana Varachha, Surat-395006 Main Business: Grocery shop (janer store)	A/c No.-910020014650334, Axis Bank, Surat A/c open date 29-04-2010. A/c close date: 13-12-2011.	Rs. 2.85 Cr
Surya Solutions Sole Prop: Mukeshbhai V Ghadia 18A, Shop No. 33, Sukhsagar Complex, Laxmi Narayan Soc, A K Road, Surat. Main Business: Consultancy w.e.f 5/10/11	(A/c No.-50080611559, Allahabad Bank, Surat) A/c open date: 7/10/2011	Rs. 3 Cr
Jay Enterprise Sole Prop: Jitendra Ganeshlal Shah Bazar Faliya, B/h Navkar Mobile, Nana Varacha, Surat-395006 Main Business: Wholesale of raw silk (cloth trading) w.e.f 19/1/2011	(A/c No.- 50080740798, Allahabad Bank Surat)	Rs. 3.15 Cr



The bank accounts of above Surat based entities shows that subsequent to receipt of funds from Precise Con, all funds were immediately transferred to various entities, which is shown in the chart given in the end of this section.

7.7 Fincare Con had made following transfers to following entities after receipt of funds from OCAL on the same day

Name and address and other details as per Bank KYC	Bank account	Amount
Sainath Corporation Sole Prop: Ganeshlal Madanlal Shah (PAN: ABIPS4107R) Bazar Faliya, B/h Navkar Mobile, Nana Varacha, Surat-395006 M: 9824661611 Introducer: Nirali Diamond Main Business: Wholesale of raw silk (cloth trading) w.e.f 19/1/2011	A/c No.-50080740186, Allahabad Bank, Surat A/c open date: 8/10/2011 A/c close date: 25/11/11	On 13/10/2011, Rs. 1.25 Cr
Venus Publicity Sole Prop: Manish Kumar H Rana 6/2718, Bandugara Naka, Lal Darwaja, Surat-395003 M: 9601901515 Introducer: Nirali Diamond Main Business: Consultancy w.e.f 4/10/11	(A/c No.-50080745708, Allahabad Bank, Surat- open date: 8/10/2011 A/c close date: 24/11/11	On 13/10/2011, Rs. 1.25 Cr

- Both Sainath Corporation and Venus Publicity then on the same day transferred Rs. 1.25 cr each to an entity viz. Pooja Diamond (A/c No.- 20126382589, Allahabad Bank). As per KYC, proprietor of Pooja Diamond is Padam Singh and the address is at Room No.1, 1st Floor, Building No.6, Ruby Trade Centre, Nr Gitanjali Cinema, Varacha Road, Surat.
- Pooja Diamond then transferred Rs. 4.4 Cr to AMI Capital Market Ltd. (A/c No.- 60065875539, Punjab National Bank). The above amount of Rs. 4.4 Cr also included Rs. 2.5 Cr received from Fincare Con through Sainath Corporation and Venus Publicity.
- AMI Capital Market Ltd. is an entity related to the promoters of the Prudential Group whose directors are same as that of the Prudential Group companies mentioned at the earlier paras.

7.8 From the above, it can be seen that funds provided by OCAL to Fincare Con and Precise Con purportedly for the development of PMS business and

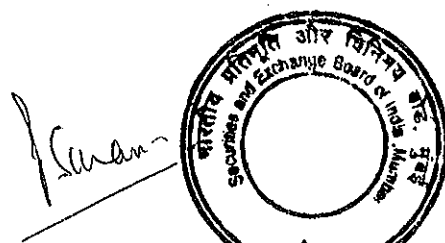


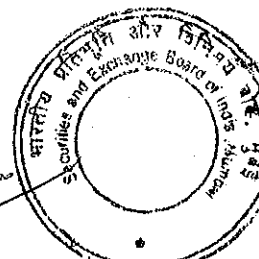
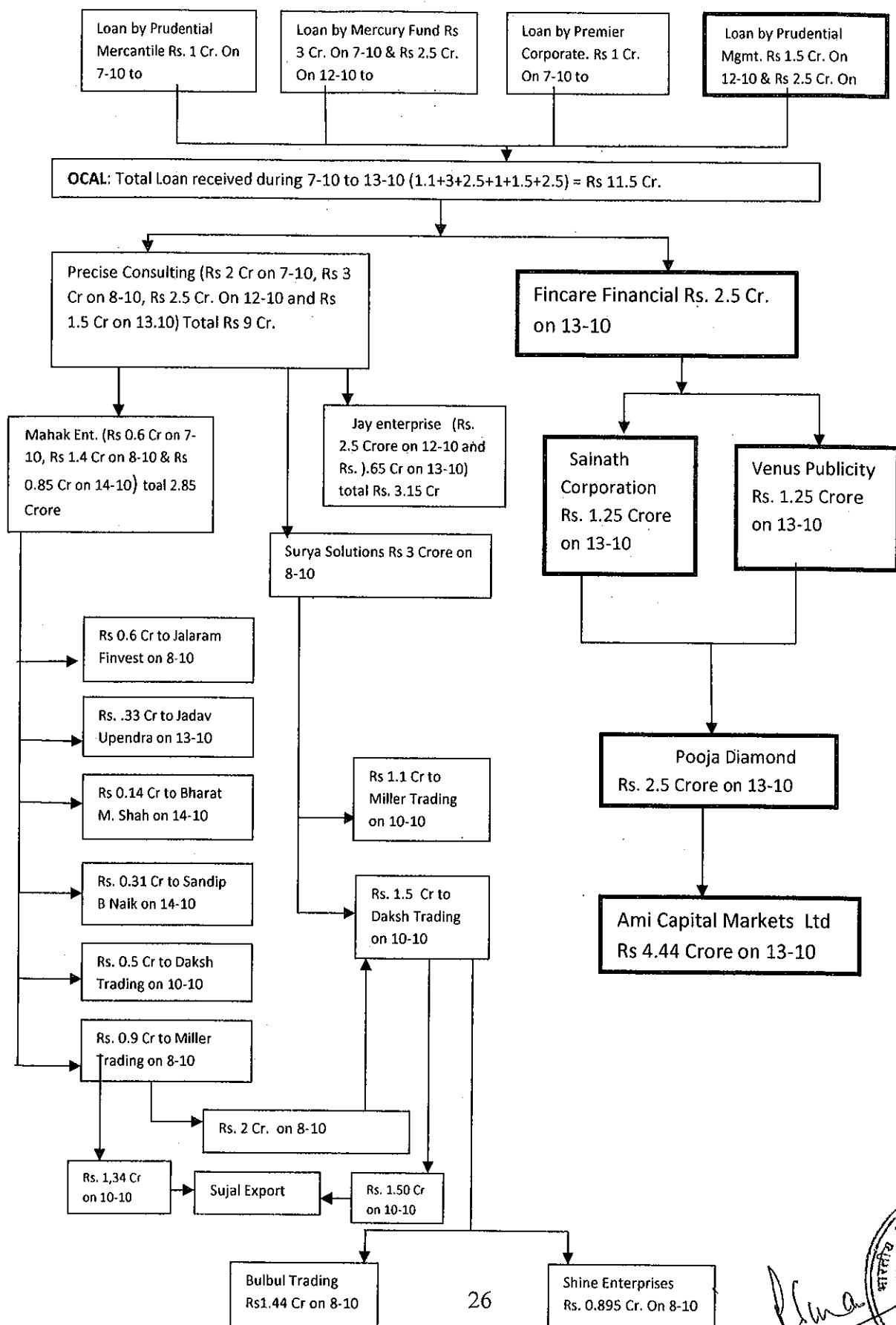
"finder fee", was transferred to five Surat based entities whose main business is not related to securities market. For eg. the main business of Sainath Corp and Jay Enterprise is wholesale trading of raw silk (cloth trading) and business of Mehek Enterprise is Grocery shop (janer store). All the three firms are controlled by one person viz. Ganeshlal Madanlal Shah and his son Jitendra G Shah.

7.9 Further, as can be seen from foregoing paras and fund flow chart, an amount of Rs. 2.5 cr out of loan of Rs. 11.50 received by OCAL on October 13, 2011 from one Prudential group entity viz. Prudential Management Advisors (P) Ltd. (A/c No.- 60042519407, Bank of Maharashtra) was transferred to the bank account of Fincare Con which was then through bank account of Surat based firms was credited back in the bank account of another entity of Prudential Group viz. AMI Capital Market Ltd's Bank account on Oct 13, 2011. It is further found that Prudential group had provided funds to certain entities who were major net buyers in the scrip OCAL on the listing day and subsequent trading days. Hence, it prima facie appears that there was no case of urgency (as mentioned by OCAL) for paying large sum of funds to Fincare Con and Precise Con, other than the fact that OCAL, under the garb of taking/re-paying of loan from/to Prudential Group, wanted to transfer funds/ IPO proceeds to Prudential group who then had transferred large sum of funds to the three net buying clients viz. Prakash I Rana, BMD Exports Pvt Ltd and Harihar Kirtibhai Dave who had indulged in large trading activity in the scrip of OCAL on the listing day and also subsequent trading days. The details of trading of these clients are discussed at para no. 12.1 onwards.

7.10 The scrutiny of bank account of five Surat based entities have revealed that they have transferred the funds to various entities, the details of such flow of fund is given in chart on the next page.

(The flow of pre-IPO loan fund is depicted in the chart on the next page)





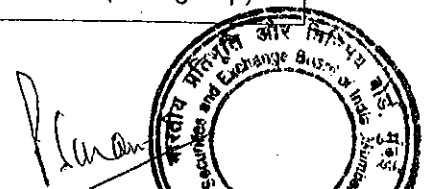
7.11 From the foregoing, it is observed that OCAL had not disclosed material developments/variations in RHP related to a. **objects to issue viz. "Development of Portfolio Management Services" and "General Corporate Purposes"**, which involved utilization of IPO proceeds to extent of Rs. 20 cr (which is around 55% of the IPO proceeds), b. appointment of Fincare con and Precise Con which are shell companies and against whom SEBI has taken actions form market manipulation, c. taking loan amount of Rs. 11.50 cr from Prudential group for making payments to Fincare Con and Precise Con. **Apart from violating provisions of 60(4) of SEBI ICDR Regulations, OCAL has failed to comply with provisions of Section 60B (4) and 60B(5) of the Companies Act, 1956 which requires that every variation in RHP shall be intimated to the persons invited to subscribe to the issue and therefore, in terms of Section 60B(8) of the Companies Act, 1956, the application for subscription shall be void and the applicants shall be entitled to receive a refund or return of its post-dated cheques or stock-invest or subscription moneys or cancellation of its application, as if the said application had never been made and the applicants are entitled to receive back their original application and interest at the rate of fifteen per cent from the date of encashment till payment of realization.**

8.1 RECEIPT OF IPO PROCEEDS BY OCAL AND ITS UTILIZATION

8.2 OCAL had allotted shares on October 12, 2011 and had received the IPO proceeds on October 14, 2011 in its bank account in Indian Bank, King Circle, Mumbai Branch (A/c No.- 905109692).

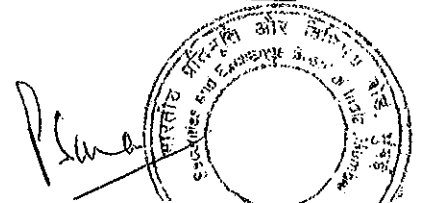
8.3 Investigations have found that the company after receiving the IPO proceeds on October 14, 2011 has immediately utilized the IPO proceeds in following manner as given in table below:

Transferred to (dates)	Amt (RS Cr)	Reasons cited by company	Investigation findings on fund flow
Prudential Group (Oct 14-18, 2011)	11.67	For re-payment of short term loan (loan) of Rs 11.50 taken by OCAL on Oct 7-13,	- Prudential group after receiving the funds from OCAL had transferred to following entities: - Rs. 1 cr to RDB Rasayans Ltd - Rs. 1 cr to VAB Ventures (RDB group)

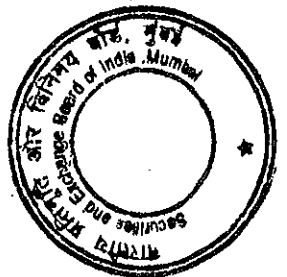
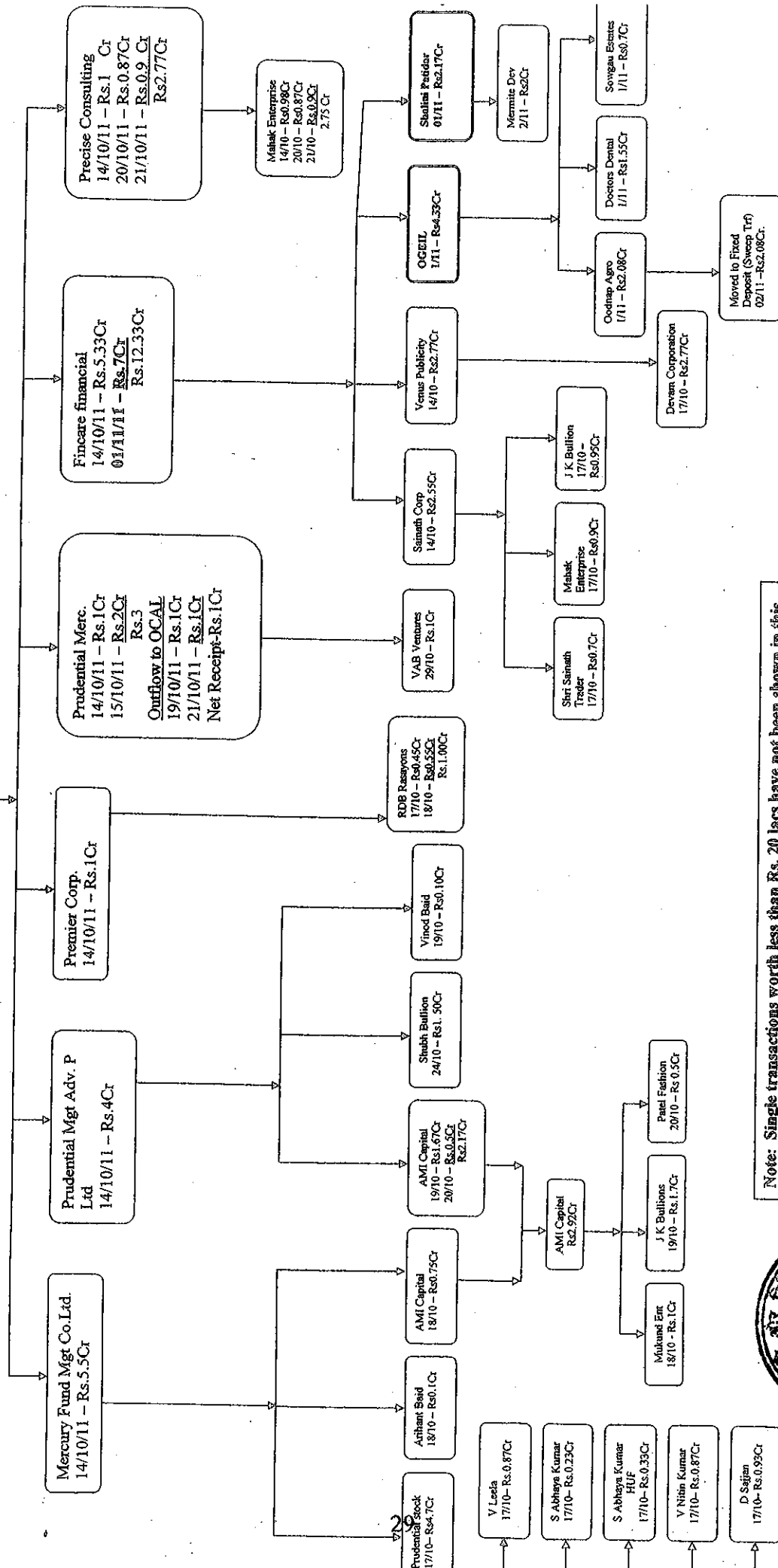


Transferred to (dates)	Amt (RS Cr)	Reasons cited by company	Investigation findings on fund flow
		2011.	- Rs. 4.77 cr to promoters of Shasun Pharma Ltd. (Chennai based) who then had transferred to RDB Rasayan group broking firm (India Securities Broking Pvt Ltd) - Most of remaining funds to firms dealing in bullions (J K Bullions/Shubh Bullions) and Mukund Enterprise.
Fincare Financial and Consultancy Services Ltd	13.04	A. For development of PMS business and payment of "finder" fee.(Rs. 8.54 cr) B. Purchase of Corporate Office (Rs. 7 cr)	Fincare Financial, after receiving the funds from OCAL, has immediately transferred to following entities: - Rs. 5.32 cr to two surat based firms whose bank accounts were closed after transfer of funds from their accounts to Mahak Enterprise and various Gujarat based firms purportedly in the business of Bullions/Finance, including J K Bullions. - Rs. 69 lacs were transferred to Sparc Pesticides Pvt Ltd. (Rs. 15 lac-21/10/11 and Rs. 54 lac-24/10/11) - Rs. 4.33 cr to group company of OCAL (Onelife Gas & Energy Infra Ltd) - Rs. 2.17 cr to Shalini Patidar who then transferred to Mermit Developers
Precise Consultants & Eng Ltd	3.00	Advance for setting of PMS business	Precise Consultants after receiving the funds from OCAL transferred to following entity: Rs. 2.77 cr to Mahak Enterprise (Surat based firm) whose bank accounts was closed after transfer of funds from their accounts to various Gujarat based firms purportedly in the business of Bullions/Finance including J K Bullions.
KPT Infotech Ltd	7.7	Details in this respect are awaited from OCAL	
	35.41		

The chart of the above fund flow is given at the next page:



Onelife Capital Advisors Ltd. (OCAL)
(IPO Proceeds Rs.36.85 Crores received)



Note: Single transactions worth less than Rs. 20 lacs have not been shown in this chart

8.4 From the table and fund flow chart, it can be seen that OCAL has used to IPO proceeds mainly in following manner:

- i. For re-payments of loan of Rs 11.50 cr. taken from Prudential group (Rs. 11.67 cr),
- ii. For making payments to Fincare Con for development of PMS business and payment of "finder" fee.(Rs. 8.54 cr)
- iii. For making payments to Precise Con for Advance for setting of PMS business (Rs.3 cr)
- iv. For making payments to Fincare Con for purchase of Corporate Office (Rs. 7 cr)

8.5 As can be seen from the chart, the payment of Rs. 11.67 cr out of IPO proceeds to Prudential Group for re-payment of loan and the payment of Rs. 7 cr to Fincare Con for purchase of Corporate Office are not in terms of details regarding utilization of funds as mentioned in RHP. Further, with respect to payments made to Fincare Con as stated at Para 8.4(iv) above, OCAL has stated that they had made payment of Rs. 7 crores to Fincare Con on November 1, 2011 for making arrangement for purchase of premises for corporate office of OCAL from Masala Gruh Properties Pvt Ltd (Masala Gruh). However, it was observed from the RHP that OCAL had initially entered into an agreement with Masala Gruh directly for purchase of premises, for which OCAL has now stated to SEBI during the current investigation that they had terminated the said agreement with Masala Gruh on October 27, 2011 on account of commercial reasons (which was not explained by OCAL) and that they had entered into a fresh agreement with Fincare con on November 1, 2011 who would now arrange to buy the Corporate office premises from the same entity i.e Masala Gruh for OCAL.

8.6 The sudden termination of agreement for buying premises directly from Masala Gruh and then entering a fresh agreement to route the same property buying transaction through Fincare Con for buying the premises from the same entity i.e. Masala Gruh in-directly defies logic and appears suspicious. This transaction appears more suspicious and fraudulent when seen in the back drop of the fact revealed during investigation that Rs. 7 crore paid to Fincare Con by OCAL purportedly for buying the said corporate premises, was in fact transferred by Fincare Con immediately to one of OCAL group entity viz. Onelife Gas & Energy Infra Ltd (Rs. 4.33 Cr) and Rs. 2.17 Cr to Shalini Patidar who is a friend of Managing Director of OCAL (Shri Pandoo Naig). Hence, funds of IPO proceeds were indirectly transferred to the friends and group companies of promoters/OCAL which requires a disclosure in the Risk Factors section



terms of Clause 2(IV)(H)(17) of Schedule VIII of SEBI (ICDR) Regulations, 2009. Hence, it is a prima facie violation of Regulation 57(1) read with Regulation 57(2)(b) which is re-produced herewith:

Regulation 57(1): The offer document shall contain all material disclosures which are true and adequate so as to enable the applicants to take an informed investment decision.

(2): Without prejudice to the generality of sub-regulation (1):

(a) The red-herring prospectus, shelf prospectus and prospectus shall contain:

- (i) The disclosures specified in Schedule II of the Companies Act, 1956 and
- (ii) The disclosures specified in Part A of Schedule VIII, subject to the provisions of Parts B and C thereof

(b)....

Clause (2)(IV) of Schedule VIII: Risk Factors

(H): The disclosures of risk factors shall include, where applicable, the following:

(1)....

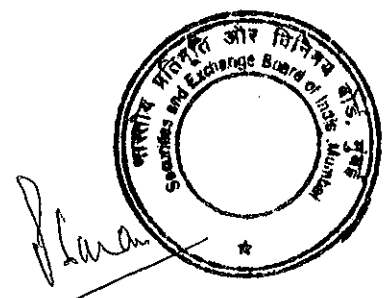
(2)...

..

..

(17) The portion of the issue proceeds, if proposed to be paid to the promoters, directors or key management personnel of the issuer or the group companies.

8.7 In view of the above, it is seen that apart the material deviations with respect to utilization of IPO proceeds stated in RHP, OCAL has violated the disclosure requirements in terms of Clause 2(IV)(H)(17) of Schedule VIII of SEBI (ICDR) Regulations, 2009.



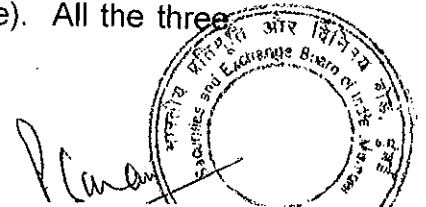
9.1 UTILISATION OF FUNDS RECEIVED BY FINCARE CON AND PRECISE CON

9.2 From the above paras, it can be seen that OCAL had paid Fincare Con Rs. 15.54 cr (Rs. 2.50-loan money+Rs. 13.04-IPO funds), which is 42% of the IPO proceeds and Precise Con has received Rs. 12 cr (Rs. 9 cr-loan money + Rs. 3 cr-IPO funds), which is 32% of the IPO proceeds. Hence, OCAL had infact paid around Rs. 27.54 cr, which is 75% of IPO proceeds, to two companies viz. Fincare Com and Precise Con which prima facie, based on the bank KYC and MCA filings records, appear to be shell companies. Out of Rs. 27.54 cr was given to Fincare Con and Precise Con, OCAL has stated that around 20 cr was paid for carrying out the activities stated in the RHP/prospectus under **objects to issue viz. "Development of Portfolio Management Services"** and remaining Rs. 7 cr towards purchase of corporate office.

9.3 As can be seen from earlier paras that Fincare Con and Precise Con do not have the financial capacity given their low paid-up capital and low business activity. As per the records in the MCA website, no details regarding their current status of business is found in terms of their filings related to financial statements and also their status as per MCA records are shown as "Dormant/Defaulter". Further, the summonses sent to their address were returned un-delivered.

9.4 It is also to be noted that SEBI had taken actions against Fincare Con for their market in the matter of Jindal Stainless Limited. It was also observed that Fincare Con had transferred some of the IPO proceeds (Rs. 69 lacs) received from OCAL to Spark Pesticides Pvt Ltd against whom SEBI taken action for their role in market manipulation in the scrip of Jindal Stainless Limited and in the scrip of BSEL Infrastructure Realty Ltd and Maharashtra Seamless Ltd.

9.5 As can be seen from the fund flow chart at page no. 26 and 29, most of the funds out of Rs. 27.54 cr received by Fincare Con and Precise Con purportedly for the development of PMS business and "finder fee" from OCAL, have been immediately transferred to five Surat based entities. It is also revealed that main business of these five Surat based entities is nowhere related to securities market. For eg. the main business of Sainath Corp and Jay Enterprise is wholesale trading of raw silk (cloth trading) and business of Mahak Enterprise is Grocery shop (Janer store). All the three



firms are controlled by one person viz. Ganeshlal Madanlal Shah and his son Jitendra G Shah. Further, the bank accounts of most of these surat based firms were opened as recent as October 2011 and were soon closed after the funds were transferred out to various other entities.

- 9.6 Further, it is seen from the chart at page no. 26 and as mentioned in para no.7.9, an amount of Rs. 2.5 cr given to Fincare Con purportedly for development of PMS business was immediately transferred back to Prudential group and also an amount of Rs. 7 cr (as stated in para no.8.6) purportedly given to Fincare Con for purchase of corporate office was immediately transferred to OCAL group companies and friend of its Managing Director of OCAL. These instances and findings mentioned in previous para indicate that IPO proceeds have been utilized for the purposes other than the objects of the issue as stated in RHP/prospectus.

Hence, the funds transferred to/through Fincare Con and Precise Con prima facie does not seem to be utilized for the purpose of objects of the issue.

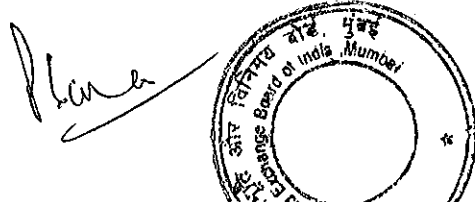
- 9.7 It is also observed that company has mentioned in the RHP that IPO proceeds under objects of issue "Development of PMS" and "General Corporate purpose" would be utilized over a period of three years and in FY 2012, it would Rs. 11.87 cr (Max) under these heads. However, it is noted that they have made transfer of Rs 20.54 cr, which is much higher than the proposed amount. **In this regard, no Board approval was sought regarding change of the proposed utilization as seen from board meeting minutes submitted by the company.**

- 9.8 From the above mentioned details, it appears that OCAL has utilized the IPO proceeds for purposes other than the objects of the issue as stated in RHP/prospectus which **constitute a mis-statement and is in violation of Section 62/63 of Companies Act, 1956. It is also fraudulent as defined in Regulation 3(a) of SEBI PFUTP Regulations read with Regulation 2(1)(c)(4), which is extracted herewith:**

Regulation 3(a): No person shall directly or indirectly buy, sell or otherwise deal in securities in a fraudulent manner

Regulation 2(1)(c): Fraud include any act, expression..... and shall also include:

(1)...



(2)...

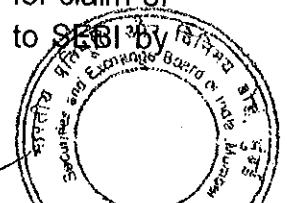
.....
(4): a promise made without any intention of performing it.

10.1 MIS-STATEMENTS IN RHP/PROSPECTUS BY OCAL AND ROLE OF BOOK RUNNING LEAD MANAGER (BRLM):

10.2 During the course of investigation, the role of BRLM to issue viz. Atherstone Capital Markets Ltd (ACML) was also looked into. In the OCAL IPO issue, Shri Gurunath Mudlapur (Managing Director of ACML) had handled the overall issue related work of OCAL IPO issue and Shri Ranjan Agarwal (Compliance officer of ACML) had handled work related to documentation and due diligence of the said issue. Following are the observations in this regard:

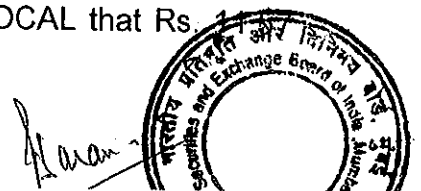
10.3 In-adequate disclosure and documentation and due-diligence:

- i. Non-compliance of Regulation 60(4) regarding disclosure of material developments which took place during period between the date of registering the red herring prospectus and the date of allotment of specified securities. BRLM has failed to disclose the material development of decision of OCAL to make a payment to the extent of Rs. 20 cr to Fincare Con and Rs. 15 to Precise Con (which appear to be shell companies) towards development of PMS business. BRLM should have brought such material development to SEBI and public especially when the said two companies appear to be shell companies, which (as mentioned in para from 5.1 to 5.8) is serious dereliction of duty on the part of BRLM.
- ii. BRLM could not produce the documents related to income tax demand notice of Rs 17.58 crore against Mr. Pandoo Naig as stated in the Prospectus at Risk Factor no 7 at page XVI. The said documents could not be produced when the SEBI officials visited the corporate office of BRLM at Nariman Point, Mumbai on November 23, 2011. Further, BRLM could not produce the said document when they were summoned to SEBI office on November 24, 2011, however, they gave a statement that the same may be produced to SEBI shortly after sourcing it from the company. Further, a summons dated 8/12/2011 under Section 11(C) of SEBI Act, 1992 was issued to BRLM and the Company OCAL and its Managing Director Mr. Pandoo Naig to produce the copy of the said Income Tax Order for claim of Rs. 17.5 cr which gives the details and nature of transactions, to SEBI by

Handwritten signature


December 9, 2011. Subsequently, a reminder vide summons dated 23/12/2011 was issued to OCAL to produce the said documents to SEBI by 26/12/2011. However, so far both the BRLM and the Company OCAL has not produced the said Income tax Order to SEBI.

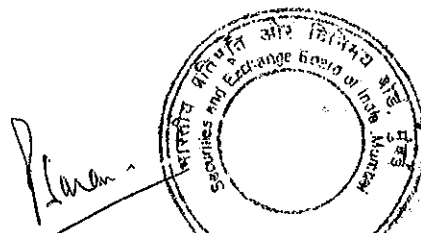
- iii. Further, Risk factors no. 7 in RHP merely mentions about the receipt of income tax demand notice of Rs. 17.58 crores received against Pandoo Naig and no further details about the Income Tax Notice is given so as to give the full picture of income tax demand notice, which is material as the amount of income tax demand equals around 47% of IPO proceeds. As per Regulation 57 of SEBI ICDR Regulations, 2009 read with schedule VIII Part A of Clause 2 (IV) (H) (24) and Clause 2 (IV) (H) (31), the details of litigations should be described. The act of non-disclosure about the details of income tax demand notice on the part of BRLM and the company OCAL is prima facie violation of above mentioned regulations and is misleading.
- iv. With regard to objects of IPO issue, OCAL, in prospectus at page no. 29, has stated that the Company has entered into an MOU to purchase new office premises at Mumbai with M/s Masala Gruh Properties Private Limited, admeasuring approximately 3000 sq. ft. at a rate of approximately `23,334 per sq. ft. which amounts to Rs. 70 million. During the course of investigations, other than statement to SEBI that they had done oral verification over phone, BRLM did not produce any written documents to show that they had done any independent verification of the said claim of OCAL that the going rate of the property is valued at `23,334 per sq. ft. Further, there were no written records with BRLM to show that they had done an independent verification to ascertain whether the property is indeed registered in the name of Masala Gruh Properties Private Limited.
- v. With regard to objects of IPO issue, OCAL in prospectus has stated that it proposed to utilize Rs. 11.57 crores from the IPO proceeds for development of portfolio management services. During the course of investigation, with regard to the query on how the said figure of Rs. 11.57 or was arrived at and manner of utilization by OCAL, BRLM stated that OCAL had itself arrived at the said figure of Rs. 11.57 cr for purpose of establishing the office premises for PMS business across India and provided supporting document in the form of an excel sheet to BRLM which mentions city-wise amounts for lease rental/deposit for taking premises on lease and for purchasing office equipments. BRLM could not produce any written records to show that they had done an independent verification of the claim of OCAL that Rs.



crores would be required towards rental and deposit for taking premises at various cities across India.

- vi. It was mentioned in the prospectus that the company had fund raising mandates of Rs. 473 crores as on July 15, 2011. Investigation revealed that BRLM did not have written records which show that they had independently verified the said claim of OCAL.
- vii. The company has mentioned in its letter dated December 15, 2011 that they had received a host of mandates (business) through Fincare Con and Precise Con and provided lists for the same. It is to be noted that all of them are IPO mandates for different companies. For one entity, IPO is already completed; DRHP of the same was filed with SEBI on September 24, 2010 and similarly for another entity, the DRHP was filed with SEBI on December 31, 2010. This shows that they have a long association with Fincare Con and Precise Con prior to submission of RHP; however the same was not mentioned in the RHP/prospectus. While BRLM had considered these mandates as basis of issue price band, however the sourcing of these mandates through Fincare Con and Precise Con was not mentioned in RHP of OCAL. It is also to be noted that OCAL has already paid significant amount of Finder fee to these entities (as per its reply dated December 01, 2011 and December 05, 2011). In view of above facts coupled with suspicious fund flows to Fincare Con and Precise Con and MCA details regarding Fincare Con and Precise Con, it appears that OCAL and BRLM has omitted to disclose their relationship with Fincare Con and Precise Con at the time submission of RHP.

10.4 From the above, it prima facie appears that OCAL has failed to comply with provision of **Regulation 57(1) which requires that the offer document shall contain all material disclosures which are true and adequate so as to enable the applicants to take an informed investment decision.** Further, BRLM Atherstone Capital Markets Ltd and its Managing Director Shri Gurunath Mudlapur and its compliance officer Shri Ranjan Agarawal have not carried out their duties as enshrined in SEBI ICDR Regulations, and therefore have violated **Regulation 64 of SEBI ICDR Regulations, 2003.**



11.1 OBSERVATION ON THE ELIGIBILITY OF OCAL TO RAISE FUNDS THROUGH IPO

11.2 The company has stated that it is eligible for IPO issue as it satisfied conditions specified in terms of provisions of Regulation 26(2)(a)(i) and 26(2)(b)(i) of SEBI ICDR Regulations. In terms of Regulation 26(2)(a)(i), issue is made through the booking building process with atleast 50% offered to QIB and in terms of Regulation 26(2)(b)(i), minimum post-issue face value of capital should be Rs 10 crores.

11.3 Post IPO, the FV of capital of company was Rs. 13.36 crores. Pre-IPO, the face value of capital of company was Rs. 10.01 crores which was built from Rs. 1 lacs in year 2008-09 to the said level of Rs. 10.01 crores, the details are given below:

FY	Total no of shares	Paid Capital	Details of increase
2008-09	10,000	1,00,000	
2009-10	50,10,000	5,01,00,000	50,00,000 shares @ Rs 10 was allotted to two promoters (Rs. 5 cr increase in FV)
2010-11	1,00,10,000	10,01,00,000	-5,50,000 shares @ Rs. 100 (FV: Rs 10) was to promoter (Rs 0.55 crores increase in FV) -44,50,000 shares @ Rs. 10 was to promoter (Rs. 4.5 cr increase in FV) (Total in FY: Rs. 5 cr)

11.4 As per cash flow statement of OCAL, following are observed:

- Out of cash proceeds of promoters' contribution of Rs. 5 crores in year 2009-10, Rs. 4 crores was immediately transferred out of company's books to one of group companies for deposit for taking their premises on lease.
- Out of cash proceeds of promoters' contribution of Rs. 10 crores in year 2010-11, Rs. 6.70 crores was advanced as loans to certain entities and Rs. 3 crores was invested in the shares of group companies.

11.5 Hence, out of Rs. 15 crores received by company on account issue of shares to promoters, around Rs. 14 crores has been transferred by the company to promoter entities. **Genuineness of such transfers/investments needs to be examined. If such circuitous**

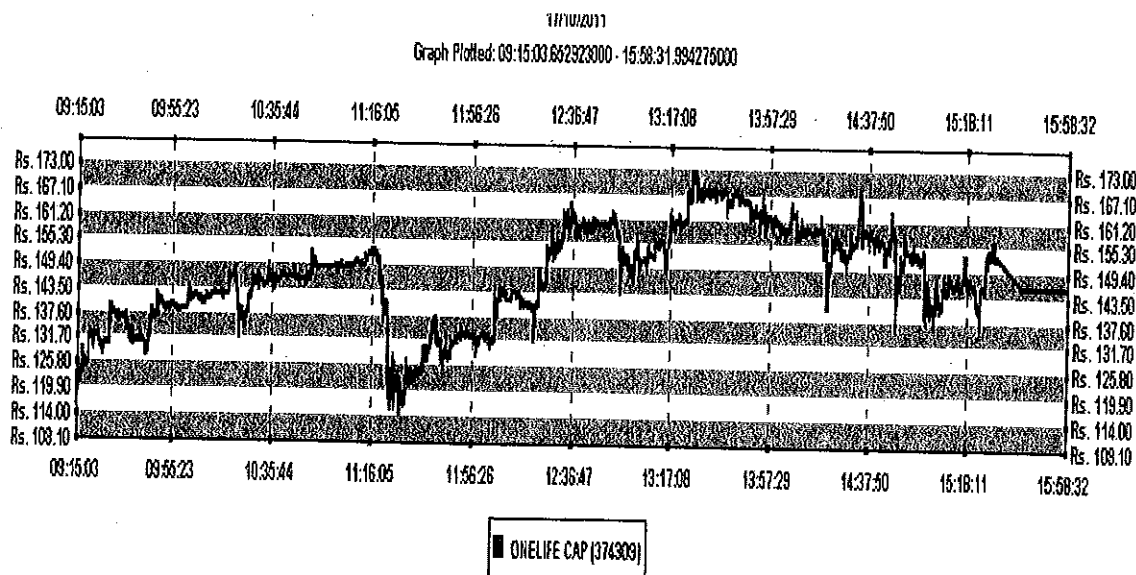
of bringing the money into company and back to the source is not considered for calculation of FV of capital of the company, then FV of the company would fall below Rs. 10 crores, which will render company in-eligible for IPO issue as per ICDR Regulations.

12.1 TRADING IN THE SCRIP OF OCAL

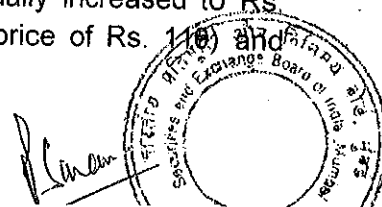
12.2 The trading in the scrip at NSE and BSE commenced on October 17, 2011.

12.3 **Price Volume Analysis:** The trading in the scrip started on October 17, 2011. Intraday price movement on listing day is depicted in the below movement price graph on the day of listing viz. October 17, 2011. The Price Volume data on NSE and BSE was as follows.

Date.	Exch	Open Price	High Price	Low Price	Close Price	Traded Quantity	Deliverable Quantity	Delivery % to traded Qty
17-Oct-11	NSE	110.00	175.00	110.00	145.95	3,40,56,499	10,72,302	3.15%
17-Oct-11	BSE	115.00	173.00	114.00	145.90	2,44,41,556	5,22,205	2.14%



12.4 On the day of listing, the price of the scrip opened at Rs.115.00 (4.54% higher than the issue price of Rs. 110) at 09:15:03 a.m., gradually increased to Rs. 173.00 at 01:26:17 p.m. (57.27% higher than the issue price of Rs. 110) and



closed at Rs.145.90 on BSE. Similar price movement was at NSE. The total traded volume on the day of listing was 2,44,41,556 and 3,40,56,499 shares at BSE and NSE respectively.

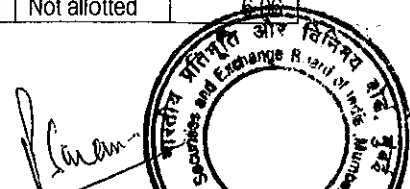
12.5 Major net buyers and net sellers in the scrip of OCAL on October 17, 2011 (Listing Day) at NSE and BSE:

NSE Net sellers

Client Name	Client Pan No	Net Sell Qty	Shares allotted in IPO	% Net Sell to Mkt. Net
NILESH N SHETH	AGYPS1051P	90900	90900	8.48
R B K SHARE BROKING LTD	AAACR5488A	61000	100000	5.69
CREDO FUND MANAGMENT LTD A/C	AADCC3273B	20000	44008	1.87
CRESTA FUND LIMITED	AADCC2634A	15317	827549	1.43
PRIYLATABEN PRAFULKUMAR SANGHVI	AEGPS6640N	12700	12700	1.18
PINABEN SHAILESHKUMAR SANGHVI	AKVPS6260K	12700	12700	1.18
SAT NARAIN	AABPN9735A	4100	4100	0.38
BHAVIK KIRITBHAI SHAH	ACEPS7072G	4000	Not allotted	0.37
SHAH ASHITKUMAR NALINKUMAR HUF	AAFHS6477Q	2794	Not allotted	0.26
SHAH NEHALKUMAR HARSHADBHAI	AYOPS9780P	2330	777	0.22
ARVIND D MAHESHWARI	ABQPM0705M	2328	776	0.22
SHAH ARUNABEN CHANDRAKANT	BEZPS6441D	2328	776	0.22
MAHEK MAHESHKUMAR SHAH	BEZPS6568H	2328	776	0.22
SHAH SMITA RAJNIKANT	BEZPS6586P	2328	776	0.22
ALKABEN PRAKASHCHANDRA SHAH	AEGPS6129C	1553	776	0.14
SUNITA AGARWAL	AFMPA7627Q	1553	777	0.14
SHAH NIMLESH SUBODHCHANDRA HUF	AAIHS2672E	1552	776	0.14
SANGEETA GUPTA	AEQPG9321N	1552	Not allotted	0.14
TRISHLA JAIN	AITPJ6830G	1400	777	0.13
SANTOSH RAJARAM GORE	AQCPG5348M	1300	Not allotted	0.12
		244063		

NSE Net buyers

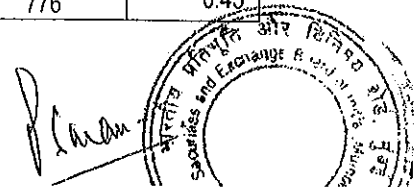
Client Name	Client Pan No	Net Buy Qty	Shares allotted in IPO	% Net Buy to Mkt. Net
AMISHA DEVELOPERS LTD	AADCA8408J	100000	Not allotted	9.33
VARMORA KAMLESH DINESHBHAI	AGJPV0491M	93808	Not allotted	8.75
SONAL SHARES INVESTMENT & COMPANY	ASCPP6491Q	74630	Not allotted	6.96
MAHENDRA J PAREKH	AABPP0298A	65000	Not allotted	6.06
AMRAPALI FINCAP PVT LTD.	AAECA9926C	65000	Not allotted	6.06



Client Name	Client Pan No	Net Buy Qty	Shares allotted in IPO	% Net Buy to Mkt. Net
BMD EXPORTS PRIVATE LIMITED	AACCB5249H	61000	Not allotted	5.69
SSD CAPITAL MARKET PRIVATE LIMITED	AANCS2277F	50000	Not allotted	4.66
NISHA JIGNESH MEHTA	AGMPM9537E	50000	Not allotted	4.66
JEETENDRA VALLABH SANGHAVI	AZDPS2873H	48000	Not allotted	4.48
PRAKASHBHAI ISHWARBHAI RANA	ANLPR5585P	47500	Not allotted	4.43
DAVE HARIHAR KIRITBHAI	ALHPD4695C	42899	Not allotted	4.00
KRYPTON INVESTMENT CONSULTANCY PVT	AADCK9142R	30000	Not allotted	2.80
JIGNESH JASWANTRAI MEHTA	AIVPM4759M	30000	Not allotted	2.80
ASHRITA CONSTRUCTION PRIVATE LIMITED	AAICA2107M	29795	Not allotted	2.78
SUMTINATH SHARES AND SERVICES	AANCS2340B	25000	Not allotted	2.33
SHETH BROTHERS	AHGPS8752A	18471	90900	1.72
KHANDWALA TRADELINK CO	AAIFK6285F	17556	Not allotted	1.64
GLOBALWORTH SECURITIES LIMITED	AADCG7624G	15755	Not allotted	1.47
SUKRATI CONSULTANCY SERVICES	ABTFS5228E	15000	Not allotted	1.40
QUICK PAY SUPPLIERS PVT LTD	AAACQ0511F	10000	Not allotted	0.93
PAREKH NILESH JASWANTLAL	AACPP4021E	10000	Not allotted	0.93
SAI SOFT SECURITIES LIMITED	AAOCS5953P	10000	Not allotted	0.93
		1072302		

BSE Net sellers

Client Name	PAN	NS	Shares Allotted in IPO	Net sell as % of Mkt Net
BHAVESHKUMAR SHETH	AHGPS8752A	90900	90900	17.41
R.B.K.SHARE BROKING LTD.OWN a/c	AAACT4885F	39000	Not allotted	7.47
PUSHPAKUMARI JAIN	ACBPJ8392D	22700	22700	4.35
KHADWALA TRADELINK COMPANY	AAIFK6285F	17556	Not allotted	3.36
PRIYANKA KUMARI	AYXPP8706H	15000	15000	2.87
CRESTA FUND LIMITED	AADCC2634A	15000	827549	2.87
JAYANTILAL HUF	AABHJ3352H	13600	13600	2.60
BHAVESHKUMAR SHETH	AHGPS8752A	11206	90900	2.15
KALPESH KOTHARI	AGBPK2902J	9050	9050	1.73
SAVITA SHAH	AAUPS0900K	9050	9050	1.73
MONA SALOT	ABEPS3695N	5000	5000	0.96
NIMESH VORA	AFDPV5594E	4100	4100	0.79
SUSHILA DEVI	AASPD2227N	3600	3600	0.69
AVISHA KUMARI JAIN	AGYPJ6425G	3400	3400	0.65
MAHENDRAKUMAR JAIN	ACBPJ8374K	3200	3200	0.61
BHAVNABEN JAIN	ACWPJ2216K	2500	2500	0.48
PRASHANT SHAH	AJQPS4221G	2329	776	0.45



Client Name	PAN	NS	Shares Allotted in IPO	Net sell as % of Mkt Net
GVR'S SECURITIES PRIVATE LIMITED	AADCG0991J	2000	Not allotted	0.38
SARIKA JAIN	AFVPJ5995H	2000	Not allotted	0.38
DHAVAL NAYI	AENPN5466N	2000	Not allotted	0.38
		273191		

BSE Net Buyers

Client Name	PAN	NP	Shares allotted in IPO	Net buy as % of Mkt Net
PRAKASHBHAI RANA	ANLPR5585P	230000	Not allotted	44.04
MUKESH COMMOTRADE LTD	AADCA8408J	78000	Not allotted	14.94
AMBER ENCLAVE PRIVATE LIMITED	AAGCA4576Q	75000	Not allotted	14.36
AKSHAR ENTERTAINMENT PRIVATE LTD	AAECA9926C	65000	Not allotted	12.45
MAHENDRA PAREKH	AABPP0298A	65000	Not allotted	12.45
TOWER OVERSEAS LIMITED	AABCT6695C	34000	Not allotted	6.51
MADHAVLAL PATEL	AACCB5249H	15063	Not allotted	2.88
SUKRATI CONSULTANCY SERVICES	ABTFS5228E	4060	Not allotted	0.78
DEEPAK KUMAR NEWETIA (HUF)	AAFHD9616N	3700	Not allotted	0.71
DAVE KIRITBHAI	ALHPD4695C	3313	Not allotted	0.63
MAHENDRA DOSHI	AAACN1917G	3000	Not allotted	0.57
GAUTAM CHAKRABORTY	ABSPC9488P	2500	Not allotted	0.48
RUSHABH SHAH	ADRPS1037M	2500	Not allotted	0.48
MAHAVIRPRASAD SHARMA	AOQPS9229F	2100	Not allotted	0.40
B JYOTSABEN	BIAPS2456M	2000	Not allotted	0.38
SUCHIT PATEL	AJTPP1790L	2000	Not allotted	0.38
AMIT SAMPAT	BBOPS2854N	2000	Not allotted	0.38
B M TRADERS	AAKFB1239J	1852	Not allotted	0.35
VIKRAMKUMAR KARANRAJ SAKARIA HUF	AACHV3447C	1500	63650	0.29
VICTOR KUMAR	AYMPK1191J	1000	Not allotted	0.19
SANTOSHKUMAR KOTLA	AXCPK3579R	1000	Not allotted	0.19
LEENA BHACHAWAT	AADPB5289K	1000	Not allotted	0.19
HITESHKUMAR VYAS	AAMPV7155P	1000	Not allotted	0.19
HIMANSHU SHAH	ACSPS6353A	1000	Not allotted	0.19

From the above, it seen that:

Clients on Net buy basis

- At BSE, client **Prakashbhai Rana** dealing through the trading member, Excel Mercantile Pvt. Ltd. was the top client on net purchase basis who purchased 2,30,000 shares accounting for 44.04% of the net market

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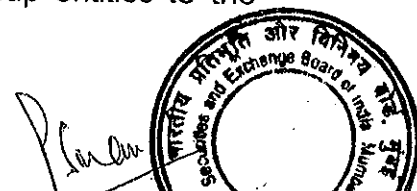
volume on the day of listing. Similarly at NSE, Prakashbhai Rana had bought 47500 shares which was 4.43% of the market net volume.

- At NSE, client **BMD Exports Private Ltd** dealing through the trading member, ANS Pvt. Ltd. had a net purchase position of 61000 shares accounting for 5.69% of the net market volume on the day of listing. Similarly at BSE, the net purchase position of said client was 15063 which was 2.88% of the market net in BSE on the day of listing
- At NSE Amisha Developers Ltd. has bought 347187 shares and sold 247187 shares which accounted for 9.33% of the net buy quantity traded during the period under scrutiny.

Clients on Net sell basis

- At BSE, connected entities viz. Bhaveshkumar Sheth and Sheth Brother (Bhaveshkumar Sheth) dealing through the trading member, ANS Pvt. Ltd. were the top clients on net sell basis who sold 102106 shares accounting for 19.55% of the net market volume on the day of listing
- At NSE, Nilesh N Sheth has sold 90900 shares accounted for 8.48% of the net sell quantity traded. From allottee list it was observed that the client Nilesh N Sheth was allotted 90900 shares under HNI category.
- At NSE, Credo Fund Managment Ltd A/C Credo India Thematic Fund Ltd was allotted 44008 shares and it has sold 20,000 shares on the day of listing. Cresta Fund Limited was allotted 827549 shares and it has sold 15317 shares on the day of listing.
- At NSE, R B K Share Broking Ltd. was allotted 100000 shares under HNI category. Of which it was observed that it has sold 61000 shares.
- At NSE, Priylataben Prafulkumar Sanghvi, Pinaben Shaileshkumar Sanghvi and Sat Narain were allotted 12700, 12700 and 4100 shares respectively under HNI category. It was observed that they have sold all these allotted shares.

- 12.6** Investigations conducted so far have revealed that three major net buyers who were taking large net deliveries of OCAL shares on the listing day and subsequent trading days, had received funds from an entity named **“Sardhav Investment and Finance Pvt Ltd”** who in-turn had received funds through various bank accounts from **Prudential Group, Kolkata**. As mentioned in above paras, OCAL had financial dealings with Prudential Group, Kolkata immediately after the close of IPO issue. OCAL had received pre-IPO short term loans from Prudential Group entities to the tune of Rs. 11.5 cr.



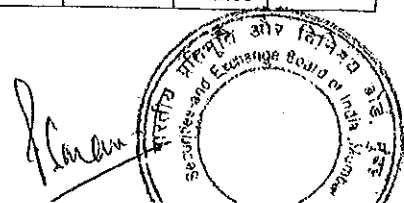
12.7 Investigation has revealed that the above three net buying clients have continued their trading activity post listing day in the scrip by collectively taking large trading positions. The details of their trading activity in the scrip of OCAI at NSE and BSE are as below:

At NSE

Date	Client Name	Buy Volume	Buy Amount	Sell Volume	Sell Amount	Net Buy Qty	% to net deliverable qty	Day's Net deliverable Qty
17-Oct-11	BMD EXPORTS PRIVATE LIMITED	111000	18430931	50000	7500000	61000	5.69%	
17-Oct-11	PRAKASHBHAI ISHWARBHAI RANA	126736	19312809	79236	12285809	47500	4.43%	
17-Oct-11	DAVE HARIHAR KIRITBHAI	53000	8991797	10101	1555554	42899	4.00%	
Total 17						151399	14.12%	1072302
18-Oct-11	PRAKASHBHAI ISHWARBHAI RANA	245000	39839360	0	0	245000	47.20%	
18-Oct-11	BMD EXPORTS PRIVATE LIMITED	65000	11377569	0	0	65000	12.52%	
18-Oct-11	HARIHAR KIRITBHAI DAVE	65000	11372793	0	0	65000	12.52%	
Total 18						375000	72.24%	519102
19-Oct-11	PRAKASHBHAI ISHWARBHAI RANA	150060	29229528	104060	20660352	46000	25.14%	
Total 19						46000	25.14%	183003

At BSE

Date	Name of entity	Buy Volume	Buy Amount	Sell Volume	Sell Amount	Net Qty.	% Mkt Net	
10/17/2011	BMD EXPORTS PRIVATE LIMITED	63091	8898214	48028	7289566.65	15063	2.88	
	DAVE HARIHAR KIRITBHAI	7816	1250560	4503	698793.15	3313	0.63	
	PRAKASHBHAI ISHWARBHAI RANA	308386	49388195	78386	12386411.3	230000	44.04	
Total 10/17/2011		379293	59536969	130917	20374771.1	248376	47.56	522205
10/18/2011	BMD EXPORTS PRIVATE LIMITED	225209	38880510.3	29209	4980764.55	196000	42.93	
	DAVE HARIHAR KIRITBHAI	0		0		0	0.00	
	PRAKASHBHAI ISHWARBHAI RANA	0		185000	31935987.9	-185000	-40.52	
Total 10/18/2011		225209	38880510.3	214209	36916752.4	11000	2.41	456607
10/19/2011	BMD EXPORTS PRIVATE LIMITED	33260	6562845.95	909	179940.6	32351	11.16	
	DAVE HARIHAR KIRITBHAI	0		0		0	0.00	
	PRAKASHBHAI ISHWARBHAI RANA	6769	1216076.15	162769	31273879.6	-156000	-53.81	
Total 10/19/2011		40029	7778922.1	163678	31453820.2	-123649	-42.65	289903



12.8 The above clients were taking large net deliveries in the scrip of OCAL on the listing day and subsequent trading days at both the stock exchange i.e NSE and BSE. They were found to be top net buyers on the first three days of listing. The collective net buying by three clients was in the range of 25-40% of the total market net delivery. On the day of listing, the above 3 entities have acquired around 399775 shares (combined volume at BSE and NSE) which was 25.07% of total shares sold by allottees on the listing day. On the next day of listing, the above 3 entities have further acquired substantial quantity of shares which was 39.56% of total deliverable quantity of both the exchanges. Then, they have been observed executing intraday transactions in substantial quantity/ creating high volume through in subsequent trading days. It appears that they were trading in this manner (taking huge deliveries and then large intra-day trading) to artificially support the price of OCAL post listing, given its poor fundamentals. The price of OCAL on first three days beginning from the listing day i.e during the period from October 17, 2011 (listing day) to October 19, 2011, had increased from Rs. 115 to Rs. 198.

12.9 The details of above three net buying clients are as under (as per broker KYC):

Client Name	Broker	Address	Income as per KYC Details
Prakash Ishwarbhai Rana,	Excel Mercantile P Ltd	No.-217, Gawarano Rajputvado, Cambay, Anand- 388620	5-10 lacs p.a.
BMD Exports Pvt. Ltd.	ANS P. Ltd	22-A, Suraksha Society, Visnagar, Mehsana, PIN- 384315	More than 5 lacs p.a.
Harihar Kirtibhai Dave	Marfatia Stock Broking Pvt Ltd	C-2-22, Shantinagar Vejalpur, Navrangpura, Ahmedabad-380051	1 lac p.a.

12.10 The table below gives certain observations based on client ledger, trading details etc of the above three clients:

Name of the clients	Major scrips traded	Observation based on running balance of client ledger with stock broker
Prakashbhai Rana	OCAL, Gravita, Gitanjali, Aanjaneya, Sudar, C Mahindra, Aqua, Rushil, Midval	Debit balance on all days during 17-10-11 to 31-10-11. On majority of the days, debit balance was ranging from Rs 1 crore to Rs.

Name of the clients	Major scrips traded	Observation based on running balance of client ledger with stock broker
		7 cr indicating indirect financial support by broker Excel Mercantile P Ltd
BMD Exports P Ltd.	OCAL, Gravita, Aanjaneya, Sudar, C Mahindra, Aqua, Rushil, Midval	Debit balance on all days during 17-10-11 to 31-10-11. On majority of the days, debit balance was ranging from Rs 1 cr to 4 cr. indicating indirect financial support by broker ANS P. Ltd
Harihar Kirtibhai Dave	OCAL, Gravita, Gitanjali, Aanjaneya, Sudar, C Mahindra, Aqua, Rushil, Midval	Debit balance on all days except one day (28-10-11) during 17-10-11 to 31-10-11. On majority of the days, debit balance was ranging from approx Rs 0.40 cr to Rs. 2 crores indicating indirect financial support by broker Marfatia Stock Broking Pvt Ltd

12.11 As per KYC of these clients, annual income level of these clients are in the range of 1 lakh and Rs 5 to 10 lakh which does not commensurate with the high value of transactions in shares executed by them and receipt of large funds in their account. It appears that these clients are front entities of certain operators and acting at their behest for supporting the prices of newly listed scrips. These aspects require detailed investigation.

12.12 It was further observed that the above three net buying clients had received funds from one single entity named Sardhav Investment and Finance Pvt Ltd (Sardhav Inv) which in-turn had received funds from entities connected with Prudential Group of Kolkata. OCAL has entered into financial transactions pre and post receipt of IPO proceeds with entities of Prudential Group, this is explained in detail in the earlier paras. The funds from Prudential Group were transferred to bank account of Sardhav Inv via 4 different entities, the details of which

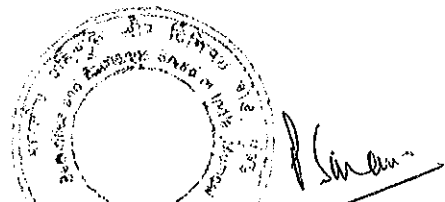
- i. Mercury Fund Management Co P Ltd (A/c No. 60047104985, Bank of Maharashtra, Kolkata) has transferred an amount of Rs. 5.5 cr on October 8, 2011 to Deesha Tie Up Pvt Ltd in its bank account (A/c no. 03622400999999, DCB Bank, , Ahmedabad). As per bank account, the address of Deesha Tie Up Pvt Ltd is 609, Safal Prelude Corporate Road, Opp AUDA, Garden Prahladnagar, Ahmedabad-380054. As per MCA records, the address is 1A, Grant Lane, 2nd Floor, Kolkata, WB-700012 and contact email id is mentioned as company_0001@rediffmai.com. Details of the directors are as below:

DIN/PAN	Full Name	Present residential address	Designation	Date of Appointment
00577678	SANJAY SHAH	1, RAJ BALLAV SAHA LANE, HOWRAH, 711101, West Bengal, INDIA	Director	28/03/1997
00584229	AJAY KUMAR SHAH	1, RAJ BALLAV SAHA LANE, HOWRAH, 711101, West Bengal, INDIA	Director	28/03/1997
02621083	KIRITKUMAR MOHANLAL PATEL	233-1, MUKHIVAS, NEW CIVIL, JAHAKIRPURA,, AHMEDABAD, 380016, Gujarat, INDIA	Director	14/06/2010
02693961	JAYESHKUMAR R. AMBALAL PATEL	UMIYA NAGAR SOC. UANDHAI, VADNAGAR, MEHSANA, MEHSANA, 384355, Gujarat, INDIA	Director	14/06/2010

- ii. Deesha Tie Up Pvt Ltd then had transferred Rs. 4 cr on October 10, 2011 to Dharmanath Shares and Services Pvt Ltd in its bank account (A/c: 0009-M67085-060, Indusind Bank, Ahmedabad). As per bank account, the address of Dharmanath Shares is 103-104, GIDC, Motipura, Himmatnagar, Sabarkantha, Gujarat-380014. As per MCA records, the address is 233/2, Mukhi Vas, Opp New Civil, Asarwa, Ahmedabad-380016 and contact email id is mentioned as kiran.kothari2@gmail.com. The directors are as below:

DIN/PAN	Full Name	Present residential address	Designation	Date of Appointment
02197520	SREYASH MAHESHBHAI PATEL	233/2 MUKHI VAS, OPP. NEW CIVIL,, ASARWA, AHMEDABAD, 380016, Gujarat, INDIA	Director	09/08/2011
02721477	PRAKASHCHANDR A. MARUTIRAO BHOIR	103-104, GIDC, MOTIPURA, HIMMATNAGAR, SABARKANTHA, 380014, Gujarat, INDIA	Director	03/08/2009
02721479	MAHENDRAKUMAR MARUTIRAO BHOIR	103-104, GIDC, MOTIPURA, HIMMATNAGAR,, SABARKANTHA, 380014, Gujarat, INDIA	Director	03/08/2009

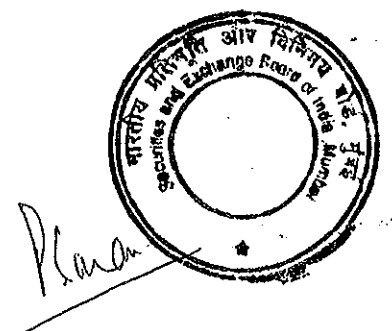
- iii. Dharmanath Shares and Services Pvt Ltd then had transferred Rs. 4.5 cr on October 10, 2011 to Subodhsagar Shares and Services Pvt Ltd in its bank account (A/c: 728010200001366, AXIS Bank, Ahmedabad). As per bank account and MCA records, the address of Subodhsagar Shares is 665/3, Umiyanagar Society, Undhai Vad, Mehsana, Gujarat-384355. As per MCA records, contact email id is mentioned as kiran.kothari2@rediffmail.com. The directors are as below:



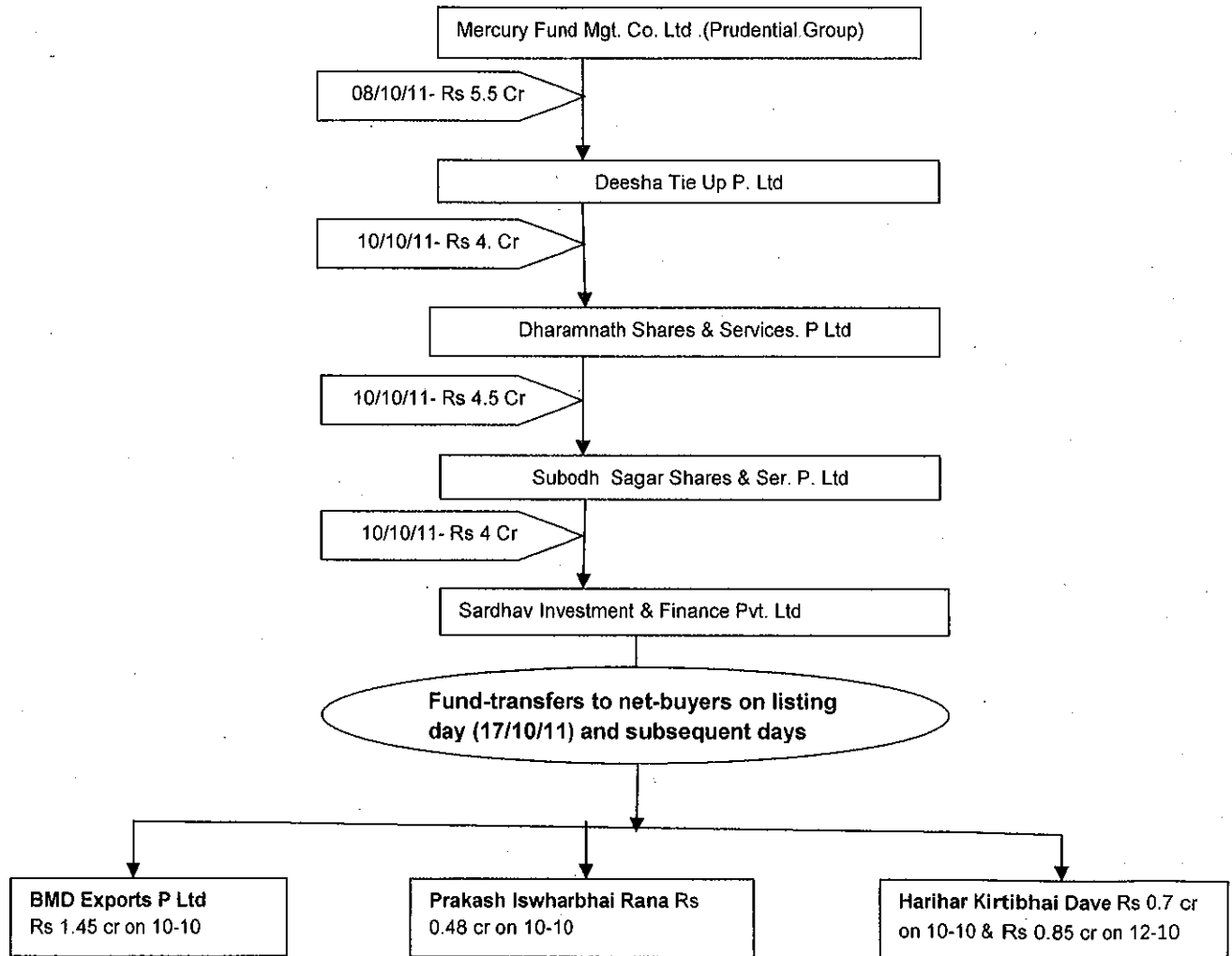
DIN/PAN	Full Name	Present residential address	Designation	Date of Appointment
02621083	KIRITKUMAR MOHANLAL PATEL	233-1, MUKHIVAS, NEW CIVIL, JAHAKIRPURA,, AHMEDABAD, 380016, Gujarat, INDIA	Director	06/07/2009
02693961	JAYESHKUMAR AMBALAL PATEL	UMIYA NAGAR SOC. UANDHAJ, VADNAGAR MEHSANA, MEHSANA, 384355, Gujarat, INDIA	Director	06/07/2009

- iv. Subodhsagar Shares and Services Pvt Ltd then had transferred Rs. 4 cr on October 10, 2011 to Sardhav Investment and Finance Pvt Ltd in its bank account (A/c: 910020018160486, AXIS Bank, Ahmedabad) who then transferred funds to three net buyers, as shown in chart on next page. As per bank account and MCA records, the address of Sardhav Investment is No.353, At Post Kuvasna, Teh Visnagar, Mehsana, Gujarat-384315. As per MCA records, contact email id is mentioned as kiran_kothari2@rediffmail.com. The directors are as below:

DIN/PAN	Full Name	Present residential address	Designation	Date of Appointment
02752942	DINESHKUMAR MANILAL PATEL	353 AT POST KUVASNA, TAL VISNAGAR,, MEHSANA, 384315, Gujarat, INDIA	Director	04/05/2010
02895826	SUMANKUMAR NATVARLAL PATEL	241, KRISHNA BHUVAN, JHANGIRPURA, MUKHIVAS, OPP NEW CIVIL,, AHMEDABAD, 380016 Gujarat, INDIA	Director	01/05/2010

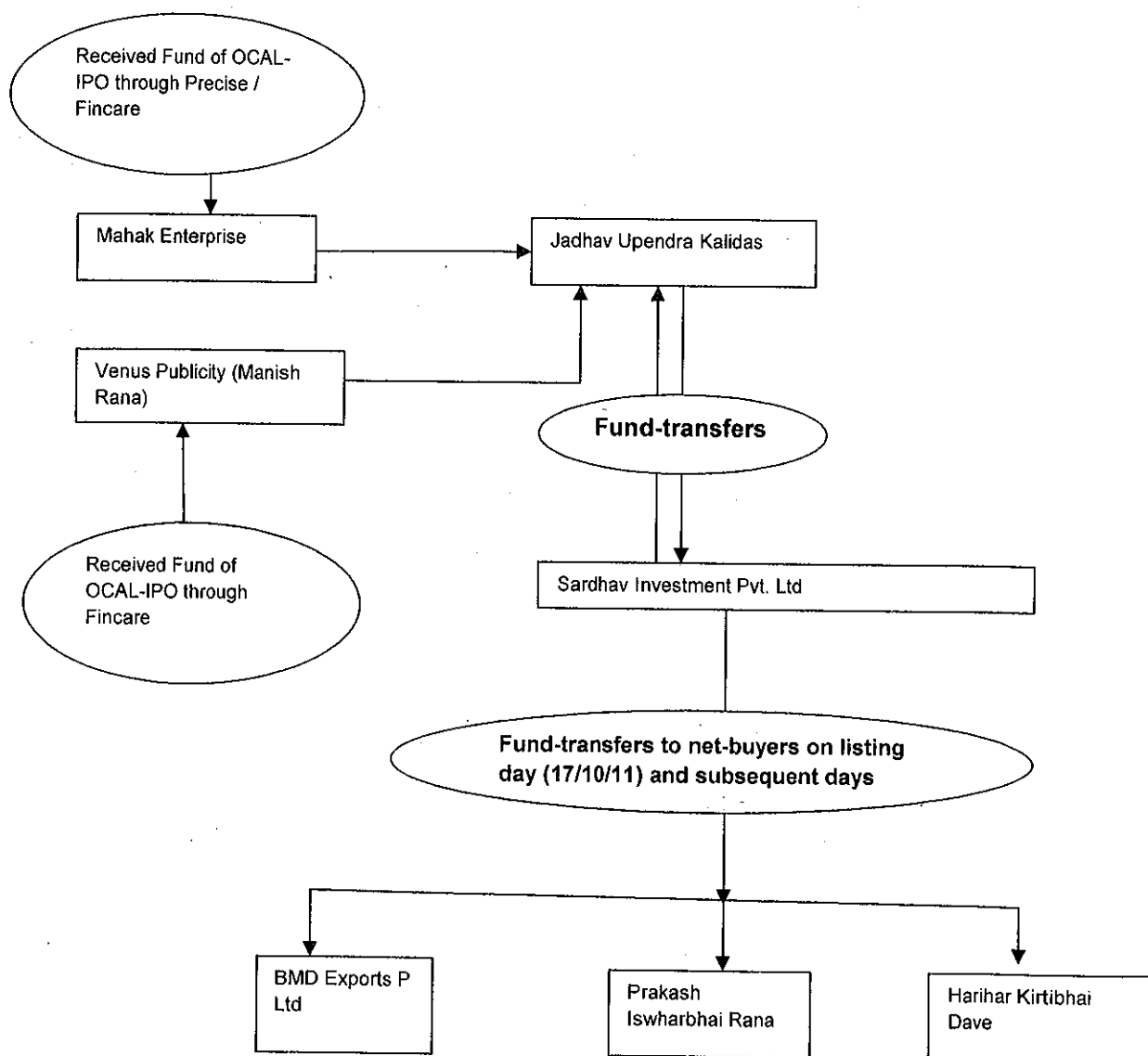


The fund flow chart depicting above fund flow from Prudential group to net buyers in the scrip of OCAL is as given below:

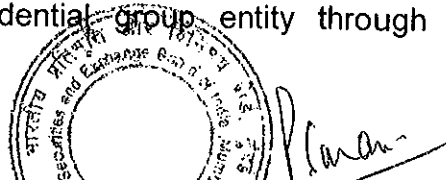


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12.13 It was also observed that Sardhav Inv had received some funds from an entity, "Upendra Kalidas Jadav" who had received funds from "Mahak Enterprise" who in turn had received the IPO Proceeds of OCAL, the details of which are shown in Fund Flow chart given below:



12.14 It is observed, as discussed in earlier paras, that pre-IPO loan fund of Rs. 2.5 cr was received by OCAL on October 13, 2011 from an entity viz. Prudential Management Advisors (P) Ltd. (A/c No.- 60042519407, Bank of Maharashtra) and on the same day the entire amount of Rs. 2.5 Cr was transferred back in the account of Prudential group entity through



circuitous route. However the company (OCAL) has, in its reply dated December 05, 2011, mentioned that they had taken a short term loan from Prudential Management Advisors (P) Ltd. of Rs. 2.5 Cr on October 13, 2011 to give it to Fincare Con for development of PMS and payment of finder fee but the above transfers on the same day seem to contradict this statement. Subsequently, the company (OCAL) had re-paid the loan out of IPO proceeds to Prudential Group entities. Hence, it prima facie appears with the said Rs. 2.5 cr that there was no case of urgency for paying large sum of funds to Fincare Con and Precise Con other than the fact that OCAL, under the garb of taking/re-paying of loan from/to Prudential Group, wanted to transfer funds/ IPO proceeds to Prudential group who then had transferred large sum of funds to the above three net buying clients who had indulged in large trading activity in the scrip of OCAL on the listing day and also subsequent trading days. The above act prima facie appears to be a fraudulent activity which is in violation of Regulation 4(1) read with 4(2)(d) of SEBI PFUTP Regulations, 2003 which is extracted below:

Regulation 4(1): Without prejudice to the provisions of Regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.

Regulation 4(2): Dealing in securities shall be a fraudulent or an unfair trade practice if it involves fraud or may include all or any of the following, namely:

(a).....

(b)....

(c)....

(d) paying, offering or agreeing to pay or offer, directly or indirectly, to any person any money or money's worth for inducing such person for dealing in any security with the object of inflating, depressing, maintaining or causing fluctuations in the price of such security.



13.1 Prima facie findings

13.2 Following are the prima facie findings of investigations conducted so far:

13.3 Onelife Capital Advisors Ltd (OCAL) had raised Rs. 36.85 cr in its IPO issue during September 28, 2011-October 4, 2011. Investigations have revealed that Onelife Capital Advisors Ltd (OCAL) has failed to disclose to public by way of advertisement about the developments taken place during the period between the date of registration of RHP and date of allotment of shares of OCAL. Following were the material developments/variations in RHP related to:

- a. objects to issue viz. *"Development of Portfolio Management Services" and "General Corporate Purposes"*, which involved utilization of IPO proceeds to extent of Rs. 20 cr (which is around 55% of the IPO proceeds),
- b. Appointment of Fincare Financial and Consultancy Services Private Ltd. (Fincare Con) and Precise Consulting and Engineering Pvt. Ltd. (Precise Con), for carrying out the activities with respect to *"Development of Portfolio Management Services"*
- c. Availing of loan amount of Rs. 11.50 cr from Prudential group for making payments to Fincare Con and Precise Con for carrying out the activities with respect to *"Development of Portfolio Management Services"*.

OCAL has therefore failed to comply with provisions of Regulation 60(4) of SEBI ICDR Regulations, 2009 and Section 60B(4)/60B (5) of the Companies Act, 1956.

13.4 Investigations have prima facie found that Fincare Con and Precise Con do not have the financial capacity given their low paid-up capital and low business activity. As per the records in the MCA website, no details regarding their current status of business is found in terms of their filings related to financial statements and also their status as per MCA records are shown as "Dormant/Defaulter". Further, the summonses sent to their address were returned un-delivered. Further, SEBI had also imposed penalties against Fincare Con for its role in manipulation in the scrip of Jindal Stainless Limited.



- 13.5** OCAL had paid Fincare Con Rs. 15.54 cr (Rs. 2.50-loan money + Rs. 13.04-IPO funds), which is 42% of the IPO proceeds and Precise Con has received Rs. 12 cr (Rs. 9 cr-loan money + Rs. 3 cr-IPO funds), which is 32% of the IPO proceeds. Hence, an amount of around Rs. 27.54 cr which is 75% of IPO proceeds was paid these two companies. Out of Rs. 27.54 cr was given to Fincare Con and Precise Con, OCAL has stated that around 20 cr was paid for carrying out the activities stated in the RHP/prospectus under objects to issue viz. "Development of Portfolio Management Services" and remaining Rs. 7 cr towards purchase of corporate office.
- 13.6** Investigations have revealed that most of the funds out of Rs. 20 cr received by Fincare Con and Precise Con purportedly for the development of PMS business and "finder fee from OCAL, have been immediately transferred to five Surat based entities whose main business is not related to securities market. Further, the bank accounts of most of these Surat based firm were opened as recent as October 2011 and were soon closed after the funds were transferred out to various other entities. and also an amount of Rs. 7 cr purportedly given to Fincare Con for purchase of corporate office was transferred to OCAL group companies and friend of Managing Director of OCAL. These instances indicate that IPO proceeds have been utilized for the purposes other than the objects of the issue as stated in RHP/prospectus. Hence, the funds transferred to Fincare Con and Precise Con does not seem to be utilized for the purpose of objects of the issue.
- 13.7** Investigations have further revealed that certain three major net buyers who were taking large net deliveries of OCAL shares on the listing day and subsequent trading days, had received funds from an entity named "Sardhav Investment and Finance Pvt Ltd" who in-turn had received funds through various bank accounts from Prudential Group, Kolkata. As stated above, OCAL had taken a loan of Rs. 11.50 cr from Prudential Group, Kolkata immediately after the close of IPO issue. However, it was observed that out of the said amount of loan, an amount of Rs. 2.5 cr was immediately transferred back in the account of Prudential group entity through circuitous route. Hence, it prima facie appears with OCAL, under the garb of taking/re-paying of loan from/to Prudential Group, wanted to transfer funds/ IPO proceeds to Prudential group who then had transferred large sum of funds to the above three net buying clients who had indulged in large trading activity in the scrip of OCAL on the listing day and also

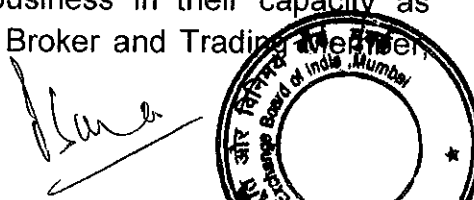


subsequent trading days. The above act prima facie appears to be a fraudulent activity which is in violation of Regulation 4(1) read with 4(2)(d) of SEBI PFUTP Regulations, 2003.

13.8 In view of prima facie findings on the utilization of IPO proceeds other than objects of issue in terms of prospectus and siphoning of IPO proceeds through two shell companies viz. Fincare Financial and Consultancy Services Pvt Ltd and Precise Consulting & Engineering Pvt Ltd, OCAL prima facie appears to have violated SEBI FUTP Regulations, 2003 and SEBI ICDR Regulations, 2009 and Section 60/62 of Companies Act, 1956.

13.9 Investigations further revealed prima facie findings with respect to the inadequate disclosure in RHP by OCAL and also inadequate documentation and due-diligence by BRLM (Atherstone Capital Markets Ltd) while preparing the RHP/prospectus of OCAL. It was observed that Atherstone Capital Markets Ltd (ACML) has failed to comply with the requirements of Regulation 8(2)(f) of SEBI ICDR Regulations 2009 by not reporting material developments taken during the period between the date of registration of RHP and date of allotment of shares of OCAL while issuing due diligence certificate as per Form E of Schedule VI of the said Regulations. Further, investigations have found that BRLM has not done adequate due diligence with respect to the statements mentioned in the RHP and in some instances, BRLM has not done independent verification of certain material statements in RHP. Thus OCAL and Atherstone Capital Markets Ltd have failed to comply with provision of **Regulation 57(1) of SEBI ICDR Regulations, 2009 which requires that the offer document shall contain all material disclosures which are true and adequate so as to enable the applicants to take an informed investment decision.** Further, BRLM Atherstone Capital Markets Ltd and its Managing Director Shri Gurunath Mudlapur and its compliance officer Shri Ranjan Agarawal have not carried out their duties as enshrined in SEBI ICDR Regulations, and therefore have violated **Regulation 64 of SEBI ICDR Regulations, 2009.**

13.10 It is the duty of SEBI in the interest of investing public and securities market, that such company and its directors are not allowed to access the capital markets till the investigation is complete and final action is taken in this regard. Further, in view of prima facie findings of investigation, OCAL should not be allowed to continue their business in their capacity as Merchant Banker, Portfolio Manager, Stock Broker and Trading Member.



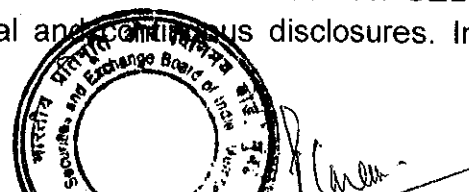
all these businesses is run by the same management of OCAL and with same mind. A regulatory agency like SEBI, entrusted with the duty to protect the interest of its investors must have the capacity to move quickly to curb further mischief and to take action that, in its opinion, is necessary to instill and maintain public confidence in the integrity of capital markets. The proposed direction is not by way of punishment or penalty but only by way of emergency measure, pending detailed investigation into the whole matter.

13.11 Further, role of BRLM (Atherstone Capital Markets Ltd), its Managing Director Shri Gurunath Mudlapur and its compliance officer Shri Ranjan Agarawal which is explained in the above paras is a cause of concern as in-adequate discharge of duty by BRLM with respect to due diligence while preparing RHP/prospectus, if continued, would enable un-scrupulous person in accessing the capital market and thus harm the public interest adversely. Hence, in the interest of investing public, a restraint orders need to be issued against them till the investigation is complete and final action is taken in this regard.

13.12 The role of above person/entities in the above game plan and their violation of provisions of SEBI FUTP Regulations 2003 and SEBI ICDR Regulations 2009 is prima facie clear as described in the order above and further investigation is on to un-ravel the complete picture. The role of other entities mentioned in order is under investigation and SEBI would be take suitable action based on the findings of investigation.

13.13 The decision as to the quantum of funds to be raised and the price at which the shares are to be issued is left to the issuer company. The issuer company is considered to be the best judge to decide the same as such decisions pertain to its functioning. But once it is decided to raise funds from the public then the public interest comes into the picture and the matter is not left exclusively to the discretion of the issuer. The Issuer Company is required to maintain certain standards of disclosure relating to various matters having a bearing on the investment decision of the investors.

13.14 SEBI has adopted disclosure based regulatory regime. Under this framework, issuers and intermediaries disclose relevant details about themselves, the products, the market and the regulations so that the investor can take informed investment decisions based on such disclosures. SEBI has prescribed and monitors various initial and continuous disclosures. In



the case of an IPO by a company, the information about the company is made available to the public/investors in the form of offer document. The public/investors make its decision based on the information provided to them in the form of disclosures in the offer document.

13.15 Full, fair and timely disclosures form the cornerstone of any disclosure requirement stipulated by SEBI. The guiding principle in a disclosure-based regulatory regime is the need for the issuers of securities to provide the potential investors with full, accurate and timely disclosure of all relevant information in respect of the issuer and the security being issued to enable the potential investors to make their own informed investment decisions. It is on this premise that securities regulation is based. The access to the securities market for issuers is conditional upon such disclosures. The disclosure-based regime imposes a heavier responsibility on the issuers of securities and their Merchant Banker in respect of the accuracy and completeness of the information disclosed by them.

13.16 By virtue of the failure to make the necessary disclosures on time in this case, the fact remains that the investors were deprived of the important information at the relevant point of time. In other words, by not complying with the regulatory obligation of making the disclosures, the Company and its Directors had not provided the vital information which is detrimental to the interest of investors in securities market.

13.17 Reference is drawn to the interpretation made by Supreme Court in the matter of Chander Kanta Bansal V. Rajinder Singh Anand MANU/SC/7310/2008 : (2008) 5 SCC 117 as under :

"The words "due diligence" have not been defined in the Code of Civil Procedure, 1908. According to Oxford Dictionary (Edn. 2006), the word "diligence" means careful and persistent application or effort. "Diligent" means careful and steady in application to one's work and duties, showing care and effort. As per Black's law Dictionary (18th Edn), "Due Diligence" means the diligence reasonably expected from , and ordinarily exercised by, a person who seeks to satisfy a legal requirement or to discharge an obligation. According to Words and Phrases by Drain-Dyspnea (Permanent Edn. 13-A) "due diligence", in law, means doing everything reasonable, not everything possible. "Due Diligence" means reasonable diligence; it means such diligence as a prudent man would exercise in the conduct of his own affairs."



[Handwritten signature]

13.18 The role of a merchant banker in the securities market is very important in the process of issue management. The merchant banker plays a vital role in channeling the financial surplus of the society into productive investment avenues. A Merchant Banker is appointed for the purpose of managing the issue of an IPO of a Company and it plays a fiduciary role by coordinating the activities of the Company, the Regulatory Bodies, and the Investors. It is evident that the Merchant Banker is the focal point in a public issue, without him acting diligently and complying strictly with the letter and spirit of the rules and regulations framed there under, the issue cannot be properly regulated and investors are put to grave danger, which is not in the interest of the securities market. The purpose of filing the offer document through the Merchant Banker with SEBI is not a mere ritual or formality.

13.19 I am of the view that the due diligence on the part of the merchant banker does not mean passively reporting whatever is reported to it but to find out everything that is worth finding out. The due diligence process is directed towards ensuring that the offer document does not contain any statement or information that is false or misleading, or contain any material omission. It is also directed towards ensuring that the information furnished in the offer document is not in any way exaggerated or deficient and that the material facts are not suppressed to the disadvantage of the investors. Further, the due diligence is about making an active effort to find out material developments that would affect the interest of investors. It is on the faith that the Merchant Banker has conducted due diligence that an investor invests in the company. The importance of a due diligence process expected from Merchant Bankers in a disclosure regime cannot be over-emphasised. If the Merchant Banker fails to act diligently and comply strictly with the letter and spirit of the regulations, the investors are put to grave danger. Hence it is very important that the various responsibilities associated with the due diligence are discharged with care and caution. Hence only persons who follow the rules and regulations scrupulously can be entrusted with such responsibilities.

13.20 As a regulator, it is SEBI's duty to take immediate steps to prevent such persons from further misleading investors and impairing the integrity of the market. SEBI as a regulator cannot allow such entities to continue with any activity in respect of the issuing. Accordingly, in this case I feel that immediate action is called for in the interest of the investing public.



13.21 I am of the view that this is without doubt a fit case, where I need to effectively and expeditiously use the powers given to SEBI to prevent any further harm to investors. In order to protect the investors and safeguard the integrity of the securities market, it is necessary for SEBI to exercise these powers firmly, effectively and immediately to insulate the market and its investors from the actions of persons who potentially perpetrated fraud and/or mislead investors in the securities market.

14.1 Order

14.2 In view of the foregoing, 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(4), 11A and 11B of SEBI Act, 1992 thereof, pending investigation, by way of this ad interim ex-parte order, hereby issue the following directions:

14.3 Onelife Capital Advisors Ltd (OCAL-PAN No. AAACO9540L) is directed that it shall not issue any equity shares or any other instrument convertible into equity shares, in any manner, or shall not alter its capital structure in any manner, till further directions in this regard.

14.4 Onelife Capital Advisors Ltd (OCAL PAN No. AAACO9540L) is directed not to undertake any fresh business in its capacity as Merchant Banker, Portfolio Manager, Stock Broker and Trading Member till further directions in this regard.

14.5 Onelife Capital Advisors Ltd (OCAL PAN No. AAACO9540L) is further also directed not to buy, sell or deal in securities directly or indirectly, till further directions in this regard.

14.6 The directors of the OCAL viz, **MR. T. K. P. NAIG (PAN No.ABIPN2653D), MR. PANDOO NAIG (PAN No.ACNP2800J), MR. A. P. SHUKLA (PAN No. AECPS3296Q), MR. TUSHAR SHIRDHARANI (PAN No.AAIPS0065M), MR. DHANANJAY PARIKH (PAN No.ACTPP2402L), MR. T. S. RAGHAVAN (PAN No.AAFPR1521A)** are hereby directed not to buy, sell or deal in securities directly or indirectly, till further directions in this regard.

14.7 OCAL is further directed to call back funds (IPO proceeds and short term loan taken from Prudential group) transferred to **Fincare Financial and**



Consultancy Services Pvt Ltd (PAN No.AAACF6005D) and Precise Consulting & Engineering Pvt Ltd (PAN No.AAECF8434E). These amounts together with all of the IPO proceeds that are still lying unutilized with the company across all its bank / deposit accounts or any investments including in mutual funds, shall be deposited in an interest bearing escrow account with a scheduled commercial bank, till further orders. A confirmation on compliance of this direction shall be sent by the promoters of OCAL to the stock exchanges where it is listed, within 7 days from the date of this order.

- 14.8 Fincare Financial and Consultancy Services Pvt Ltd (**PAN No.AAACF6005D**) and Precise Consulting & Engineering Pvt Ltd (**PAN No.AAECF8434E**) are hereby directed not to buy, sell or deal in securities directly or indirectly, till further directions in this regard.
- 14.9 BRLM to the issue viz. Atherstone Capital Markets Ltd (ACML) (SEBI Registration No: INM 000011245), Shri Gurunath Mudlapur (Managing Director of ACML) and Shri Ranjan Agarawal (compliance officer of ACML) are hereby are prohibited from taking up any new assignment as Merchant Banker or involvement in any new issue of capital including IPO, follow-on issue etc. from the securities market in any manner whatsoever, from the date of this order till further directions.
- 14.10 The above order is without prejudice to any other action that may be initiated against the above entities for the said violations.
- 14.11 The stock exchanges are advised to enable squaring off, at the earliest, existing open positions in the Futures and Options Segment, if any, for the persons / entities mentioned above at paras. Further, the concerned stock exchanges should also ensure that said persons / entities do not take fresh positions or increase their open positions in any manner.
- 14.12 All stock exchanges and depositories are directed to ensure that all the above directions are strictly enforced within the powers available to them.
- 14.13 Further the entities/persons against whom this direction is issued may file their objections, if any, to this order within 21 days from the date of this order and, if they so desire, avail themselves of an opportunity of personal hearing at the Securities and Exchange Board of India, SEBI Bhavan, G-

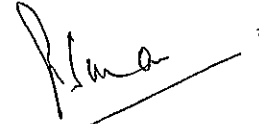


Block, Plot No C-4-A, Bandra Kurla Complex, Bandra-East, Mumbai 400 051 on a date and at a time to be fixed on a specific request, to be received in this behalf from the entities/persons within 21 days from the date of this order.

14.14 This order shall come into force with immediate effect.

Place: Mumbai

Date: 29-12-2011



PRASHANT SARAN
WHOLE-TIME MEMBER
SECURITIES AND EXCHANGE BOARD OF INDIA

