

Onelife Capital Advisors : Weak Issue, Avoid

IPO Note: Limited Track Record, Small Operation, Loss making Rating*



Issue details

Price band (Rs)	Rs.100-110
IPO Opening Date	28/9/11
IPO Closing Date	04/10/11
Issue Size	Rs.33.50- 36.85 Crore

Valuations & Recommendation

The company has reported losses for FY11. With limited track record, moderate management profile OCAL is in highly competitive merchant banking business. OCAL's business is highly dependent on capital markets and volatility in stock market which may impact its revenues and profitability.

Onelife has managed only one IPO this year – Paramount Print Packaging. Looking to its small operation and competitive segment we suggest to avoid the Issue.

Highlights

- ◆ IPO Grade 1 by CARE indicating poor fundamentals
- ◆ The company has a corporate office in Mumbai and the current employee strength is eleven. It has no branches.
- ◆ OCAL started its operations in FY2010, Income from operations consists principally of income from investment banking and related services, which includes fee-based income from merchant banking, corporate advisory (including research services), debt syndication services and professional fees.
- ◆ In FY10, the company earned a total income of Rs.61.7 lakh comprising professional fees and consultancy charges.
- ◆ OCAL had provided advisory services to a company in FY10 and is yet to receive payment for these services.
- ◆ The company is loss making and has negative cash flow from the operations.

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