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6TH YEAR

THE ECONOMIC REVOLUTION

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SPECIAL NOTE

SCOTTS GARMENT IPO EXTENDED TILL 03.05.13 WITH REDUCTION IN OFFER PRICE

The first main line IPO of this fiscal which came with aggressive pricing and as it was cleared by SEBI a year before, it smoothly avoided the "Safety Net" tag and opened its issue on 25.04.13 in a hurried way before expiry of SEBI card limits.

As we have already given its detailed analysis in our issue dated 23.04.13 with a remark to buy at discount post listing, still stands valid, as despite muted response it reduced the price band to Rs. 118-120 which is still higher than the pre-IPO placement price and is also missing on "Safety Net".

If one looks at subscription pattern, the issue got just 4200 shares bid on day one and it rose to 43500 no on day 2 i.e. 26.04.13. Due to Saturday and Sunday it was to close on Monday 29.04.13 and despite poor response, the merchant bankers and promoters announced closure of the IPO in pink financial and ultimately met disaster.

As per final tally as per BSE/NSE web, the issue got subscribed to the tune of 25% on Monday eve with QIB (36%), HNI (36%), Retail (6%) and Employees (12%). With such poor response, the merchant bankers and promoters have reduced the price band to Rs. 118-120 and is now extended till 03.05.13. But considering its 95% export earnings with over 76% coming from European countries that are facing crisis, it is not worth even at this reduced pricing in absence of "Safety Net". It reported higher net with window dressing with one time profit from sale of investment just to boost its IPO pricing.

It issued bonus in the ratio of 12 for 1 on 28.03.2006 and during 2007-2009 issued equity shares in different price bands ranging between Rs. 20 to Rs. 80 per share. Now count Rs. 80 per share, and 12 share bonus share i.e. 13 shares in Rs. 80. (Remember price is Rs. 20 to 80, but we count maximum price) then share will be of Rs. estimately Rs. 6 only, If they taken in Rs. 20 than approxmitely Rs. 1.60 per share, and now they are giving to public in Rs. 118-120 ????

DO NOT SUBSCRIBE THUS ISSUE, WILL LOSS MONEY, ONE TIME PERHAPS IT WILL COME UP, BUT AFTER THAT LOSS, ONLY LOSS TO INVOSTERS.

NARENDRA JOSHI, EDITOR