

EDITORIAL

SCOTTS GARMENT IPO GETS MUTED RESPONSE

The first main line IPO of this fiscal that opened for subscription for 1,05,06,954 equity share of Rs. 10 each with a price band of Rs 130-132 (to mobilize approximately Rs. 137 crore) has received poor response in first two days.

According to data available on NSE website, on the first day it just got subscription for 4200 shares and on the next day the total tally went to just 43500 shares and most of it coming at the lower price band. What was more surprising, on NSE it just got bid for 100 share on the second day and rest is on BSE.

It is learnt that with this paltry response, merchant bankers are running here and there to meet the ends and lure investors to park their

funds, but is it really worth at this price. The answer is NO. When it allotted shares at Rs. 115 in pre-IPO placement in December 2012, it should not have asked for Rs. 130-132 per share for IPO portion now.

Secondly it has over 95% exports and 76% is to the European countries which are facing slow down in economy and debt crisis. Its last year's superb performance was due to one-time profit made on sale of its investment and it appears that this exercise was done to improve its balance sheet before the IPO.

As per market information, now merchant bankers are on their toes with higher kick-backs offer to garner the response to bring at least one time subscription.

Surprisingly, there is no response in QIB whatsoever in first two days that has raised the eyebrows in the market.

NO doubt, off late we are seeing the actual response coming in for major IPOs on the last day only, so we will have to wait till then to see the final outcome. An insider keeping his anonymity also said that since the main promoter is also connected with BRFL, it might call for rescue operation from that company to save the issue, and his political background will also be used to manage the subscription.

It is better to stay away from this IPO - as it has failed to get even 1% (actual response is not even half a percent) subscription in first two days of subscription.



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MAJOR
SUPPORT AT
5810

NIFTY HAS SUPPORT AT 5810 AND RESISTANCE AROUND 5940 AND 5980

NIFTY WEEKLY VIEW

Nifty has support at 5810 and resistance around 5940 and 5980. Now nifty is moving towards 5810 there will be bounce from 5810 and if it sustains above 5930 then will remain bullish for some coming weeks. In current scenario nifty is overbought and expected to remain range bound.

TRADING STOCKS

Name of stock	Action	Action price	Stop loss	Target
ADANI ENT	SHORT SELL	216	220	205
ALL BANK	SHORT SELL	135	138	125
AURIBINDO	SHORT SELL	190	193	180
CAN BANK	SHORT SELL	430	440	400
CENTURY	SHORT SELL	292	295	275
DENA BK	SHORT SELL	94	96	85
DLF	SHORT SELL	245	250	215
HEXA WARE	SHORT SELL	85	87	80
HUL	SHORT SELL	475	480	450
RCOM	SHORT SELL	95	98	85

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