



# IPO DETAILS

# CELLO WORLD LIMITED

#IPOlogy



## Issue Opens

30 October 2023, Monday

## Issue Closes

1 November 2023, Wednesday

## Min. Lot Size

23 Shares

## Issue Price Band

₹617 - ₹648

## Industry

Consumer Products

## Issue Size

Fresh Issue:  
N/A

## OFS:

29.32 mn Eq Shares  
(₹19,000 mn)

## Face Value

₹5

## Listing at

NSE, BSE

## Rationale

Considering the TTM (Jun-23) / FY24-Annualized EPS of Rs 13.65/14.60 on a post-issue basis, the company is going to list at a P/E of 47.47/44.38x with a market cap of Rs. 1,37,526 mn, whereas its peers Borosil Limited, Kokuyo Camlin Limited, La Opala RG Limited, Stove Kraft Limited, TTK Prestige Limited, Linc Limited, and Hawkins Cookers Limited are trading at a P/E of 59.4x, 41.2x, 35.7x, 47.2x, 44.4x, 29.0x, 39.4x.

We assign a "Subscribe" rating to this IPO as the company is a well-established brand name with strong market positions and a diversified product portfolio across price points catering to diverse consumer requirements. Also, it is available at a reasonable valuation as compared to its peers.

## Objectives of the issue

The Company will not receive any proceeds from the Offer ("Offer Proceeds"). All the Offer Proceeds will be received by the respective Selling Shareholders, in proportion to the Equity Shares offered by them in the Offer for Sale.

## Rating

**Subscribe**

**APPLY NOW**



CELLO WORLD LIMITED

## Company Overview

The company is a prominent player in the consumer ware market in India with a presence in consumer houseware, writing instruments and stationery, moulded furniture and allied products, and consumer glassware categories.

Their operations are primarily organized into three product categories, namely (i) Consumer Houseware (66% of Revenue), (ii) Writing Instruments and Stationery (16% of Revenue), and (iii) Moulded Furniture and Allied products (18% of Revenue).

### Key Elements

While the Company was incorporated only in 2018, its promoters were involved in the launch of the glassware and opal ware business in 2017 under the “Cello” brand.

They increased their revenue from operations from this business from ₹1,483.59 million in the Financial Year 2021, to ₹2,760.16 million in the Financial Year 2023, at a CAGR of 36.40%.

They own/lease and operate 13 manufacturing facilities across five locations in India, as of June 30, 2023, and are establishing a glassware manufacturing facility in Rajasthan.

The company has a strong pan-India distribution network. Their nationwide sales and distribution network is supported by their 721-member sales team, as of June 30, 2023.

### Dominant In-House Manufacturing

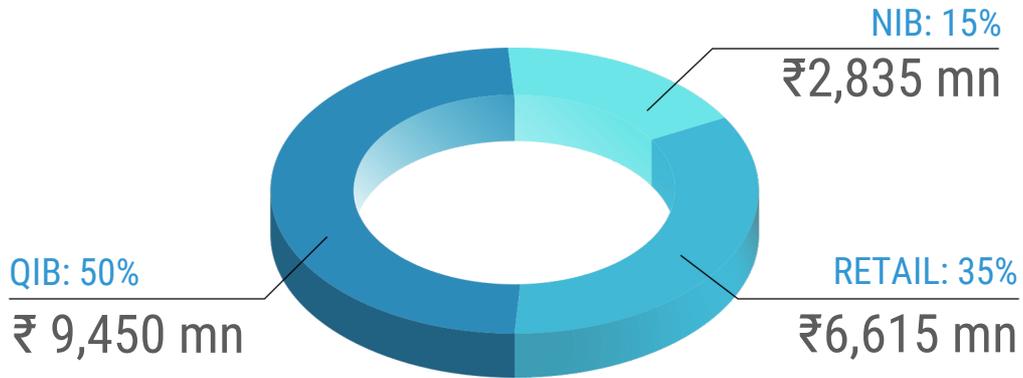
Their manufacturing capabilities allow them to manufacture a diverse range of products in-house. Their revenue derived from in-house manufacturing operations aggregated to 78.65%, 82.63%, 79.37%, 82.08%, and 79.67% of total revenue from operations for the Financial Years 2021, 2022, and 2023 and the three months ended June 30, 2022, and June 30, 2023.



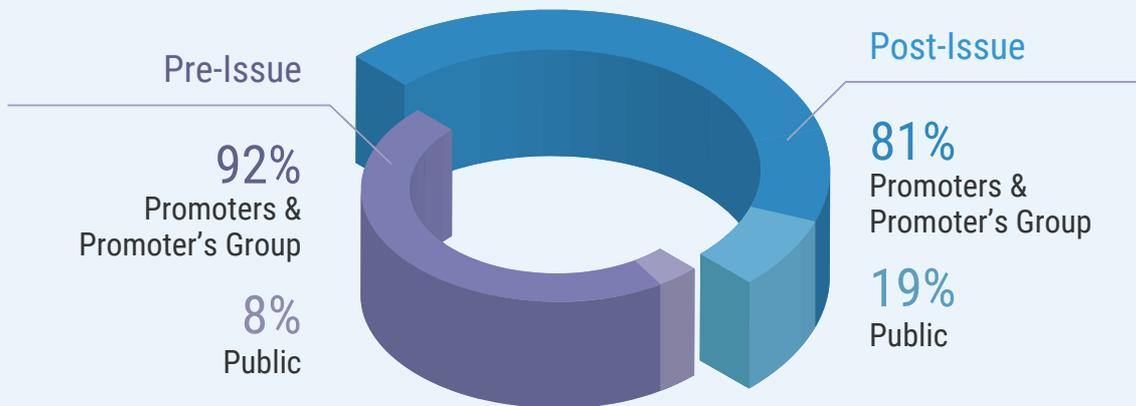
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# Issue Details

## Issue Break-Up



## Shareholding Pattern



## Capital Structure (in ₹)



**1100 mn**  
Authorised Equity  
Share Capital



**1,061 mn**  
Paid-Up Capital  
(Pre-Offer)

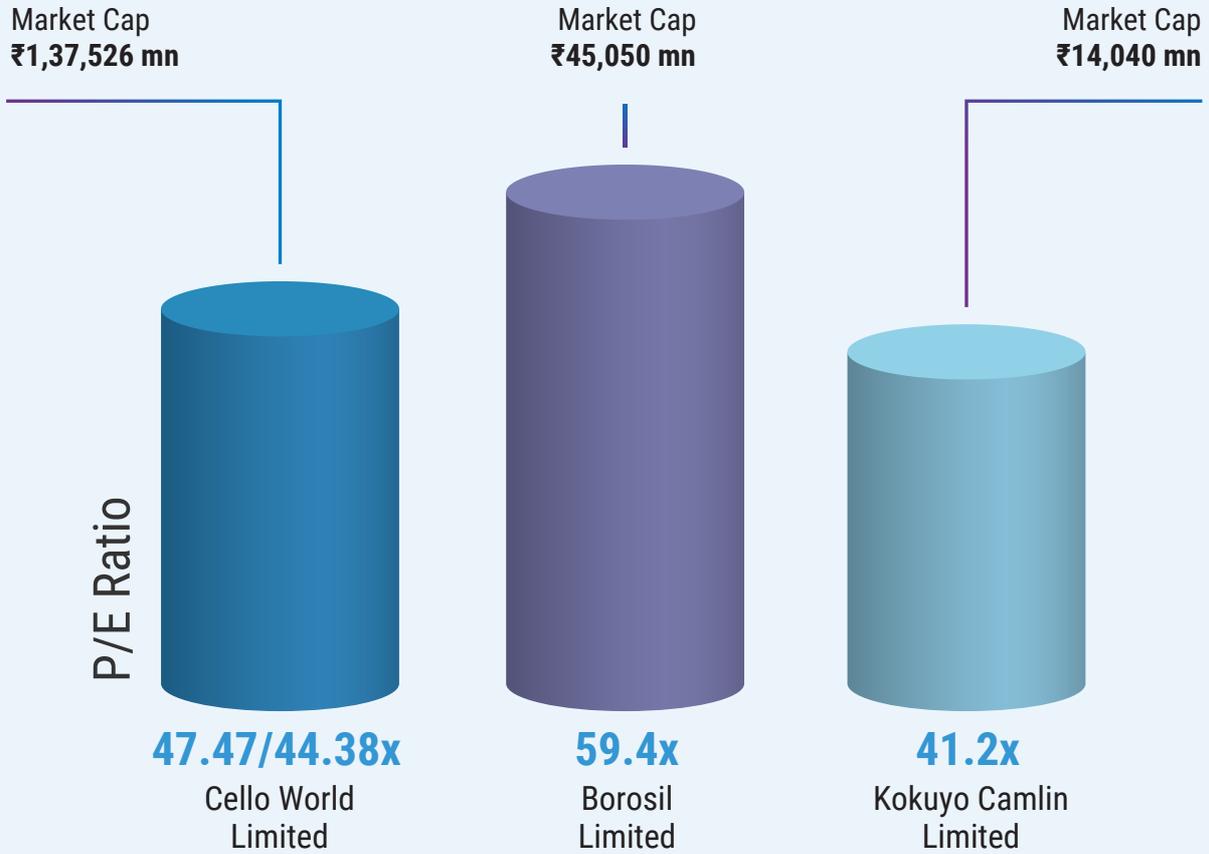


**1,061 mn**  
Paid-Up Capital  
(Post-Offer)



CELLO WORLD LIMITED

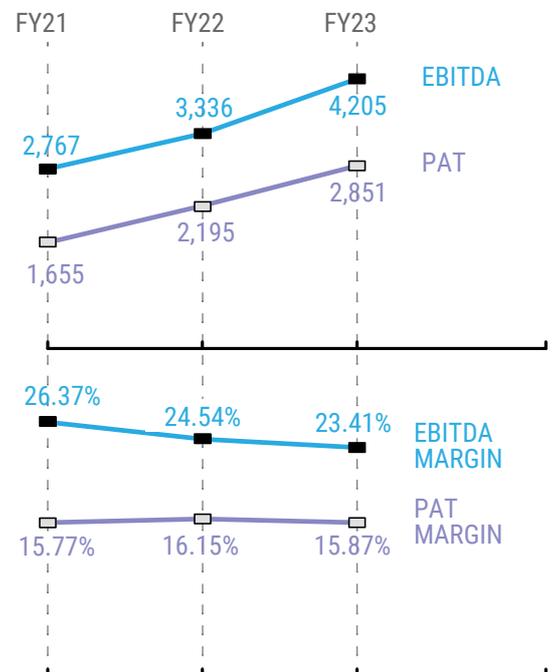
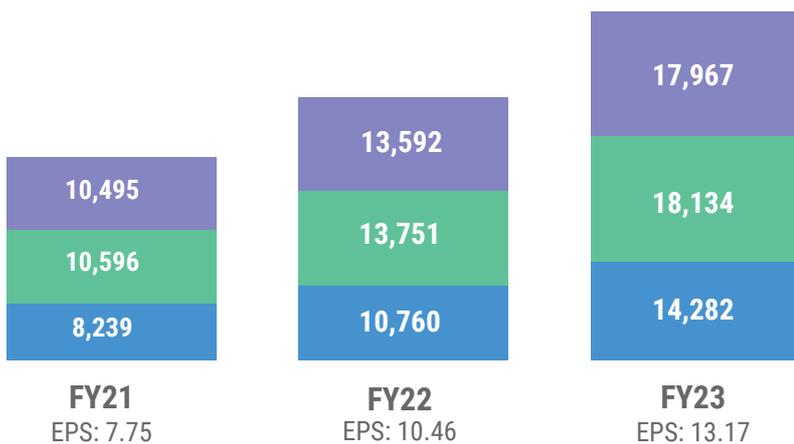
# Valuations and Peer Comparison



Market Cap data of listed securities as on October 26, 2023

## Financial Snapshot (in ₹ mn)

- Revenue
- Total Income
- Total Expenses





CELLO WORLD LIMITED

# Business Insights



## Competitive Strengths

- Well-established brand name and strong market positions.
- Diversified product portfolio across price points catering to diverse consumer requirements.
- Track record of scaling up new businesses and product categories.
- Pan-India distribution network with a presence across multiple channels.
- Ability to manufacture a diverse range of products and maintain optimal inventory levels.
- Skilled and experienced management team.
- Strong historical financial results.



## Business Strategy

- Continued innovation to grow wallet share and expand consumer base.
- Expand their distribution network.
- Scale up branding, promotional, and digital activities.
- Grow manufacturing capabilities and expand production capacities.



## Risks

- Fluctuations in raw material prices, especially plastic granules and plastic polymer prices, and disruptions in their availability may have an adverse effect on their business, results of operations, financial condition, and cash flows.
- They face significant competition which may lead to a reduction in their market share, causing them to increase expenditure on advertising and marketing as well as cause us to offer discounts, which may result in an adverse effect on their business, results of operations, financial condition, and cash flows.
- Their business is subject to seasonality, which may contribute to fluctuations in their results of operations and financial condition.

## Promoters and Management Details

Pradeep Ghisulal Rathod - Chairman and Managing Director

Pankaj Ghisulal Rathod - Joint Managing Director

Gaurav Pradeep Rathod - Joint Managing Director