

Cello World

BSE SENSEX
82,133

S&P CNX
24,768

CMP: INR830

TP: INR1,000 (+20%)

Buy



Stock Info

Bloomberg	CELLO IN
Equity Shares (m)	221
M.Cap.(INRb)/(USDb)	183.4 / 2.2
52-Week Range (INR)	1025 / 711
1, 6, 12 Rel. Per (%)	-3/-11/-14
12M Avg Val (INR M)	257
Free float (%)	25.0

Financials Snapshot (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	22.1	26.5	32.1
EBITDA	5.6	7.2	8.7
Adj. PAT	3.6	4.7	5.8
EBITDA Margin (%)	25.3	27.2	27.1
Cons. Adj. EPS (INR)	17	22.1	27.3
EPS Gr. (%)	9.3	29.6	23.5
BV/Sh. (INR)	70.4	91.8	118.3

Ratios

Net D:E	-0.1	-0.3	-0.4
RoE (%)	24	24	26
Payout (%)	25	29	28

Valuations

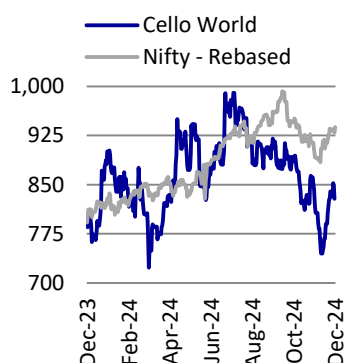
P/E (x)	49	38	30
EV/EBITDA (x)	32	24	20

Shareholding Pattern (%)

As On	Sep-24	Jun-24
Promoter	75.0	78.1
DII	13.6	12.1
FII	7.7	5.9
Others	3.7	4.0

FII includes depository receipts

Stock Performance (one-year)



Penning the growth story ahead

Cello World Ltd (CELLO) has achieved significant success within the writing instrument segment (accounted for ~17% of its consolidated revenue in FY24) following its re-entry into the space in CY19. Currently, Unomax (CELLO's brand) is one of the leading brands in the industry, posting revenue of ~INR3.3b in FY24 (~44% revenue CAGR over FY21-24) along with industry best margin profile. The domestic business accounted for ~60% of segmental revenues in FY24, with exports accounting for the rest.

- The domestic business is expected to sustain strong growth momentum as the company has adopted a multi-pronged strategy wherein it will focus on enhancing the distribution network (with the goal to reach over 0.2m outlets by FY26 vs ~0.12m as of FY24), increasing market penetration (~60-65% as of FY24) and expand its product portfolio (in the process of adding more products within the segment).
- The exports business was adversely impacted by logistic-related challenges in 1HFY25 (revenue declined on a YoY basis). Although challenges in key markets such as Russia persist, the company anticipates a much stronger 2H, led by the improving situation and a seasonally strong 4Q.
- In the medium to long run, the company will focus on diversifying its reach by entering into newer countries (will also reduce the concentration risk) and strengthening its market share within existing geographies, ensuring its return to a strong growth trajectory.
- CELLO's writing instrument segment commands the highest margins among peers (EBIT of ~25.8% in FY24 vs 18.1%/9.6% for Flair/Linc), and we expect this to continue on account of its focus on premiumization, differentiated market positioning, and superior cost management. We expect the writing instrument segment to clock ~20% revenue CAGR over FY24-27, with EBIT margins to sustain at ~25%.

Adopting a multi-pronged strategy to ride the growing market

- CELLO forayed into the writing instrument business under the brand 'Cello' in CY95 and has since achieved remarkable success, becoming a household brand over the years. It sold the brand to a French company 'Bic Clichy' in CY15.
- However, considering the huge potential within the writing instrument industry (Domestic TAM of ~INR134b as of FY23; expected to clock ~16% CAGR over FY23-27E), CELLO decided to re-enter the market under the brand 'Unomax' following the expiration of the non-compete clause in CY19.
- Post its re-entry, the company rapidly scaled its writing instrument division, re-establishing itself among the top brands in the segment. It recorded sales of ~INR3.3b in FY24, reflecting an impressive ~44% revenue CAGR over FY21-24 (accounting for ~17% of CELLO's consolidated revenue in FY24).
- Although the company witnessed headwinds in 1HFY25 as a result of declining exports, it is confident of a much better 2H and expects to maintain strong growth momentum in the medium to long run.

Sumant Kumar - Research Analyst (Sumant.Kumar@MotilalOswal.com) | Meet Jain (Meet.Jain@MotilalOswal.com)

Research Analyst: Omkar Shintre (Omkar.Shintre@MotilalOswal.com) | Nirvik Saini (Nirvik.Saini@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- CELLO is pursuing a multi-pronged strategy centered on expanding its distribution network (~0.2m outlets by FY26 vs ~0.12m in FY24), diversifying its product portfolio, and entering untapped international markets.
- The company is in the process of adding more products within the writing instrument segment (recently launched highlighter pens). It continues to leverage its collaborations/partnerships with the likes of Disney/Marvel for more visibility.
- In line with its focus on premiumization, the company has launched multiple higher price point products, such as metal and executive pens, colored pens, and cartridge fountain pens. Currently, Unomax is present in all price points from INR10 onwards and does not expect to enter the segment below this price point.
- Accordingly, factoring in CELLO's strategic roadmap to sustain the strong growth momentum, we expect its writing instrument segment to clock ~20% revenue CAGR over FY24-27.

Navigating near-term export challenges; poised to grow in the longer run

- CELLO re-entered the writing instrument segment with solely export sales in the initial year and expanded into domestic markets later on. As of FY24, export sales still account for ~40% of the segmental revenue.
- Globally, the writing instrument market was valued at ~USD17.7b (~INR1.5t) as of CY23 and is expected to clock ~4.4% CAGR over CY24-30. CELLO's ~40% export revenue share is the highest among peers (Flair/Linc have export shares of ~19%/20%), reflecting its strong global reach.
- However, the volatile geo-political situation led to headwinds within the export segment, leading to a decline in segmental revenue over 1HFY25.
- CELLO witnessed container-related issues (delay of ~2-3 months) while shipping to key export markets of Russia and US. The increased sanctions have complicated trade with Russia, while disruptions in the Red Sea have adversely impacted logistics to the US.
- The situation is gradually improving but will continue to remain challenging, especially in Russia, due to ongoing internal issues. Nonetheless, the company expects 2H to be much stronger than 1H, led by a seasonally strong 4Q.
- Domestic demand for the writing instrument segment continues to remain strong. Accordingly, we expect the segment to post ~10% revenue growth for FY25, despite the drag in 1H.
- Within the medium to longer run, CELLO plans to target new geographies to ramp up the segment (this will also help reduce concentration risks). It also plans to strengthen its share within existing geographies by improving its presence and distribution network.
- Factoring in the huge addressable market, growing global opportunity and strategic roadmap of CELLO to further tap into global markets, we expect exports to maintain material contribution within the writing instrument segment.

Standing out among peers

- Within its listed peers in the writing instrument segment, Linc and Flair are the largest competitors for the company, while DOMS has recently entered the space.
- While Flair is the largest player in the market with revenue of ~INR9.2b in FY24 (highest growth rate at ~47% CAGR over FY21-24), its margin profile is still relatively weaker compared to CELLO.
- Despite being a relatively new player, CELLO is leading in terms of margins, driven by its strong experience (developed CELLO as a household writing instrument brand over CY1995-2015), differentiated market positioning (presence across all price segments), and a focus on premiumization (diverse range of premium products includes metal pens, executive pens, cartridge fountain pens, etc.). CELLO's superior EBIT margins (~25.8% in FY24 vs ~18.1%/9.6% for Flair/Linc) also indicate its superior cost management over peers.
- CELLO's distribution reach is still way below its competition, with 1,522 distributors as of FY24 vs 8,080/2,871 for Flair/Linc. (though it has been present in the market for only half a decade, while its peers have an experience of over 2-3 decades). However, this indicates a greater potential for CELLO to tap into the untapped market and capture further market share within the industry.
- **Overall, we believe that Unomax is positioned very well in a growing market and is expected to grow at a much higher rate than the industry going forward.**

Valuation and view

- Operating in diverse industries, CELLO benefits from an expanding TAM across markets. Within the writing instrument segment (TAM of ~INR134b as of FY23; expected to clock ~16% CAGR over FY23-27E), the company will benefit from industry tailwinds such as favorable demographics, increased discretionary spending, growing literacy rates, rising skill enhancement courses, etc. We estimate CELLO's writing instrument segment to grow faster than the industry.
- Overall, the company is expected to post a robust CAGR of 19%/22%/22% in revenue/EBITDA/adj. PAT over FY24-27, led by healthy growth across segments on account of the expansion of SKUs as well as distribution reach, coupled with strong growth in the glassware segment after the ramp-up of the new plant in Rajasthan.
- We reiterate our BUY rating on CELLO with a TP of INR1,000 (premised on 40x Sep'26E EPS).

Exhibit 1: Competitive landscape

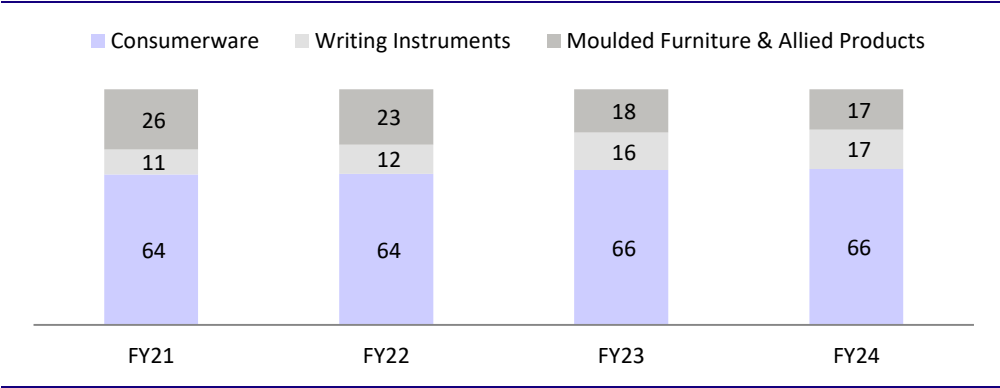
As of FY24	Cello World*	Linc	Flair
Sales	3,336	5,020	9,190
Sales CAGR over FY21-24 (%)	44	25	47
RM as a % of sales	41	60	50
Employee cost as a % of sales	NA	15	15
Other expense as a % of sales	NA	14	16
EBIT	860	480	1,660
EBIT CAGR over FY21-24 (%)	50	NA	134
EBIT Margins	25.8	9.6	18.1
PAT	NA	340	1,180
Key Operating Metrics			
Capacity	705m units per annum	600m pens per annum	2.2b units (expanding to 2.4b units by FY26E)
Manufacturing units	2	2	11
Location of manufacturing facility	Daman	Umbergaon (Gujarat) and Serakole (West Bengal)	Valsad, Dehradun, Damnan, Naigoan
Brand	Unomax	Pentonic, Linc, Glycer	Flair, Pierre Cardin, Hauser, Zoox
Product Segment	Present in all price point from INR10 onwards Premium range includes metal and executive pens, colored pens, and cartridge fountain pens.	Mass (<INR20) - Penonic, Linc Mid Premium (INR20-50) - Uniball (entering with new JV with Mitsubishi) Higher Mid Premium (INR50-100) - Uniball	Mass (<INR15) - Flair, Hauser Mid Premium (INR16-100) - Flair, Hauser, Zoox Premium - Pierre Cardin, Flair, Hauser
Key Products	Pens, Highlighters, Markers, Correction Pens	Pen, Refills, Markers, office consumables, School Stationery, Calculator, Adhesives	pens, stationery products, calculators, mechanical pencils, highlighters, correction pens, markers, gel crayons and kids' stationery kits
Distribution Network	Distributors - 1,522 Retailers - 64,868 Super stockist - 29	2,52,639 Touch Points 2,871 Distributors 0.25m retailers	Distributors - 8,080 Wholesale and Retailers - 330,000 Retail presence in 2,468 cities/town/villages Super stockist - 151
SKUs (Writing instrument & Stationery category)	NA	2,000+ products	787 Products 2,613 SKUs
Exports revenue share (%)	40	18	19
Export regions	Key export regions include US, Russia, and Thailand	Over 50 countries (South East Asia, Middle East, the USA, the UK, Europe, South America, Africa, Russia, and CIS countries)	Over 95 countries
FINANCIAL RATIOS#			
RoCE (%)	33.0	23.7	22.7
RoE (%)	28.8	17.8	18.0
RoA (%)	20.1	12.7	13.8
P/E ratio - TTM (x)	54.2	25.6	27.3
Promoter Holdings (%)	75	59	79
Enterprise Value (INR b)	192.3	9.1	29.0
EV/EBITDA multiple	35.5	14.7	15.4
Debt:Equity ratio	0.3	0.09	0.06

*CELLO's writing instrument segment only; #Consolidated basis

Note: Data as of FY24. Source: Industry data, Company, MOFSL

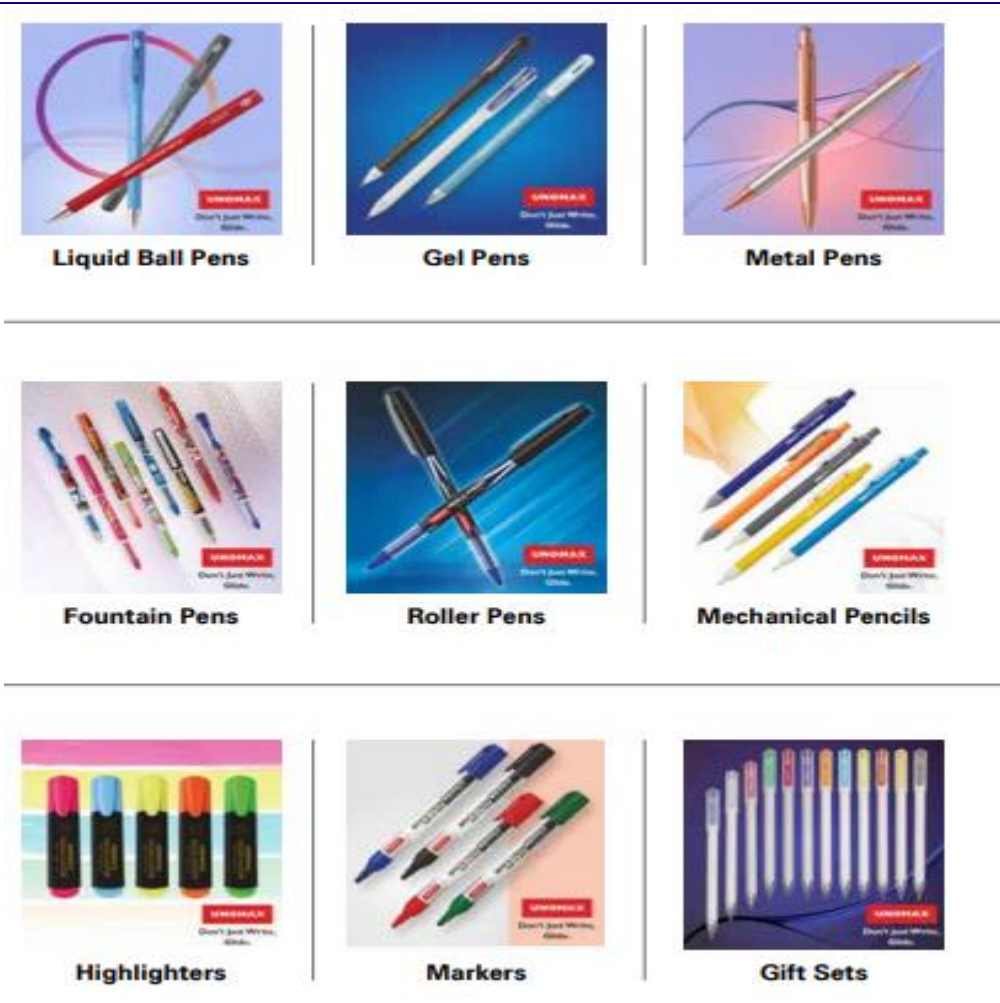
Source: Company, MOFSL

Exhibit 2: The writing instrument segment accounts for ~17% of CELLO’s consolidated revenue in FY24



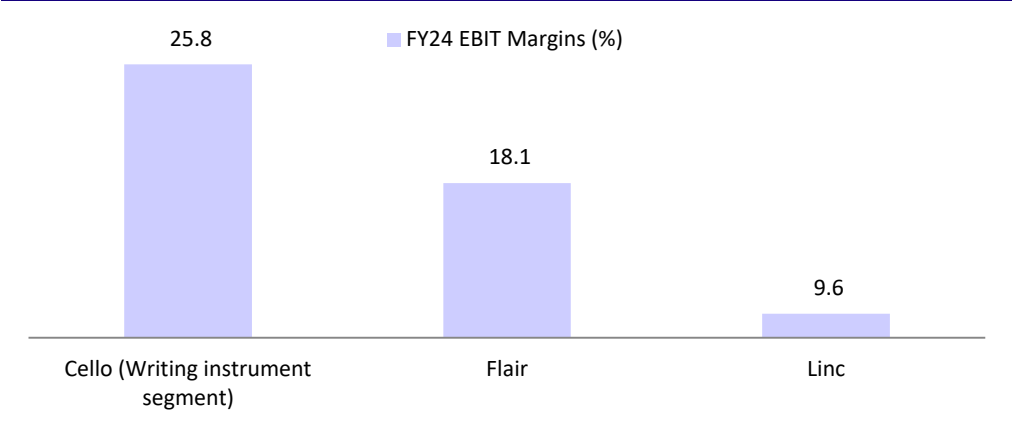
Source: Company, MOFSL

Exhibit 3: Writing instrument product portfolio



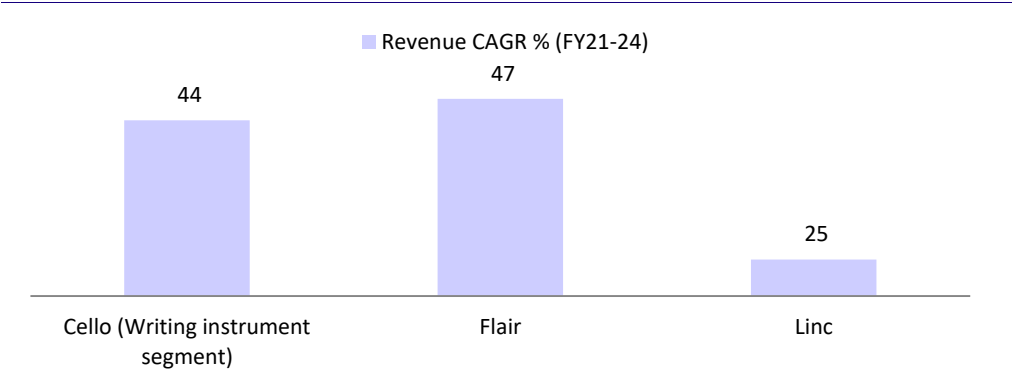
Source: Company, MOFSL

Exhibit 4: CELLO’s industry-leading margin profile



Source: Statista, Company, MOFSL

Exhibit 5: CELLO clocked ~44% revenue CAGR over FY21-24



Source: Statista, Company, MOFSL

Story in Chart

Exhibit 6: Strong revenue trajectory

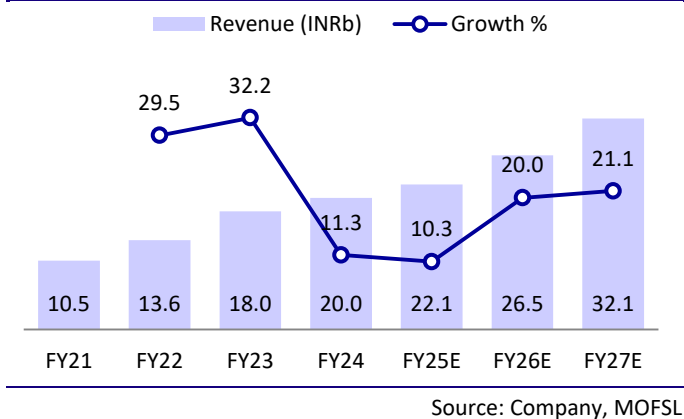


Exhibit 7: EBITDA margin trend

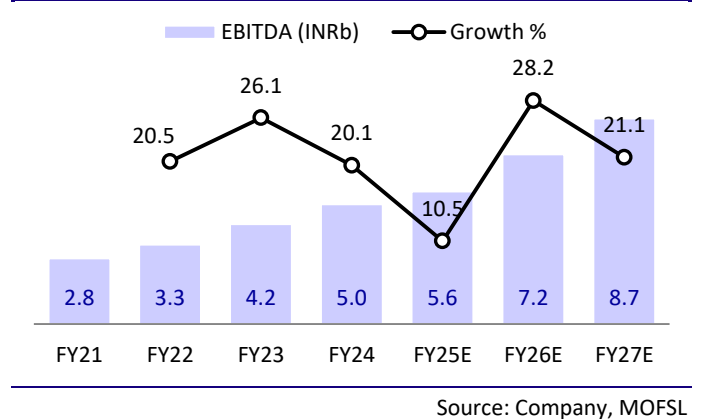


Exhibit 8: Robust earnings trajectory

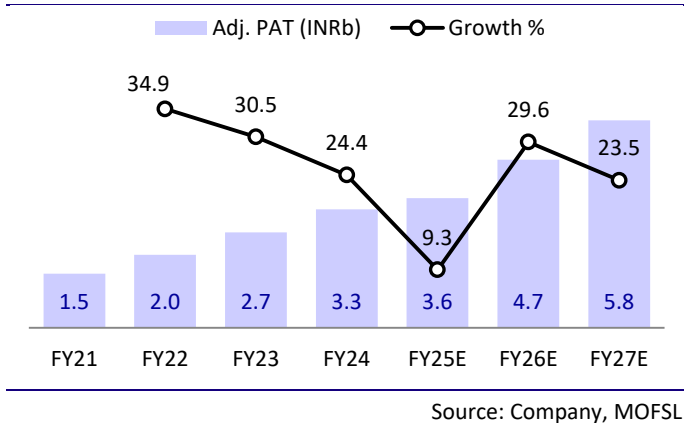


Exhibit 9: Working capital days trend

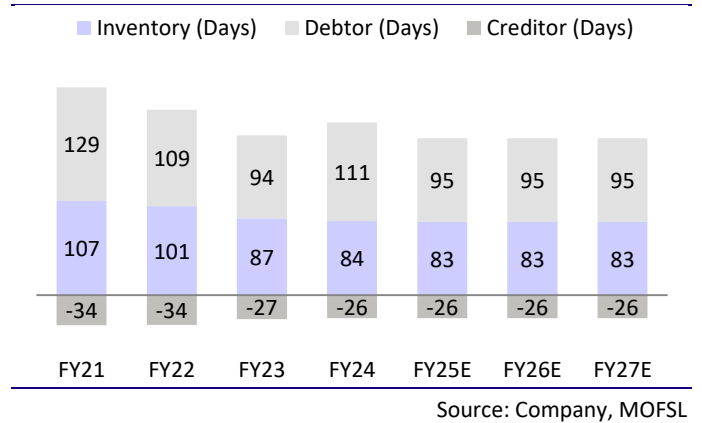


Exhibit 10: Cash flow from operation trend

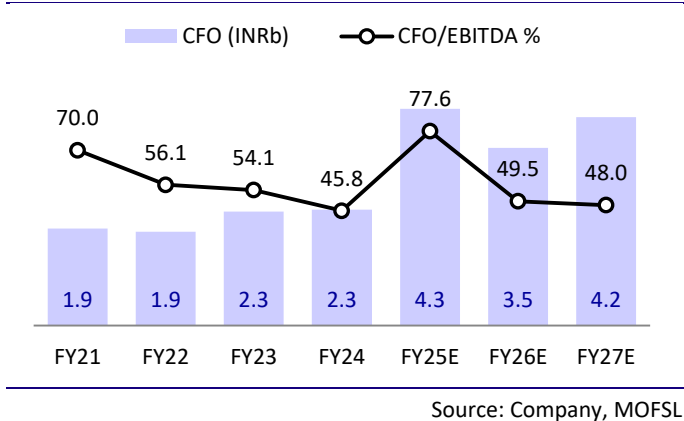
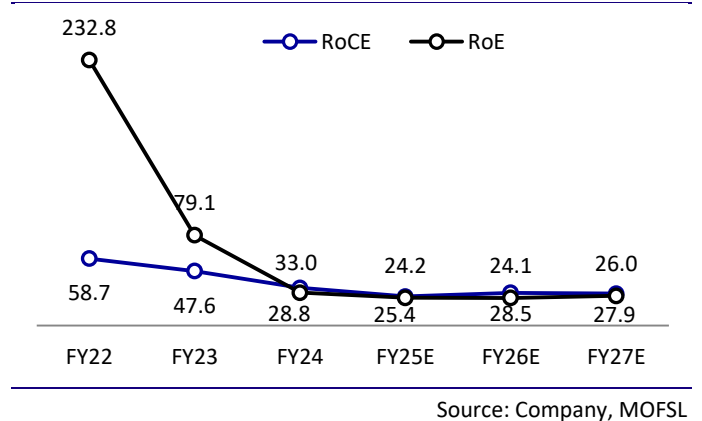


Exhibit 11: Return ratios trend



Financials and valuations

Consolidated - Income Statement							(INRm)
Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Total Income from Operations	10,495	13,592	17,967	20,003	22,067	26,489	32,072
Change (%)	NA	29.5	32.2	11.3	10.3	20.0	21.1
RM Cost	5,214	6,786	8,955	9,484	10,512	12,397	15,010
Employees Cost	968	1,319	1,576	1,895	2,172	2,384	2,886
Other Expenses	1,544	2,151	3,231	3,575	3,805	4,556	5,516
Total Expenditure	7,727	10,256	13,762	14,954	16,489	19,337	23,412
EBITDA	2,767	3,336	4,205	5,049	5,577	7,152	8,659
Margin (%)	26.4	24.5	23.4	25.2	25.3	27.0	27.0
Depreciation	489	476	503	567	685	870	929
EBIT	2,278	2,860	3,702	4,481	4,893	6,282	7,730
Int. and Finance Charges	23	29	18	26	15	2	-2
Other Income	101	159	167	299	338	406	491
PBT bef. EO Exp.	2,357	2,991	3,852	4,755	5,216	6,686	8,223
EO Items	0	0	0	0	0	0	0
PBT after EO Exp.	2,357	2,991	3,852	4,755	5,216	6,686	8,223
Total Tax	701	796	1,001	1,189	1,326	1,683	2,070
Tax Rate (%)	29.8	26.6	26.0	25.0	25.4	25.2	25.2
Minority Interest	143	155	189	256	274	315	362
Reported PAT	1,512	2,040	2,661	3,310	3,617	4,688	5,791
Adjusted PAT	1,512	2,040	2,661	3,310	3,617	4,688	5,791
Change (%)	NA	34.9	30.5	24.4	9.3	29.6	23.5
Margin (%)	14.4	15.0	14.8	16.5	16.4	17.7	18.1

Consolidated - Balance Sheet							(INRm)
Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	0	0	975	1,061	1,061	1,061	1,061
Total Reserves	-1,068	876	2,390	10,431	13,888	18,417	24,049
Net Worth	-1,068	876	3,365	11,492	14,950	19,479	25,111
Minority Interest	1,722	1,851	1,999	2,206	2,480	2,796	3,158
Total Loans	3,221	4,525	3,261	3,627	627	27	-573
Deferred Tax Liabilities	82	84	84	126	126	126	126
Capital Employed	3,957	7,336	8,709	17,452	18,183	22,428	27,822
Gross Block	2,901	2,898	3,388	4,857	6,997	7,495	7,995
Less: Accum. Deprn.	309	312	671	1,238	1,923	2,792	3,722
Net Fixed Assets	2,592	2,586	2,717	3,619	5,075	4,703	4,273
Capital WIP	43	145	256	1,800	310	312	312
Total Investments	1,197	1,500	1,769	1,698	1,698	1,698	1,698
Current Investments	747	1,150	1,263	1,141	1,141	1,141	1,141
Curr. Assets, Loans&Adv.	7,633	9,106	10,774	12,601	13,601	18,716	25,172
Inventory	3,069	3,765	4,298	4,622	5,018	6,023	7,293
Account Receivables	3,714	4,067	4,623	6,106	5,743	6,894	8,347
Cash and Bank Balance	325	547	499	651	1,491	4,178	7,571
Loans and Advances	525	726	1,354	1,223	1,349	1,619	1,961
Curr. Liability & Prov.	7,508	6,000	6,808	2,266	2,500	3,001	3,633
Account Payables	984	1,255	1,342	1,442	1,591	1,909	2,312
Other Current Liabilities	6,471	4,685	5,428	783	864	1,037	1,255
Provisions	53	60	39	41	45	54	66
Net Current Assets	125	3,106	3,966	10,335	11,101	15,715	21,539
Appl. of Funds	3,957	7,336	8,709	17,452	18,183	22,428	27,822

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)							
EPS	7.1	9.6	12.5	15.6	17.0	22.1	27.3
Cash EPS	9.4	11.9	14.9	18.3	20.3	26.2	31.7
BV/Share	NA	4.1	15.9	54.1	70.4	91.8	118.3
DPS	0.0	0.0	0.0	0.8	0.8	0.8	0.8
Payout (%)	0.0	0.0	0.0	4.8	4.4	3.4	2.7
Valuation (x)							
P/E	116.5	86.3	66.2	53.2	48.7	37.6	30.4
Cash P/E	88.0	70.0	55.7	45.4	41.0	31.7	26.2
P/BV	NA	201.0	52.4	15.3	11.8	9.0	7.0
EV/Sales	15.8	13.3	9.2	9.0	8.0	6.6	5.3
EV/EBITDA	59.9	54.2	39.3	35.7	31.7	24.3	19.6
Dividend Yield (%)	0.0	0.0	0.0	0.1	0.1	0.1	0.1
FCF per share	8.7	6.4	6.4	-1.6	17.3	14.3	17.2
Return Ratios (%)							
RoE	NA	232.8	79.1	28.8	24.2	24.1	26.0
RoCE	NA	58.7	47.6	33.0	25.4	28.5	27.9
RoIC	NA	55.7	48.4	34.5	26.1	30.4	33.6
Working Capital Ratios							
Fixed Asset Turnover (x)	3.6	4.7	5.3	4.1	3.2	3.5	4.0
Asset Turnover (x)	2.7	1.9	2.1	1.1	1.2	1.2	1.2
Inventory (Days)	107	101	87	84	83	83	83
Debtor (Days)	129	109	94	111	95	95	95
Creditor (Days)	34	34	27	26	26	26	26
Leverage Ratio (x)							
Current Ratio	1.0	1.5	1.6	5.6	5.4	6.2	6.9
Net Debt/Equity	NA	3.2	0.4	0.2	-0.1	-0.3	-0.4

Consolidated - Cash Flow Statement

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
(INRm)							
OP/(Loss) before Tax	2,357	2,991	3,852	4,750	5,216	6,686	8,223
Depreciation	489	476	503	567	685	870	929
Interest & Finance Charges	22	26	14	26	-324	-404	-493
Direct Taxes Paid	-681	-843	-1,010	-1,160	-1,326	-1,683	-2,070
(Inc)/Dec in WC	-221	-728	-1,150	-1,667	74	-1,926	-2,432
CF from Operations	1,966	1,923	2,210	2,516	4,326	3,543	4,158
Others	-29	-50	64	-204	0	0	0
CF from Operating incl EO	1,936	1,873	2,274	2,312	4,326	3,543	4,158
(Inc)/Dec in FA	-248	-516	-1,032	-2,649	-650	-500	-500
Free Cash Flow	1,688	1,356	1,242	-337	3,676	3,043	3,658
(Pur)/Sale of Investments	0	0	0	0	0	0	0
Others	-126	-2,075	-4,527	228	338	406	491
CF from Investments	-375	-2,592	-5,559	-2,421	-312	-94	-9
Issue of Shares	0	0	-151	0	0	0	0
Inc/(Dec) in Debt	1,775	1,254	-1,264	191	-3,000	-600	-600
Interest Paid	-15	-16	-5	-22	-15	-2	2
Dividend Paid	-1	-60	-96	-46	-159	-159	-159
Others	-3,086	-237	4,754	138	0	0	0
CF from Fin. Activity	-1,328	941	3,238	260	-3,174	-761	-757
Inc/Dec of Cash	233	222	-47	151	840	2,688	3,392
Opening Balance	91	325	547	499	651	1,491	4,178
Closing Balance	325	547	499	651	1,491	4,178	7,571

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

MOFSL, its associates, Research Analyst or their relatives may have any financial interest in the subject company. MOFSL and/or its associates and/or Research Analyst or their relatives may have actual beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance. MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may have any other potential conflict of interests at the time of publication of the research report or at the time of public appearance, however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

In the past 12 months, MOFSL or any of its associates may have:

- received any compensation/other benefits from the subject company of this report
- managed or co-managed public offering of securities from subject company of this research report,
- received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
- received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.

- MOFSL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.
- Subject Company may have been a client of MOFSL or its associates during twelve months preceding the date of distribution of the research report.
- Research Analyst may have served as director/officer/employee in the subject company.
- MOFSL and research analyst may engage in market making activity for the subject company.

MOFSL and its associate company(ies), and Research Analyst and their relatives from time to time may have:

- a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein.
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures. To enhance transparency, MOFSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report. MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Disclosure of Interest Statement	Cello World
Analyst ownership of the stock	No

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Financial Services Limited (SEBI Reg No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

MOTILAL Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act

and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co. Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act of Singapore. Accordingly, if a Singapore person is not, or ceases to be, such an investor, they must immediately discontinue any use of this Report and inform MOCMSPL.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412. AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dp@grievances@motilaloswal.com.