



Privately-held homegrown FMCG company CavinKare is considering going public by 2020. (Reuters)

Privately-held homegrown FMCG company CavinKare is considering going public by 2020. The size of the offering could be somewhere between Rs 500 crore and Rs 1,000 crore. Speaking to a select group of mediapersons here on Wednesday, CavinKare chairman and managing director CK Ranganathan said the company would hit the IPO market by 2020 after having undergone a complete rejig. “We have plans to go for IPO after the general elections in 2019. As we don’t want to raise a small amount, the issue size would be something between Rs 500 crore and Rs 1,000 crore,” he said.

Paving the way for an initial public offering (IPO), Ranganathan had recently bought out the stake held by private equity (PE) major ChrysCapital in the firm, scaling up his ownership to 100%. The PE firm, which invested around Rs 250 crore four years ago, apparently exited with double the sum.

During 2017-18, Ranganathan said, the company had undergone a thorough transition which included creating five divisions and appointing CEOs or business heads for each one. The divisions include cold chain, beverages, personal care and food, snacks and salon products besides a salon company and international business.

Elaborating on the restructuring, he said with this exercise, the company is in a position to manage the businesses more effectively since every division has a scope to grow further. “As salon business has a good potential and now it being a separate unit, we may also look at listing that separately,” Ranganathan said.

CavinKare registered a turnover of Rs 1,600 crore for FY18 compared with Rs 1,300 crore logged a year ago. It is targetting to cross a turnover of Rs 2,000 crore by the end of the current financial year.

Ranganathan said the growth will be driven mainly by personal care which alone contributes over Rs 1,000 crore to the topline.

Speaking about the international business, he said the company is looking at setting up manufacturing facilities in Bangladesh and Sri Lanka. While in India, the focus will be on personal care, the thrust, for the overseas markets, will be on food and beverages. Regarding the introduction of new products, he said the company has the capabilities to roll out 4-5 products per year and many products are in the pipeline.

“ The company would only be launching winning products which will have a clear differentiator. I can very well say that 45% of our products in the personal care segment are still remain uncontested,” the CMD said.

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