

IPO Review			Company Background			
<p>The company is engaged in event management-related services including tourism, concerts, etc., and is operating in a highly competitive and fragmented segment. It posted a strong performance for the last three fiscals. Based on FY23 earnings, the issue appears fully priced.</p>			<ul style="list-style-type: none"> ○ E Factor Experiences Limited was incorporated in the year 2003 and has its registered office in New-Delhi, India. ○ The company is engaged in providing the event experiences, event services, technology based permanent & semi-permanent multimedia light & sound installations and specialized turnkey event assignments, wedding management, private and social event solutions. ○ Company's portfolio of services includes turnkey assignments in the form of Government commissioned Tourism Events and Festivals, techno-cultural light & sound shows, Sporting Events & Contests, Conferences, Mega Ground Concerts, Televised Events, private and social events like wedding and anniversary celebrations etc. ○ As on the date of prospectus, the company had 32 employees on its payroll. 			
IPO Objective			Market Capitalization (In Cr.)			
<ol style="list-style-type: none"> 1. Investment in Subsidiary. 2. To meet Working Capital requirements. 3. Repayment and/or pre-payment, in full or part, of certain borrowings availed by the Company. 4. General corporate purposes. 			Pre-Issue		Post-Issue	
			₹72		₹98	
Pre-Issue Shareholding			Financial Summary (In Lacs.)			
Category	No. of Shares	% of Total Shares	For the Period Ended	Mar-21	Mar-22	Mar-23
Promoter & Promoter Group	96,32,098	100.00%	Total Assets	2,581.92	4,916.87	5,674.80
Public	42	-	Net Assets	96.96	349.36	1,101.67
Promoter of the Company			Total Borrowings	683.23	590.95	912.74
<ol style="list-style-type: none"> 1. Jai Thakore 2. Samit Garg 3. Aruna Garg 4. Manika Garg 			Total Revenue	990.55	5,700.24	11,945.21
Competitive Strengths			Profit After Tax	123.39	253.26	761.34
<ol style="list-style-type: none"> 1. One stop solution to all event needs. 2. Established track record. 3. Established relationship with hospitality & event partners. 4. Established relationship with local City / State government bodies. 5. Experienced promoters and management team. 			Tentative Timeline			
			Opening Date	September 27, 2023		
			Closing Date	October 03, 2023		
			Basis of Allotment	October 06, 2023		
			Initiation of Refunds	October 09, 2023		
			Credit of Shares to Demat	October 10, 2023		
			Listing Date	October 11, 2023		

Company Background and Analysis

Incorporated in 2003, E Factor Experiences Ltd is an award-winning Indian event management company engaged in providing the consumers and community with event experiences, event services, technology based permanent & semi-permanent multimedia light & sound installations and specialized turnkey event assignments, wedding management, private and social events solutions.

Company's portfolio of services includes turnkey assignments in the form of Government commissioned Tourism Events and Festivals, techno-cultural light & sound shows, Sporting Events & Contests, Conferences, Mega Ground Concerts, Televised Events, private and social events like wedding and anniversary celebrations etc.

Company has organized and curated various turnkey events and experiences like "The Pushkar Fair" in the year 2015-19, converting the traditional Snake-Boat Races into league format in the year 2019, creating a beach destination with Eco retreat project at Konark or the other Eco retreat destinations at Bhitarkanika, Odisha in 2021.

The share of revenue through different category of events are as under: -

(Rs. Lakhs)

Particulars	Mar-23		Mar-22		Mar-21	
	Amt	(%)	Amt	(%)	Amt	(%)
Social Events	1,018.65	8.94	265.12	4.88	103.49	20.08
Tourism / Sports / Government Events	9,188.27	80.61	4,630.34	85.20	408.28	79.23
Multimedia Show	1,019.26	8.94	438.00	8.06	-	0.00
Corporate Events	172.92	1.52	101.18	1.86	3.55	0.69
Total	11,399.10	100.00	5,434.64	100.00	515.32	100.00

Recently in Fiscal 2023, company has diversified its services of social events in countries such as Barcelona, Spain and has earned ₹945.20 lakhs which contributed to 8.29% of revenue from operations.

Apart from all the events that company has curated and created in its events business, company has entered into a permanent and sustained business with its experiential tourism brand, "Sky Waltz" owned by the Subsidiary company namely E-Factor Adventure Tourism Private Limited. Skywaltz is engaged in the business of managing and operating hot air ballooning and yachting activities in multiple locations in India and is a government approved commercial hot air balloon operator for the last 12 years. As on date the subsidiary company has a fleet of 2 yachts and 11 hot air balloons.

Along with the above-mentioned subsidiary company, company has acquired 46.33% stake in Untamed Leisure and Hospitality Private Limited (formerly known as E Factor Leisure and Hospitality Private Limited) making this company an Associate company, which is engaged in the business of event management and hospitality services and other related activities of leisure and entertainment.

To conclude, the company has performed well over the year and has shown exponential growth in the business segment. Company is also expanding its area of operations in international destinations.

Competitive Scenario and Peer Mapping

Competition

The industry in which the company operates comprises of both organized and unorganized players; therefore, company faces competition from both small players who belongs to unorganized sector and big players who have better resources availability. Further being no entry barriers in the industry and event industry being a highly lucrative and growing industry is attracting people towards it which direct that there may be stiff competition in future.

Peer Analysis

The comparison of the key performance indicators of the listed peers as on Mar-21 is given below-

Particulars	E Factor Experiences Limited	Touchwood Entertainment Limited
	31st Mar 2021	31st Mar 2021
Net Profit Margin	20%	10%
EBITDA Margin	-18%	20%
Return on Capital Employed	-54%	10%
Return on Equity	127%	7%
EPS (INR)	1.28	0.96

*The EBITDA in fiscal 21 is negative because of higher Other Income, net profit would also be negative if other income is excluded.

The comparison of the key performance indicators of the listed peers as on Mar-22 is given below -

Particulars	E Factor Experiences Limited	Touchwood Entertainment Limited
	31st Mar 2022	31st Mar 2022
Net Profit Margin	4%	8%
EBITDA Margin	7%	12%
Return on Capital Employed	66%	17%
Return on Equity	72%	13%
EPS (INR)	2.65	2.07

The comparison of the key performance indicators of the listed peers as on Mar-23 is given below -

Particulars	E Factor Experiences Limited	Touchwood Entertainment Limited
	31st Mar 2023	31st Mar 2023
Net Profit Margin	6%	7%
EBITDA Margin	10%	10%
Return on Capital Employed	75%	11%
Return on Equity	69%	10%
EPS (INR)	7.82	2.43

Financial Snapshot

Profit and Loss Statement			(In Lacs.)
Particulars	FY 21	FY 22	FY 23
Revenue from Operations	621.62	5,661.55	11,926.16
Other Income	368.93	38.69	19.05
Total Income	990.55	5,700.24	11,945.21
Expenses			
Employee benefits expense	266.50	385.61	639.34
Finance costs	86.71	45.61	99.04
Depreciation and Amortization expense	41.02	66.62	93.68
Other expenses	469.75	4,855.06	10,076.04
Total Expenses	863.98	5,352.90	10,908.10
Earnings Before Interest, Taxes, Depreciation & Amortization	-114.63*	420.88	1,210.78
EBITDA Margin	-18%	7%	10%
Profit/(Loss) before exceptional items and tax	126.57	347.34	1,037.11
Less: Exceptional Items	-	-	-
Profit/(Loss) before tax	126.57	347.34	1,037.11
Tax Expense			
Current Year	-	94.98	247.46
Deferred tax	3.18	-0.90	20.78
Reversal of MAT Credit Entitlement	-	-	7.53
Total Tax Expense	3.18	94.08	275.77
Profit/(Loss) for the year	123.39	253.26	761.34
Net Profit Margin	12%	4%	6%

*The EBITDA in fiscal 21 is in negative because of higher Other Income.

Balance Sheet			(In Lacs)
Particulars	FY 21	FY 22	FY 23
EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share Capital	344.00	344.00	963.21
(b) Reserves and surplus	(247.04)	5.36	138.46
Total Equity	96.96	349.36	1,101.67
2. Non-current liabilities			
(a) Long-term borrowings	142.58	144.33	326.29
(b) Other Non-current Liabilities	13.19	-	1.10
(c) Long-term provisions	35.79	42.69	52.00
Total Non-current liabilities	191.56	187.02	379.39
3. Current liabilities			
(a) Short-term borrowings	540.65	446.62	586.45
(b) Trade payables	1,222.22	3,049.75	2,971.08
(c) Other current liabilities	520.42	865.23	611.60
(d) Short-term provisions	10.12	18.87	24.61
Total Current liabilities	2,293.41	4,380.47	4,193.74
Total Liabilities	2,484.97	4,567.49	4,573.13
Total Equity and Liabilities	2,581.93	4,916.85	5,674.80
ASSETS			
1. Non-current assets			
(a) Fixed Assets			

(i) Tangible Assets	247.27	538.78	694.67
(ii) Intangible assets	-	-	-
Balance Sheet			(In Lacs)
(b) Capital work-in-progress	352.50	-	24.30
(c) Non-current investments	0.20	0.20	41.85
(d) Deferred tax assets (net)	136.16	138.84	118.06
(e) Long-term loans and advances	475.80	453.61	180.29
(f) Other Non-Current Assets	0.14	13.87	41.25
Total Non-Current assets	1,212.07	1,145.30	1,100.42
2. Current assets			
(a) Trade receivables	1,060.79	2,856.06	3,385.51
(b) Cash and cash equivalents	83.32	661.36	758.35
(c) Short-term loans and advances	225.74	226.33	326.17
(d) Other Current Assets	-	27.82	104.35
Total Current assets	1,369.85	3,771.57	4,574.38
Total Assets	2,581.92	4,916.87	5,674.80

Cash Flow Statement			(In Lacs)
Particulars	FY 21	FY 22	FY 23
Net Cash Flow from Operating Activities	-205.79	720.97	176.52
Net Cash Flow from Investing Activities	380.27	-4.36	-301.59
Net Cash Flow from Financing Activities	-265.12	-138.58	222.06
Ratio Sheet			
Particulars	FY 21	FY 22	FY 23
Per Share Data			
Diluted EPS	1.28	2.65	7.82
BV per share	0.74	2.67	8.42
Operating Ratios			
EBITDA Margins	-18%	7%	10%
PAT Margins	12%	4%	6%
Debtor days	622.87	184.13	103.61
Creditor days	717.66	196.62	90.93
Return Ratios			
RoCE	-54%	66%	75%
RoE	127%	72%	69%
Valuation Ratios (x)			
EV/EBITDA	-6.08	0.66	1.04
Market Cap / Sales	15.79	1.73	0.82
P/E	58.59	28.30	9.59
Price to Book Value	101.24	28.10	8.91
Solvency Ratios			
Debt /Equity	7.05	1.69	0.83
Current Ratio	0.60	0.86	1.09
Quick Ratio	0.60	0.86	1.09
Asset Turnover	0.24	1.15	2.10

Interest Coverage Ratio	-1.80	7.77	11.28
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Key Managerial Personnel

1. **Jai Thakore**, aged 54 years, is the Promoter and Chairman and Whole-time Director of the company. He has completed his Bachelors in Commerce from Devi Ahilya Vishwavidyalaya, Madhya Pradesh in 1989. He is having an overall experience of around 22 years in the event & wedding management and political activation industry.
2. **Samit Garg**, aged 51 years is the Promoter, Managing Director of the company. He possesses more than 20 years of experience in the field of event & wedding management and political activation industry. He has completed Bachelors in Commerce from Lucknow Christian College, in year 1992. He has played a pivotal role in setting up business of the Company. He primarily looks after the overall business operations of the Company including Business Development
3. **Aruna Garg**, aged 75 years, is Promoter and Whole-time Director of the Company. She possesses of around 15 years of experience in the finance field. She has completed her M.A. (Part II) from University of Lucknow in year 1968.
4. **Omung Vipin Bhandula**, aged 55 years, is the Non-Executive Director of the company. He has completed his Government Diploma in Applied Arts from L.S. Raheja School of Arts in 1989. He has an overall experience of around 35 years in the Art & Direction Industry. 62nd National Film Awards, 2014 as Best Popular Film Providing Wholesome Entertainment for Mary Komand many more for his contribution to the industry.
5. **Roshan Abbas**, aged 52 years, is the Independent Director of the Company. He has completed his Bachelor of Arts (Honours) in year 1991 from University of Delhi and Master of Arts in Mass Communication from Jamia Millia Islamia in year 1995. He has an overall experience of around 35 years in the field of storytelling and public speaking.
6. **Akhilesh Gupta**, aged 41 years, is the Independent Director of the Company. He has completed his Masters of Business Administration in year 2005 from West Bengal University of Technology. He has an overall experience of around 18 years in the entertainment industry.



E Factor Experiences Limited

IPO Note



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