

IPO Review

Based on the earnings for FY23 of the company, the financial performance for the last previous years has shown strong base recovery. The net profit has improved, and RoE has also started showing growth in the latest period.

Company Background

- Inspire Fims Limited was originally incorporated in the year 2012 and has its registered office in Maharashtra.
- The Company is primarily engaged in the business of creation, production, distribution, and exhibition of television and digital content.
- The company operates on two business models – i) Commissioned content, ii) Original Content.
- The company currently has 5 ongoing projects.
- As of 17th September 2023, the Company has around 35 professionals and 9 employees on its payroll.

IPO Objective

Working Capital Requirements.
 General Corporate Purpose.
 Issue Expenses.

Market Capitalization
(In Cr.)
Pre-Issue
Post-Issue

₹59

₹80

Pre-Issue Shareholding

Category	No. of Shares	% of Total Shares
Promoter & Promoter Group	94,09,059	93.98%
Public	6,02,240	6.02%

Financial Summary
(In Lacs)

For the Period Ended	Mar-21	Mar-22	Mar-23
Total Assets	2,849.53	3,053.87	4,159.89
Net Assets	780.37	806.29	1,311.22
Total Borrowings	1,025.55	1,017.46	2,039.91
Total Revenue	1,942.47	3,815.28	4,884.82
Profit After Tax	-83.00	25.92	404.81

Promoter of the Company

1	Yash Arabinda Ratnaik
2	Beyond Dreams Entertainment Private Limited

Competitive Strengths

1	Organized and focused marketing team.
2	Established operations and proven track record.
3	Strong Long-standing relationship with Broadcasters and Channels.
4	Experienced promoters and management.

Tentative Timeline

Opening Date	Sept 25, 2023
Closing Date	Sept 27, 2023
Basis of Allotment	Oct 03, 2023
Initiation of Refunds	Oct 04, 2023
Credit of Shares to Demat	Oct 05, 2023
Listing Date	Oct 06, 2023

Company Background and Analysis

The Company was originally incorporated in the year 2012. The company is primarily engaged in the business of creation, production, distribution, and exhibition of television and digital content across broadcasting channels, apps and digital platforms as well as content writing, production and sale, and purchase of rights. The company is involved in every aspect of the content-making process, from development to distribution. This includes financing the projects, hiring actors and crew members, scouting locations, creating sets, managing the budgets, and overseeing the entire production and post-production process.

The company has a B2B Business Model, and the company currently operates in 3 different Business verticals:

1. TV – Hindi GEC (General Entertainment Channels)- This is content creation for the linear broadcast channels. These channels include Star Plus, Star Bharat, Colors TV, Zee TV, Sony, Dangal, Shemaroo etc. Typical contracts given here are 1 year / 260 episodes (5 days a week) / 312 episodes (6 days a week) or 1 year / 52-156 episodes (1-3 days a week) which then get renewed on a yearly basis,
2. Digital Content and Platforms (OTT)- This is content made for platforms such as Netflix, Amazon, Sony Liv, MX Player, Disney+Hotstar, Voot, Zee5, etc. The contracts for OTT are typically 8 to 10 episodes for 45–60-minute episodes and 25 to 60 episodes for 22-25-minute episodes.
3. Regional content- This is content produced for regional language channels in various channels – Telugu, Tamil, Malayalam, Bengali, Marathi etc.

The company's team includes – Producers, Creative Team, Production Teams, Researchers, Directors, Writers, Editors, Cinematographers, Sound Designers and Engineers, Graphic, Production, and Costume Designers, and the Postproduction team.

The company operates on two business models –

1. Commissioned Content -The company offers commissioned content production services. This means that the company is contracted by clients to produce shows in the business verticals that the company specializes in. Under this model, the company provides bespoke content creation services to clients in exchange for a commission.
2. Original Content – The company has been engaged in the co-production of original shows with Beyond Entertainment Private Limited (Corporate Promoter) through the "Intellectual Property Rights Model". This model entails investing in its own content without necessarily securing a contract from clients, such as broadcasters or OTT platforms.

The company has worked on 14 major projects till now and has currently 5 projects going on. The company has 4 new projects upcoming based on a romantic thriller, a web series, a period thriller show, and a long-form web series. Some of the company's major networks in the industry are as follows – Jio Cinema, Sony TV, Star Plus, Amazon mini-TV, MX Player, Zee TV, Disney Hotstar, Star Bharat, etc.

Business Model-Wise Revenue Break-up for the fiscal year ended 2021, 2022, and 2023 are given below-

(Amount in Lakhs)

Particulars	FY 2021		FY 2022		FY 2023	
	Amount	%	Amount	%	Amount	%
Intellectual Property Right Business Model	0.35	0.02%	0.40	0.01%	-	-
Commissioned Content Business Model	1,938.03	99.98%	3,814.37	99.99%	4,883.16	100.00%
Total	1,938.38	100.00%	3,814.77	100.00%	4,883.16	100.00%

Revenue break-up for the fiscal year ended 2021, 2022, and 2023 are given below-

(Amount in Lakhs)

Particulars	FY 2021		FY 2022		FY 2023	
	Amount	%	Amount	%	Amount	%
Maharashtra	1,938.03	99.98%	3,814.37	99.99%	4,190.66	85.82%
Tamil Nadu	-	-	-	-	-	-
Singapore	0.35	0.02%	0.40	0.01%	680.00	13.93%
Brunei	-	-	-	-	12.50	0.26%
Total	1,938.38	100.00%	3,814.77	100.00%	4,883.16	100.00%

To conclude, the company was originally incorporated in the year 2012. The company is primarily engaged in the business of creation, production, distribution, and exhibition of television and digital content. The company is generating revenue only from one of the business models which is the commissioned content business model for FY 23, and the majority of the sales is contributed by one state which is Maharashtra contributing to 85.82% of total revenue. The company is raising total gross proceeds of Rs. 21.23 Cr.

Peer Analysis

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

Particulars	Inspire Films Limited	Balaji Telefilms Limited	Bodhi Tree Multimedia Limited	V R Films and Studios Limited
	31st Mar 2023	31st Mar 2023	31st Mar 2023	31st Mar 2023
Net Profit Margin	8.29%	-6.41%	7.65%	9.66%
EBITDA Margin	14.58%	-3.37%	12.02%	14.53%
Return on Capital Employed	31.92%	-7.33%	19.42%	9.49%
Return on Equity	30.87%	-9.36%	13.10%	9.11%
EPS (INR)	3,925.00	-3.67	2.61	1.01

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

Particulars	Inspire Films Limited	Balaji Telefilms Limited	Bodhi Tree Multimedia Limited	V R Films and Studios Limited
	31st Mar 2022	31st Mar 2022	31st Mar 2022	31st Mar 2022
Net Profit Margin	0.68%	-39.47%	5.01%	13.28%
EBITDA Margin	3.46%	-36.20%	4.74%	20.53%
Return on Capital Employed	8.23%	-30.70%	22.89%	20.65%
Return on Equity	3.21%	-29.95%	31.03%	16.09%
EPS (INR)	259.00	-13.09	2.35	1.68

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

Particulars	Inspire Films Limited	Balaji Telefilms Limited	Bodhi Tree Multimedia Limited	V R Films and Studios Limited
	31st Mar 2021	31st Mar 2021	31st Mar 2021	31st Mar 2021
Net Profit Margin	-4.28%	-40.48%	6.98%	17.71%
EBITDA Margin	2.50%	-35.37%	9.02%	26.52%
Return on Capital Employed	-2.71%	-23.15%	42.57%	22.51%
Return on Equity	-10.64%	-20.77%	37.84%	17.62%
EPS (INR)	-830.00	-11.75	1.98	1.59

Industry Overview

Exhibit 1: Total Media and Entertainment Market (US\$ billion)

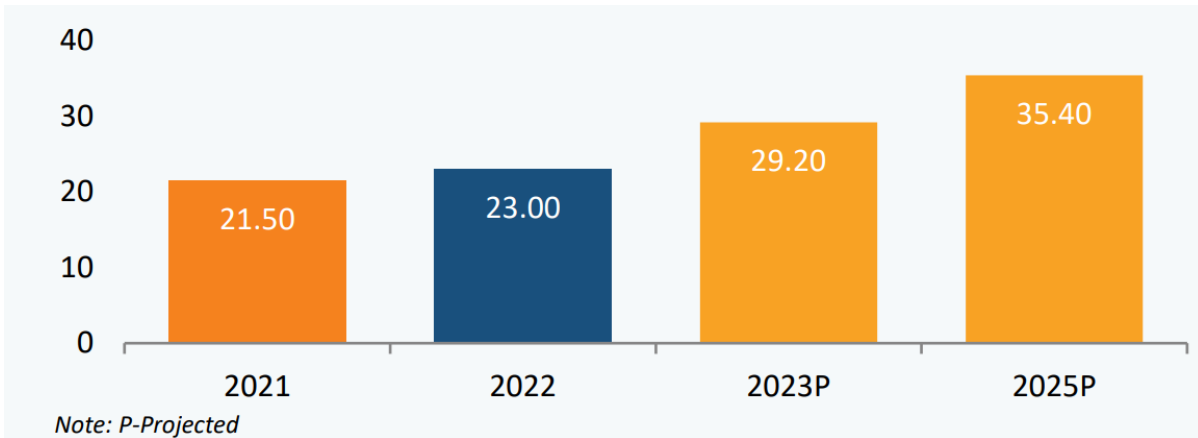


Exhibit 2: India OTT Video Services (Video-on-Demand and Live)Market (US\$ billion)

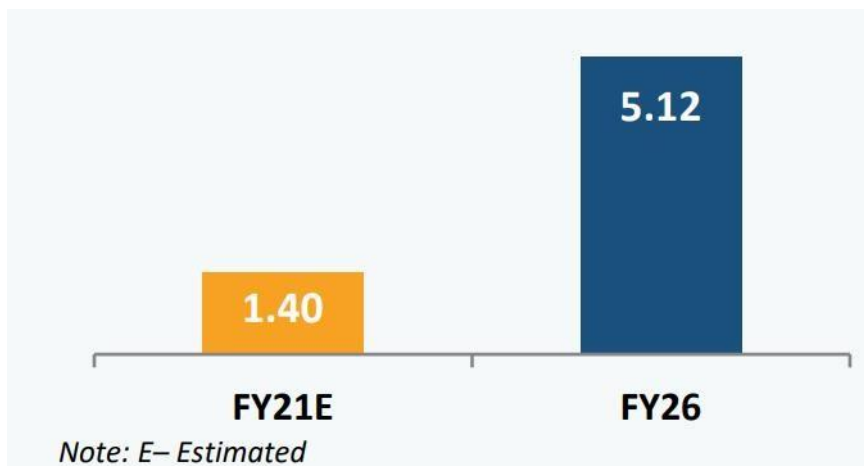
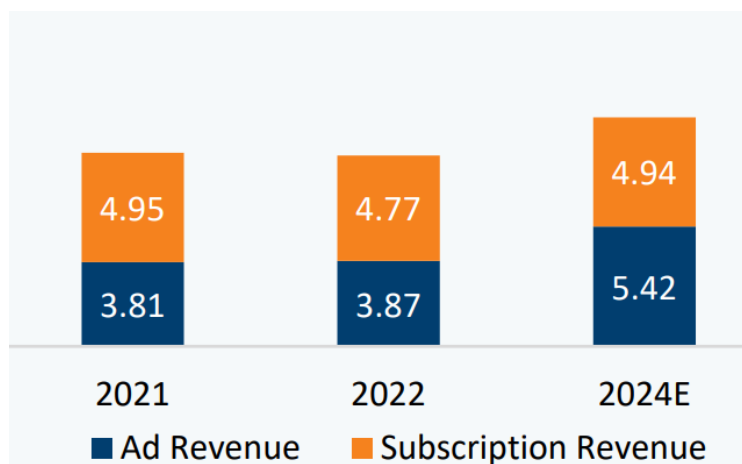


Exhibit 3: Advertising Revenue (US\$ billion)



(Source: ibef.com)

Financial Snapshot

Profit and Loss Statement			(In Lacs)
Particulars	FY 21	FY 22	FY 23
Revenue from Operations	1,938.39	3,814.77	4,883.16
Other Income	4.08	0.51	1.66
Total Income	1,942.47	3,815.28	4,884.82
Expenses			
Cost of Production	1,516.94	3,267.02	4,068.24
Changes in Inventories	271.24	183.88	-273.47
Employee benefits expense	-	-	-
Finance costs	87.72	44.71	99.69
Depreciation and Amortization expense	75.98	48.37	60.73
Other expenses	101.84	231.79	376.48
Total Expenses	2,053.72	3,775.77	4,331.67
Earnings Before Interest, Taxes, Depreciation & Amortization	48.37	132.08	711.91
EBITDA Margin	2%	3%	15%
Profit before exceptional and extraordinary items and tax	-111.25	39.51	553.15
Prior Period Items	0	0	0
Profit/(Loss) before tax	-111.25	39.51	553.15
Tax Expense			
Tax expense for the current year	4.60	52.09	94.92
Deferred tax	-32.85	-38.50	53.42
Total Tax Expense	-28.25	13.59	148.34
Profit/(Loss) for the year	-83.00	25.92	404.81
Net Profit Margin	-4%	1%	8%

Balance Sheet			(In Lacs)
Particulars	FY 21	FY 22	FY 23
EQUITY AND LIABILITIES			
Equity			
Share Capital	1.00	1.00	1.06
Reserves and Surplus	779.37	805.29	1,310.16
Total Equity	780.37	806.29	1,311.22
Liabilities			
Non-current liabilities			
Long Term Borrowings	240.11	211.16	728.69
Total Non-current liabilities	240.11	211.16	728.69
Current liabilities			
(i) Short Term Borrowings	785.44	148.79	108.16
(ii) Trade Payables			
i) Due to micro and small enterprises	-	-	-
ii) Due to other than micro and small enterprises	843.97	977.49	1,202.60
Other Current Liabilities	193.06	854.92	697.71
Short Term Provisions	6.59	55.21	111.51
Total Current liabilities	1,829.06	2,036.41	2,119.98
Total Liabilities	2,069.17	2,247.57	2,848.67
Total Equity and Liabilities	2,849.54	3,053.86	4,159.89
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	139.11	121.20	124.75

Balance Sheet			(In Lacs)
Intangible assets	112.93	100.43	87.86
Capital WIP	-	-	-
Intangible Assets under Development	-	-	-
Deferred Tax Assets (Net)	55.32	93.82	40.41
Long Term Loans & Advances	257.80	321.68	486.94
Total Non-Current assets	565.16	637.13	739.96
Current Assets			
Project Work In Progress	1,392.04	1,046.30	1,319.77
Trade Receivables	775.87	1,059.98	1,723.65
Cash and Cash Equivalents	81.09	60.02	37.69
Short-Term Loans and Advances	33.76	250.42	335.64
Other current assets	1.61	0.02	3.18
Total Current assets	2,284.37	2,416.74	3,419.93
Total Assets	2,849.53	3,053.87	4,159.89

Cash Flow Statement			(In Lacs)
Particulars	FY 21	FY 22	FY 23
Net Cash Flow from Operating Activities	130.85	81.06	-328.01
Net Cash Flow from Investing Activities	-33.51	-28.47	-212.27
Net Cash Flow from Financing Activities	-19.20	-73.66	517.96

Ratio Sheet			
Particulars	FY 21	FY 22	FY 23
Per Share Data			
Diluted EPS	-830	259	3,925
BV per share	5.73	5.92	9.63
Operating Ratios (%)			
EBITDA Margins	2%	3%	15%
PAT Margins	-4%	1%	8%
Inventory days	262.12	100.11	98.65
Debtor days	146.10	101.42	128.84
Creditor days	203.07	109.21	107.90
Return Ratios (%)			
RoCE	-3%	8%	32%
RoE	-11%	3%	31%
Valuation Ratios (x)			
EV/EBITDA	35.66	8.38	2.96
Market Cap / Sales	4.14	2.10	1.64
P/E	-0.07	0.23	0.02
Price to Book Value	10.29	9.96	6.12
Solvency Ratios			
Debt / Equity	1.31	0.45	0.64
Current Ratio	1.25	1.19	1.61
Quick Ratio	0.49	0.67	0.99
Asset Turnover	0.68	1.25	1.17
Interest Coverage Ratio	-0.31	1.87	6.53

Yash Arabinda Patnaik, aged 50, is one of the Promoters and Managing Director of the company. He has completed his Master's Diploma in Journalism and Communication from Symbiosis. He has more than twenty-five years of experience in the media and entertainment industry. In addition to his managerial role, he has also written and creatively produced many of his television series.

Mamta Yash Patnaik, aged 48, is the Chief Creative Officer, and Non-Executive Director of the company. She holds a degree in Diploma in Film and Television production. She is a screenwriter, producer, creative director and poet and has experience of over 25 Years in the Media Industry and has created and written over 50 television shows and web series.

Kameswar Rao Subudhi, aged 50, is the Executive Director, and CFO of the company. He is a Chartered Accountant and holds a degree of LL.M in Corporate and Financial Law. He leads the Finance team. He has an experience of over 24 years in the design, development, and implementation of Financial & Commercial Strategies.

Arabinda Patnaik, aged 82, is the Non-Executive Director of the company. He has completed a Master of Arts (MA) and is also a PhD holder in the subject "Fests and Festivals of India". He holds more than 26 years of experience in multiple Industries.

Girija Shankar Nayak, aged 67, is the Independent Director of the Company. He is a Chartered Accountant and LLB. He holds 25 years of Experience in Finance, Accounting and Taxation. He is instrumental in rendering professional advice on international tax issues including DTAA application and Transfer Pricing.

Rangaraj Ravindran, aged 58, is the Independent Director of the Company. He was appointed as an Independent Director on 29-07-2023. He has done a Master of Business Administration (Strategy). He has over 35 years of corporate experience and held Leadership positions in multiple Industries and markets PAN India and the GULF. Other Promoters – **Beyond Dreams Entertainment Private Limited** - is engaged in the business of Cinematographic Films, Television Films, Video Films, Production of T.V. Serials, Talk Shows, Game Shows, Event Management, Add Films, Corporate Films, and Feature Films. Exhibiting and distributing cinematography films, television films, and video films, and acquiring and selling rights therein.

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