

IPO Details	
Opening Date	September 27, 2023
Closing Date	October 03, 2023
Stock Exchange	NSE SME
Lot Size	1600 Shares
Issue Price	₹71 to ₹75 per share
Issue Size	Aggregating up to 25.92 Cr.
Fresh Issue	Aggregating up to 25.92 Cr.
Application Amount (@ upper band for retail Investors)	₹ 1,20,000

IPO Objective	
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 Shareholding		
Category	No. of Shares	% of Total Shares
Promoter & Promoter Group	96,32,098	100.00%
Public	42	-

Promoter of the Company	
1.	Jai Thakore
2.	Samit Garg
3.	Aruna Garg
4.	Manika Garg

Competitive Strengths	
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.

Company Background	
○	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.

Market Capitalization (In Cr.)	
Pre-Issue	Post-Issue
₹72	₹98

Financial Summary (In Lacs.)			
For the Period Ended	Mar-21	Mar-22	Mar-23
Total Assets	2,581.92	4,916.87	5,674.80
Net Assets	96.96	349.36	1,101.67
Total Borrowings	683.23	590.95	912.74
Total Revenue	990.55	5,700.24	11,945.21
Profit After Tax	123.39	253.26	761.34

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 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.

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.

Business Strategies

1. Increase asset base in the event management business.

Company intends to continue to invest in its existing services so as to provide better experiences to the existing clients and also provide new services for increasing the client base of the Company. For growing at a rapid pace, company is exploring new spaces and are planning to venture into developing more technology based permanent multimedia installations, museum spaces, and sustainable luxury hospitality.

2. Widening customer base geographically and demographically.

A key strategy for increasing and growing business is to increase the strength of relationship with the customers. Company intends to reach out to more people & widen its network. Company's strategy is to widen its customer base geographically as well as demographically.

3. Continue to strive for cost efficiency.

Company constantly endeavours to improve its service processes, and will increase service activities to optimize the utilization of resources, skill up-gradation of workers, modernization of procedures to attain reduction in cost and achieve efficiency.

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 in 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

Industry Overview

Exhibit 1: Foreign Tourist Arrivals Purpose.



Exhibit 2: Contribution of Travel and Tourism to GDP.

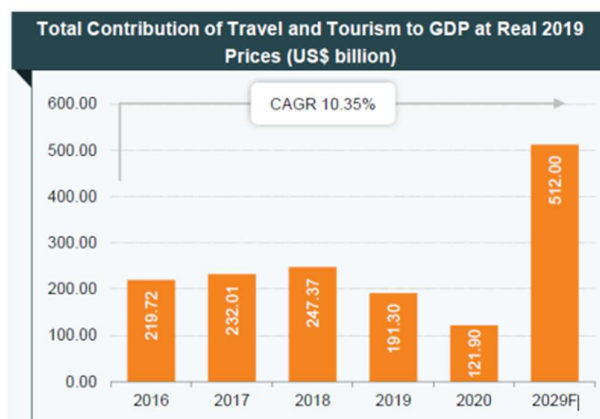
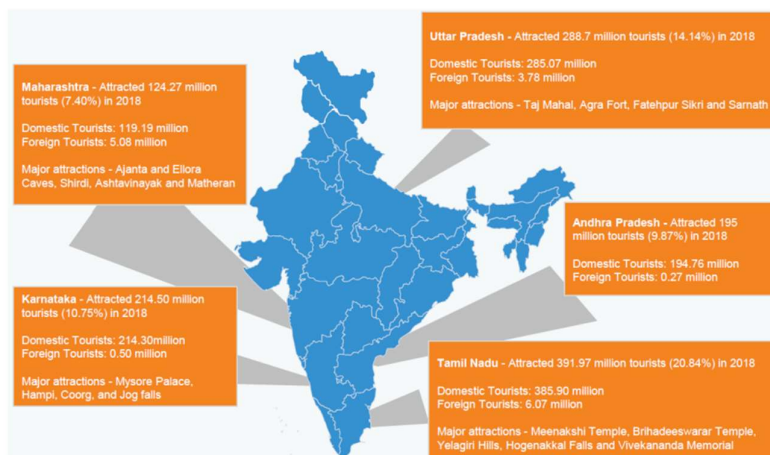


Exhibit 2: Leading states/UTs in terms of tourists.



(Source: Prospectus)

Industry Scenario

India's Events and Experiential marketing Industry has observed an exponential growth in the past two decades with more than 1000 entities operating in various levels and segments that are spread across 100+ Indian cities. There is a large unorganized events and activation sector as well, which could be as large or even larger than the organized portion of the industry. While managed events and activations form the core services provided, intellectual properties have been developed and exploited by only a few companies.

Strengths and areas of improvement

The key strengths of the Indian events and activation industry are the ability to “get things done” under adverse strong vendor base across price points. Growth can be stimulated if certain issues such as onerous regulations around permissions, a plethora of taxes (particularly entertainment tax), inadequate events infrastructure, transparency of costs and the absence of a universal standard for demonstration for return of investment are addressed. The industry needs to own, in whole or in part, rights to intellectual properties to protect against economic downturns and maintain a stable top line.

Niche segments offer good opportunities

Cruise tourism

- Cruise is one of the most dynamic & fastest-growing segments in the global leisure industry. Indian government has estimated that India would emerge with a market size of 1.2 million cruise visitors by 2030-31.
- Moreover, India is looking to take advantage of its 7,500 km coastline to tap growth potential of the cruise tourism segment.
- In April 2021, Dream Hotel Group announced plans to invest ~US\$300 million in the next 3-5 years for development of the cruise sector in India. The group has also launched Cordelia Cruises in affiliation with Waterways Leisure Tourism Private Limited, which will begin its cruise operations in India from May 2021.
- India signed a deal of worth US\$ 950 million with Russia for two upgraded cruises. These ships are expected to be delivered by 2022.

Eco tourism

- India is often termed as the hotspot for bio-diversity and its rich natural heritage is unparalleled in many ways. As of December 2020, the country comprised ~104 national parks and 566 sanctuaries.
- Such valuable resource base gives impetus for the practice of variety of alternate tourism forms & many of which are already in existence.
- In January 2021, Old Goa-based Indian Council of Agricultural Research-Central Coastal Agricultural Research Institute (ICAR-CCARI) launched the agro-eco tourism (AET) module as a potential alternative to regular tourism.

(Source: prospectus)

Key Managerial Personnel

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. He looks after the overall business affairs of the company including designing, creation & programming of contents.

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, Marketing, and execution of various events of the company

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. She is responsible for the managing financial and related activities of the Company.

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. He has done is debut as Director in Film Industry from Mary Kom in year 2014 and has been awarded for the Bronze Horse for Best Film, Ages 9-11 for Mary Kom in year 2015, 62nd National Film Awards, 2014 as Best Popular Film Providing Wholesome Entertainment for Mary Komand many more for his contribution to the industry.

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.

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.

To conclude, the promoters of the company have a good experience in the industry that company operates in, the remaining directors have decent knowledge and experience in the different industry and in the fields which will help in the growth of the business.

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				

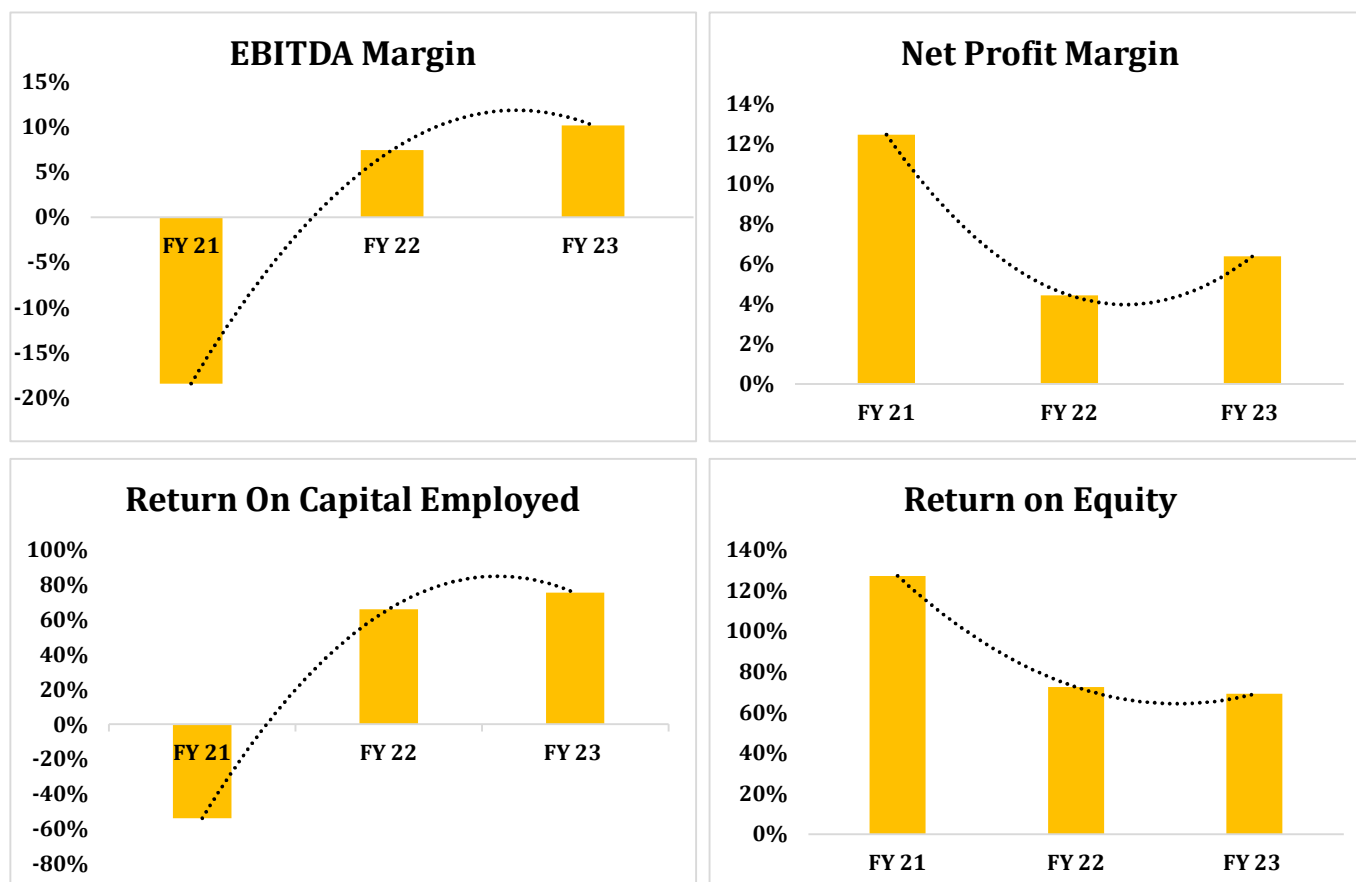
(i) Tangible Assets	247.27	538.78	694.67
(ii) Intangible assets	-	-	-
Balance Sheet			(In Lacs)
(b) Capital work-in-progress	352.50	-	24.30
(c) Non-current investments	0.20	0.20	41.85
(d) Deferred tax assets (net)	136.16	138.84	118.06
(e) Long-term loans and advances	475.80	453.61	180.29
(f) Other Non-Current 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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Financial Charts



Key Risk Factors

1. Company, Company's Promoters and its Directors are involved in 19 litigations including tax related litigations amounting to Rs. 1,352.57 Lacs, which if determined against the company, can affect financial conditions of the company.
2. Company is dependent on government authorities for a significant portion of the business and revenue from operation i.e., Out of total revenue from operation 89.55%, 93.26% and 79.23% for the Fiscal 2023, 2022 and 2021 was generated from the government authorities. The loss of any of the key work order or projects could have a material adverse effect on the business, results of operations, financial condition and cash flows.
3. Company has had negative cash flow from operating activity in the fiscal year 21 amounting to Rs. (205.79) Lacs.
4. Company has contingent liabilities amounting to Rs. 482.35 Lacs, if this contingent liability is materialized, fully or partly, the financial condition of the Company could be affected.

Track Record of Lead Manager

The lead manager to the issue is Hem Securities Limited. A table has been set below highlighting the details of the IPO of the last 10 companies handled by the Lead Managers in recent times –

Hem Securities Limited –

Sr. No	Company Name	Issue Size in Cr.	Issue Price/Share (In INR)	Listing date	CMP* (INR)
1.	Kahan Packaging Limited	5.76	80.00	September 15, 2023	147.87
2.	Asarfi Hospital Limited	26.94	52.00	July 26, 2023	118.30
3.	Kaka Industries Limited	21.23	58.00	July 19, 2023	176.30
4.	Greenchef Appliances Limited	53.62	87.00	July 06, 2023	119.30
5.	Hemant Surgical Industries Limited	24.84	90.00	June 05, 2023	198.90
6.	Vasa Denticity Limited	54.07	128.00	June 02, 2023	430.00
7.	Labelkraft Technologies Limited	4.75	55.00	March 23, 2023	83.00
8.	Systango Technologies Limited	34.82	90.00	March 15, 2023	264.25
9.	Macfos Limited	23.74	102.00	March 01, 2023	328.00
10.	Earthstahl & Alloys Limited	12.96	40.00	February 08, 2023	60.00

As per the offer document, Hem Securities Limited has had 27 mandates in the last three fiscal years. For Hem Securities Limited out of the 10 mentioned above, all the mandates opened at premiums on the listing day.

*CMP for all the above-mentioned companies is taken as on 22nd September 2023.



Recommendation

The company has experienced good growth with respect to the various financial indicators as well as decent improvement in the balance sheet position in the last three Fiscals, i.e., company has seen an increase in its net worth. Whereas, the growth in profit margins has not been in specific(growing) trend.

The management outlook of the company is good, with proper bifurcation of the roles and responsibilities of its top management.

The P/E on an annualised and Post IPO basis is around 12.89 times which seems to be fairly priced looking at the performance and size of the company.

The Company has recovered well after facing decline in its revenue from operation in the fiscal 2021 due to covid and has shown a growth in its revenue, profits and its margin. Overall tourism industry has recovered well after covid and has shown good signs of growth. Therefore, At the given P/E a well-informed investor can **APPLY** for this IPO.



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