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EnFuse ENFUSE SOLUTIONS LIMITED



Our Company was originally incorporated as “Enfuse Solutions Private Limited” a private limited company under the Companies Act, 2013 at Mumbai, pursuant to a certificate of incorporation dated February 10, 2017 issued by the Registrar of Companies, Central Registration Centre. Subsequently, pursuant to Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting, held on November 1, 2023, our Company was converted into a Public Limited Company and consequently the name of our Company was changed from “Enfuse Solutions Private Limited” to “Enfuse Solutions Limited” vide a fresh certificate of incorporation consequent upon conversion from private company to public company dated November 24, 2023, issued by the Registrar of Companies, Mumbai. Our Company’s corporate identity number is U74999MH2017PLC291076. For further details of Incorporation, change of name and registered office of our Company, please refer to chapter titled “**History and Corporate Structure**” beginning on page 115 of this Red Herring Prospectus.

Registered Office: A/1503, Bonaventure Building No.5, Rangnath Kesar Road, Dahisar West, Mumbai 400068, Maharashtra, India.

Corporate Office: Unit No. 501-504, 5th Floor, Sai Arpan, B-11, Sai Complex, Survey Number.: Old S. No. 254/PT(New), P G Vora Road, Besides Shanti Vihar, Mira Road (E), Thane- 401107, Maharashtra, India.
Tel No: +91-22-28118383.; **E-mail:** cs@enfuse-solutions.com; **Website:** www.enfuse-solutions.com; **Contact Person:** Shubhra Maheshwari, Company Secretary & Compliance Officer; **CIN:** U74999MH2017PLC291076

OUR PROMOTERS: IMRAN YASIN ANSARI, MOHAMMEDK LALMOHAMMED SHAIKH, RAHUL MAHENDRA GANDHI, ZAYNULABEDIN MOHMADBHAIR MIRA AND FARHEEN IMRAN ANSARI

“THE ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER IX OF THE SEBI ICDR REGULATIONS (IPO OF SMALL AND MEDIUM ENTERPRISES) AND THE EQUITY SHARES ARE PROPOSED TO BE LISTED ON SME PLATFORM OF NSE (NSE EMERGE).”

We are engaged in business of providing integrated Digital solutions across various domains including (i) In Data Management & Analytics (ii) E-commerce & Digital Services (iii) Machine Learning & Artificial intelligence (iv) Edtech & Technology Solutions.

THE ISSUE

INITIAL PUBLIC OFFER OF UPTO 23,37,600 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE “EQUITY SHARES”) OF ENFUSE SOLUTIONS LIMITED (“OUR COMPANY” OR “THE ISSUER”) AT AN ISSUE PRICE OF ₹ [-] PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF [-] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹[-] LAKHS (“PUBLIC ISSUE”) OUT OF WHICH 1,20,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [-] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [-] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 22,17,600 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹[-] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹[-] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.42% AND 25.06% RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

- **QIB PORTION:** NOT MORE THAN 50.00% OF THE NET ISSUE
 - **NON-INSTITUTIONAL PORTION:** NOT LESS THAN 15.00% OF THE NET ISSUE
- **RETAIL PORTION:** NOT LESS THAN 35.00% OF THE NET ISSUE
 - **MARKET MAKER PORTION:** UPTO 1,20,000 EQUITY SHARES OR 5.13% OF THE ISSUE

PRICE BAND: RS. 91 TO RS. 96 PER EQUITY SHARE OF FACE VALUE RS. 10/- EACH
THE FLOOR PRICE IS 9.1 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 9.6 TIMES OF THE FACE VALUE OF THE EQUITY SHARES.
BIDS CAN BE MADE FOR A MINIMUM OF 1,200 EQUITY SHARES AND IN MULTIPLES OF 1,200 EQUITY SHARES THEREAFTER.

RISKS TO INVESTORS:

- We derive a significant portion of our revenues from clients located in the United States of America and Netherland and any adverse developments in these markets could adversely affect our business.
- We are dependent on a few customers for a major part of our revenues. Further we do not have any long-term commitments from customers and any failure to continue our existing arrangements could adversely affect our business and results of operations.
- The Merchant Banker associated with the Issue has handled 41 public issues in the past three years out of which 1 Issue closed below the Issue Price on listing date.
- Average cost of acquisition of Equity Shares held by the Individual Promoter is

Sr. No.	Name of the Promoters	Average cost of Acquisition (in ₹)
1.	Imran Yasin Ansari	Nil
2.	Mohammedk Lalmohammed Shaikh	Nil
3.	Rahul Mahendra Gandhi	Nil
4.	Zaynulabedin Mohmadbhai Mira	Nil
5.	Farheen Imran Ansari	Nil

- and the Issue Price at the upper end of the Price Band is Rs. 96 per Equity Share.
- The Price/ Earnings ratio based on Diluted EPS for Fiscal 2023 for the company at the upper end of the Price Band is 4.50.
 - Weighted Average Return on Net worth for Fiscals 2021, 2022, 2023 is 57.76%.
 - The Weighted average cost of acquisition of all Equity Shares transacted in the last one year, 18 months and three years from the date of RHP is as given below:

Period	Weighted Average Cost of Acquisition (in Rs.)	Upper end of the Price Band (Rs. 96) is “X” times the weighted Average cost of Acquisition	Range of acquisition price: Lowest Price – Highest Price (in Rs.)
Last 1 year	Nil	NA	0-0
Last 18 months/ Last 3 years	N/A	N/A	N/A

- The Weighted average cost of acquisition compared to floor price and cap price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price (i.e. ₹ 91)	Cap price (i.e. ₹ 96)
Weighted average cost of acquisition of primary Issuance (exceeding 5% of the pre Issue Capital)	NA^	NA^	NA^
Weighted average cost of acquisition for secondary sale / acquisition (exceeding 5% of the pre Issue Capital)	NA^^	NA^^	NA^^
Weighted average cost of acquisition of past primary issuances / secondary in last 3 years	Nil	Nil	Nil

Note:

^There were no primary/ new issue of shares (equity/ convertible securities) as mentioned in paragraph 8(a) above, in last 18 months from the date of the Red Herring Prospectus.

^^There were no secondary transactions as mentioned in paragraph 8(b) above, in last 18 months from the date of the Red Herring Prospectus.

BASIS FOR ISSUE PRICE

Price Band/ Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the qualitative and quantitative factors as described in this section. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is 9.1 times of the face value at the lower end of the Price Band and 9.6 times of the face value at the upper end of the Price Band.

QUALITATIVE FACTORS

We believe the following business strengths allow us to successfully compete in the industry:

- Experienced Promoters along with qualified Employee base
- Diversified revenue from multiple geographies
- Diversified client base and revenue sources.
- Wide range of professional and technical services

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “**Our Business**” beginning on page 96 of the Red Herring Prospectus.

QUANTITATIVE FACTORS

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer section titled “Financial Information of the Company” on page 140 of the Red Herring Prospectus.

Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

1. Basic & Diluted Earnings per share (EPS) (Face value of Rs. 10 each):

As per the Restated Financial Statements: -

Sr. No	F.Y./Period	Basic & Diluted (₹)	Weights
1.	Financial Year ending March 31, 2023	4.50	3
2.	Financial Year ending March 31, 2022	3.04	2
3.	Financial Year ending March 31, 2021	2.39	1
	Weighted Average	3.66	6
	For the Period Ended December 31, 2023	4.95	

**Not annualized*

Notes:

- The figures disclosed above are based on the Restated Financial Statements of the Company.
- The face value of each Equity Share is Rs. 10.00.
- Earnings per Share has been calculated in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.
- The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.
- Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year/ period
- Diluted Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of diluted potential equity shares outstanding during the year/ period.

2. Price Earning (P/E) Ratio in relation to the Price Band of ₹91 to ₹96 per Equity Share of Face Value of ₹10/- each fully paid up

Particulars	(P/E) Ratio at the Floor Price	(P/E) Ratio at the Cap Price
P/E ratio based on the Basic & Diluted EPS, as restated for the period ending March 31, 2023	20.22	21.33
P/E ratio based on the Weighted Average EPS, as restated.	24.86	26.23
Industry P/E Ratio*		(P/E) Ratio
Industry Average		29.41

**For the purpose of industry, we have considered those companies which are engaged in the similar line of business segment as of our Company, however, they may not be exactly comparable in terms of product portfolio or the size of our Company. The peers have been included for the purpose of broad comparison.*

Note:

i) The P/E ratio has been computed by dividing Issue Price with EPS.

ii) P/E Ratio of the peer company is based on the Audited Results for the F.Y. 2022-23 and stock exchange data dated March 07, 2024

3. Return on Net worth (RoNW)

Sr. No	Period	RONW (%)	Weights
1	Period ending March 31, 2023	45.21%	3
2	Period ending March 31, 2022	55.85%	2
3	Period ending March 31, 2021	99.25%	1
	Weighted Average	57.76%	6
	Period ending December 31, 2023	33.25%	

Note:

- The figures disclosed above are based on the Restated Financial Statements of the Company.
- The RoNW has been computed by dividing restated net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year/period
- Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.

4. Net Asset Value (NAV) per Equity Share:

Sr. No.	NAV per Equity Share	(Amount in ₹)*
1.	As at March 31, 2021	2.41
2.	As at March 31, 2022	5.45
3.	As at March 31, 2023	9.95
4.	As at December 31, 2023	14.90
5.	NAV per Equity Share after the Issue	
	a) at floor Price	32.36
	b) at Cap Price	33.68
6.	Issue Price	[-]

**The above NAV has been calculated based on weighted number of shares outstanding at the end of the respective year.*

Notes:

- The figures disclosed above are based on the Restated Financial Statements of the Company.
- NAV per share=Restated Net worth at the end of the year/period divided by weighted average number of equity shares outstanding at the end of the year/period
- Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account.
- Issue Price per Equity Share will be determined by our Company in consultation with the Book Running Lead Manager.

5. Comparison of Accounting Ratios with Industry Peers:

Name of Company	Current Market Price (₹)	Face Value	EPS Basic/ Diluted	PE	RoNW (%)	Book Value (₹)	Total Income (₹ In lakhs)
Enfuse Solutions Limited	[-]	10	4.50	[-]	45.21%	9.95	2610.42
Peer Group							
Vertexplus Technologies Limited ⁽ⁱ⁾	171.60	10	4.71	36.43	8.36%	40.84	2171.27
eClerx Services Limited ⁽ⁱⁱ⁾	2434.15	10	97.15	25.06	28.50%	357.36	271384.80
Systango Technologies Limited ⁽ⁱⁱⁱ⁾	341.40	10	12.76	26.76	22.70%	42.02	5369.73

Notes:

- Source – All the financial information for listed industry peers mentioned above is sourced from the Annual Reports of the aforesaid companies for the year ended March 31, 2023 and stock exchange data dated March 07, 2024 to compute the corresponding financial ratios. For our Company, we have taken Current Market Price as the issue price of equity share. Further, P/E Ratio is based on the current market price of the respective scrips.
- The EPS, NAV, RoNW and total Income of our Company are taken as per Restated Financial Statement for the Financial Year 2022-23.
- NAV per share is computed as the closing net worth divided by the weighted average number of paid up equity shares as on March 31, 2023.
- RoNW has been computed as net profit after tax divided by closing net worth.
- Net worth has been computed in the manner as specifies in Regulation 2(1) (hh) of SEBI (ICDR) Regulations, 2018.
- The face value of Equity Shares of our Company is ₹10/- per Equity Share and the Issue price is [-] times the face value of equity share.

6. Key Performance Indicators:

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of our company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated March 07, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years' period prior to the date of filing of this Red Herring Prospectus. Further, the KPIs herein have been certified by M/s Mathia and Co., Chartered Accountants, by their certificate dated March 07, 2024.

The KPIs of our Company have been disclosed in the sections titled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators” on pages 96 and 175, respectively. We have described and defined the KPIs as applicable in “Definitions and Abbreviations” on page 1 of this Red Herring Prospectus.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

Key Performance Indicators of our Company

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	As at the Year/Period ended			
	December 31, 2023*	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from operations (1)	2,803.09	2,609.85	2,554.12	1,720.19
EBITDA (2)	531.49	497.06	323.00	221.47
EBITDA Margin (3)	18.96%	19.05	12.65	12.87
PAT (4)	322.50	292.73	198.11	155.43
PAT Margin (5)	11.51%	11.22	7.76	9.04
RoE (%) (6)	39.88%	58.42%	77.49%	197.02%
RoCE (%) (7)	24.05%	46.61%	46.71%	133.23%

**Not Annualized*

Notes:

- Revenue from operation means revenue from sales, service and other operating revenues
- EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income
- ‘EBITDA Margin’ is calculated as EBITDA divided by Revenue from Operations
- ‘PAT’ is calculated as Profit before tax – Tax Expenses
- ‘PAT Margin’ is calculated as PAT for the period/year divided by revenue from operations.
- Return on Equity is ratio of Profit after Tax and Average Shareholder Equity
- Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings (current & non-current).

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Explanation for KPI metrics:

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
RoE(%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
RoCE (%)	RoCE provides how efficiently our Company generates earnings from the capital employed in the business.

7. Set forth below are the details of comparison of key performance of indicators with our listed industry peer: (₹In Lakhs except percentages and ratios)

Key Financial Performance	Enfuse Solutions Limited		
	FY- 2022-23	FY- 2021-22	FY- 2020-21
Revenue from operations ⁽¹⁾	2,609.85	2,554.12	1,720.19
EBITDA ⁽²⁾	497.06	323.00	221.47
EBITDA Margin (%) ⁽³⁾	19.05	12.65	12.87
PAT ⁽⁴⁾	292.73	198.11	155.43
PAT Margin (%) ⁽⁵⁾	11.22	7.76	9.04
RoE(%) ⁽⁶⁾	58.42%	77.49%	197.02%
RoCE (%) ⁽⁷⁾	46.61%	46.71%	133.23%

Key Financial Performance	Vertexplus Technologies Limited		
	FY- 2022-23	FY- 2021-22	FY- 2020-21
Revenue from operations ⁽¹⁾	2113.51	2,086.02	1,963.93
EBITDA ⁽²⁾	232.68	255.47	121.44
EBITDA Margin (%) ⁽³⁾	11.01%	12.25%	6.18%
PAT ⁽⁴⁾	187.08	186.9	102.92
PAT Margin (%) ⁽⁵⁾	8.85%	8.96%	5.24%
RoE(%) ⁽⁶⁾	12.76%	32.22%	23.73%
RoCE (%) ⁽⁷⁾	8.50%	28.24%	23.18%

Key Financial Performance	eClerx Services Limited		
	FY- 2022-23	FY- 2021-22	FY- 2020-21
Revenue from operations ⁽¹⁾	264789.7	216034.5	156,449.10
EBITDA ⁽²⁾	72221.5	66058.2	44803.4
EBITDA Margin (%) ⁽³⁾	27.28%	30.58%	28.64%
PAT ⁽⁴⁾	48918.1	41775.8	28282.1
PAT Margin (%) ⁽⁵⁾	18.47%	19.34%	18.08%
RoE(%) ⁽⁶⁾	29.78%	27.23%	20.15%
RoCE (%) ⁽⁷⁾	39.25%	37.10%	26.70%

Key Financial Performance	Systango Technologies Limited		
	FY- 2022-23	FY- 2021-22	FY- 2020-21
Revenue from operations ⁽¹⁾	5234.01	3268.8	2,298.96
EBITDA ⁽²⁾	1589.93	743.46	626.98
EBITDA Margin (%) ⁽³⁾	30.38%	22.74%	27.27%
PAT	1399.19	710.94	595.47
PAT Margin ⁽⁴⁾	26.73%	21.75%	25.90%
Networth ⁽⁵⁾	35.34%	49.75%	76.84%
RoNW(%) ⁽⁶⁾	26.85%	46.92%	64.97%

- Notes:
- (1) Revenue from operation means revenue from sales, service and other operating revenues
- (2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income
- (3) 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations
- (4) PAT is calculated as Profit before tax – Tax Expenses
- (5) 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.
- (6) Return on Equity is ratio of Profit after Tax and Average Shareholder Equity
- (7) Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings (current & non-current).
- c) Since there are no such transactions to report to under (a) and (b) therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoter / Promoter Group entities or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to irrespective of the size of transactions, is as below:

Primary Transactions:
Except as disclosed below, there have been no primary transactions in the 18 months preceding the date of this Red Herring Prospectus:

Date of Allotment	No. of equity Shares allotted	Face value per Equity share (₹)	Issue price per Equity share (₹)	Nature of Allotment	Nature of consideration	Total Consideration (in ₹ lakhs)
October 20, 2023	65,00,000	10	Nil	Bonus Issue in the ratio of 650:1	Other than Cash	Nil

Secondary Transactions:
Except as disclosed below, there have been no secondary transactions by the Promoters, members of the Promoter Group or shareholder(s) having the right to nominate director(s) in the Board of Directors of our Company are a party to the transaction, in the last three years preceding the date of this Red Herring Prospectus:

Date of Transfer	Name of transferor	Name of transferee	No. of Equity shares	Price Per Equity Share (₹)	Adjusted Price per equity share	Nature of transaction	Total Consideration (₹ in lakhs)
October 30, 2023	Imran Yasin Ansari	Farheen Imran Ansari	1	-	-	Share Transfer by way of Gift	-
	Mohammedk Lalmohammed Shaikh	Shabnam Mohammed Kamran	1	-	-		-
	Rahul Mahendra Gandhi	Kinnari Rahul Gandhi	1	-	-		-
	Zaynulabedin Mohmadbhai Mira	Shabnam Zaynulabedin Mira	1	-	-		-

For further details, please see the chapter titled “Basis for Issue Price” beginning on page 75 of the Red Herring Prospectus.

BID/ ISSUE PROGRAM

BID/ ISSUE OPENS ON⁽¹⁾: FRIDAY, MARCH 15, 2024

BID/ ISSUE CLOSES ON: TUESDAY, MARCH 19, 2024

"Our Company in consultation with the BRLM may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid / Issue Opening Date in accordance with the SEBI (ICDR) Regulations, 2018.

In case of any revisions in the Price Band, the Bid/ Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/ Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release, and also by indicating the change on the website of the Book Running Lead Managers and the terminals of the other members of the Syndicate and by intimation to SCSBs, the Sponsor Bank, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI (ICDR) Regulations, as amended, wherein not more than 50% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "Issue Procedure" beginning on page 212 of the Red Herring Prospectus.

Bidders/ Applicants should note that on the basis of PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidders/ Applicants may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidders/ Applicants as available on the records of the depositories. These Demographic Details may be used, among other things, for or unblocking of ASBA Account or for other correspondence(s) related to an Issue. Bidders/ Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk. Bidders/ Applicants should ensure that PAN, DP ID and the Client ID are correctly filled in the Bid cum Application Form. The PAN, DP ID and Client ID provided in the Bid cum Application Form should match with the PAN, DP ID and Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Investors must ensure that their PAN is linked with AADHAR and are in compliance with CBDT Notification dated February 13, 2020 and press release dated June 25, 2021.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AS REGARDS ITS OBJECTS: For information on the main objects and other objects of our Company, see *"History and Corporate Structure"* on page 115 of the Red Herring Prospectus and Clause III of the Memorandum of Association of our Company. The Memorandum of Association of our Company is a material document for inspection in relation to the Issue. For further details, see the section *"Material Contracts and Documents for Inspection"* on page 251 of the Red Herring Prospectus.

LIABILITY OF MEMBERS AS PER MOA: The liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.

AMOUNT OF SHARE CAPITAL OF THE COMPANY AND CAPITAL STRUCTURE: The Authorized share Capital of the Company is Rs.10,00,00,000/- (Rupees Ten Crores) divided into 1,00,00,000 (One Crore Only) Equity Shares of Rs.10/- each. The issued, subscribed and paid-up share capital of the Company before the issue Rs.6,51,00,000/- (Rupees Six Crores Fifty-One Lakhs) divided into 65,10,000 (Sixty-Five Lakhs Ten Thousand) Equity Shares of Rs. 10 each. For details of the Capital Structure, see "Capital Structure" on the page 57 of the Red Herring Prospectus.

NAMES OF THE SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: Given below are the names of the signatories of the Memorandum of Association of the Company and the number of Equity Shares subscribed for by them at the time of signing of the Memorandum of Association of our Company, Rahul Mahendra Gandhi - 7500, Zaynulabedin Mohmadbhai Mira - 2500 shares aggregating to 10,000 Equity Shares of Rs.10/- each. Details of the main objects of the Company as contained in the Memorandum of Association, see *"History and Corporate Structure"* on page 115 of the Red Herring Prospectus. For details of the share capital and capital structure of the Company see *"Capital Structure"* on page 57 of the Red Herring Prospectus.

LISTING: The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the NSE Emerge. Our Company has received an 'in-principle' approval from the National Stock Exchange of India Limited (hereinafter referred to as NSE) for the listing of the Equity Shares pursuant to letter Ref.: NSE/LIST/3280 dated February 19, 2024. For the purposes of the Issue, the Designated Stock Exchange shall be NSE. A signed copy of the Red Herring Prospectus dated March 09, 2024 has been delivered for filing to the ROC and Prospectus shall be delivered for filing to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Issue Closing Date, see *"Material Contracts and Documents for Inspection"* on page 252 of the Red Herring Prospectus.

DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"): Since the Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018. The Red Herring Prospectus has been filed with SEBI. In terms of the SEBI Regulations, the SEBI shall not issue any observation on the Offer Document. Hence there is no such specific disclaimer clause of SEBI. However, investors may refer to the entire Disclaimer Clause of SEBI beginning on page 195 of the Red Herring Prospectus.

DISCLAIMER CLAUSE OF NSE ("NSE EMERGE") (THE DESIGNATED STOCK EXCHANGE): "It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to the Offer Document for the full text of the 'Disclaimer Clause of NSE'."

TRACK RECORD OF LEAD MANAGER: The Merchant Banker associated with the issue has handled 41 public issues in the past three years out of which 1 Issue closed below the Issue Price on listing date.

GENERAL RISK: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Red Herring Prospectus. Specific attention of the investors is invited to *"Risk Factors"* on page 24 of the Red Herring Prospectus.

ASBA * | Simple, Safe, Smart way of Application- Make use of it!!!! *Applications Supported by Blocked Amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account, investors can avail the same. For details, check section on ASBA below. Mandatory in Public Issues from January 01, 2016. No Cheque will be accepted



UPI-Now available in ASBA for Retail Individual Investors (RII)**

Investors are required to ensure that the bank account used for bidding is linked to their PAN. UPI – Now available in ASBA for RIIs applying through Registered Brokers, DPs & RTAs. RIIs also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account.

Investors have to apply through the ASBA process. "ASBA has to be availed by all the investors except anchor investor. UPI may be availed by Retail Individual Investors. For details on the ASBA and the UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section *"Issue Procedure"* beginning on page 212 of the Red Herring Prospectus. The process is also available on the website of Association of Investment Bankers of India ("AIBI"), the Stock Exchanges and in the General Information Document.

**ASBA forms can be downloaded from the website of NSE ("NSE Emerge")*

***List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. HDFC Bank Limited has been appointed as Sponsor Bank for the Issue, in accordance with the requirements of the SEBI circular dated November 1, 2018, as amended. For UPI related queries, investors can contact NPCI at the toll free number-18001201740 and Mail Id- ipo.upi@npci.org.in. For the list of UPI Apps and Banks live on IPO, please refer to the link www.sebi.gov.in. For issue related grievance investors may contact: [Hem Securities Limited- Ajay Jain \(+91 141 -4051000\) \(Email Id: ib@hemsecurities.com\)](mailto:Hem Securities Limited- Ajay Jain (+91 141 -4051000) (Email Id: ib@hemsecurities.com)).*

BOOK RUNNING LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE	COMPANY SECRETARY AND COMPLIANCE OFFICER
 HEM SECURITIES LIMITED Address: 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India Tel. No.: +91-22-49060000; Email: ib@hemsecurities.com Investor Grievance Email: redressal@hemsecurities.com Website: www.hemsecurities.com Contact Person: Ajay Jain SEBI Reg. No.: INM000010981; CIN: U67120RJ1995PLC010390	 BIGSHARE SERVICES PRIVATE LIMITED Address: S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, Maharashtra, India. Telephone: +91 22 6263 8200; Email: ipo@bigshareonline.com ; Investor Grievance Email: investor@bigshareonline.com ; Website: www.bigshareonline.com ; Contact Person: Vinayak Morbale SEBI Reg. No. : MB/INR000001385; CIN: U99999MH1994PTC076534	Shubhra Maheshwari ENFUSE SOLUTIONS LIMITED Registered Office: A/1503, Bonaventure Building No.5, Rangnath Kesar Road, Dahisar West, Mumbai 400068, Maharashtra, India. Tel. No. +91-22-28118383; E-mail: cs@enfuse-solutions.com ; Website: www.enfuse-solutions.com ; CIN: U74999MH2017PLC291076 Investors can contact the Company Secretary and Compliance Officer or the BRLMs or the Registrar to the Issue in case of any pre-issue or post-issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account and refund orders, etc.

AVAILABILITY OF RED HERRING PROSPECTUS: Investors are advised to refer to the Red Herring Prospectus and the Risk Factors contained therein before applying in the Issue. Full copy of the Red Herring Prospectus is available on the website of the Company at <https://www.enfuse-solutions.com/investors/>, the website of the BRLMs to the Issue at www.hemsecurities.com, the website of NSE Emerge at https://www.nseindia.com/companies-listing/corporate-filings-offer-documents/sme_offer respectively.

AVAILABILITY OF BID-CUM-APPLICATION FORMS: Bid-Cum-Application forms can be obtained from the Registered Office of the Company: Enfuse Solutions Limited, Telephone: +91-22-28118383; BRLM: Hem Securities Limited, Telephone: +91-22-4906 0000 and the Syndicate Members: Hem Finlease Private Limited, Telephone: +91-22-49060000 and at the selected locations of the Sub-Syndicate Members, Registered Brokers, RTAs and CDPs participating in the Issue. Bid-cum-application Forms will also be available on the websites of NSE and the designated branches of SCSBs, the list of which is available at websites of the stock exchanges and SEBI.

ESCROW COLLECTION BANK/ REFUND BANK/ PUBLIC ISSUE ACCOUNT BANK/ SPONSOR BANK: HDFC Bank Limited. | **LINK TO DOWNLOAD ABRIDGED PROSPECTUS:** <https://www.enfuse-solutions.com/investors/> **UPI:** Retail Individual Bidders can also Bid through UPI Mechanism.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Red Herring Prospectus.

Place: Mumbai
Date: March 09, 2024

Disclaimer: Enfuse Solutions Limited is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares the Red Herring Prospectus dated March 09, 2024 has been filed with the Registrar of Companies, Mumbai, and thereafter with SEBI and the Stock Exchanges. The RHP is available on the website of NSE Emerge at https://www.nseindia.com/companies-listing/corporate-filings-offer-documents/sme_offer and is available on the websites of the BRLM at www.hemsecurities.com. Any potential investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, please refer to the Red Herring Prospectus including the section titled *"Risk Factors"* beginning on page 24 of the Red Herring Prospectus.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the *"Securities Act"*) or any state securities laws in the United States, and unless so registered, and may not be issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. State Securities laws. The Equity Shares are being issued and sold outside the United States in 'offshore transactions' in reliance on Regulation "S" under the Securities Act and the applicable laws of each jurisdiction where such issues and sales are made. There will be no public offering in the United States.

On behalf of Board of Directors
Enfuse Solutions Limited
Sd/-
Shubhra Maheshwari
Company Secretary and Compliance Officer