IPO REVIEW

ENS Enterprises IPO

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- The company is a technology company engaged in providing end-to-end digital commerce enablement and software solutions.
- It has operations in domestic and international markets.
- The company posted growth in its top and bottom lines for the reported periods.
- Quantum jump on year-on-year basis in its performance raise eyebrows and concern over its sustainability.
- Based on its recent financial data, the issue appears aggressively priced.
- Only well-informed/cash surplus/risk seekers may park moderate funds.

About the Company

ENS Enterprises Ltd. (EEL) is an ISO 27001:2022 & ISO 9001:2015 certified Technology Company engaged in providing end-to-end digital commerce enablement and software solutions. Established in 2016, and headquartered in Uttar Pradesh, India, the Company has built a strong presence in both domestic and international markets, serving clients across 12+ countries with the support of a team of over 140 professionals.

With a vast portfolio of services, the company successfully delivered various IT projects and established itself as a trusted technology partner for a wide range of corporates, SMEs, and government-backed initiatives. EEL operates at the intersection of e-commerce, digital engineering, and cloud technologies, offering a range of solutions that cover online commerce platforms, ONDC integrations, software development, mobile applications, cloud and DevOps, and digital marketing. Company’s portfolio is designed to provide clients with end-to-end technology support- from strategy and development to deployment, growth, and ongoing maintenance.

The Company has also developed SaaS products, which provide recurring subscription-based revenues. Its business model is structured to balance project-based income with recurring revenues from SaaS products (Software as a Service), subscriptions, and support retainerships. This hybrid approach ensures predictable cash flows, reduces dependence on one-time engagements, and enhances client relations through long-term service commitments. Geographically, while the majority of revenues are generated from India, the Company has also made its presence internationally viz. United States, Japan, Singapore, the UK, and Canada.

In 2022, EEL was empaneled as a Technology Service Provider (TSP) for the Government of India’s ONDC (Open Network for Digital Commerce) initiative, establishing it as an early mover in a

transformative e-commerce ecosystem. The Company has successfully implemented IT integrations for large reputed enterprises highlighting its capability to deliver mission-critical digital commerce solutions.

Moreover, it also provides consulting, development, and integration services for block chain-based solutions. These services include smart contract development and the integration of applications built on block chain frameworks, including ONDC (Open Network for Digital Commerce) protocol-based applications, with existing enterprise systems, in accordance with client specifications and project requirements. As of June 30, 2026, it had 100 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 3602400 equity shares of Rs. 10 each to mobilize Rs. 33.14 cr. at the upper cap. The company has announced a price band of Rs. 87 – Rs. 92 per share. The minimum application to be made is for 2400 shares and in multiples of 1200 shares thereon, thereafter. The issue opens for subscription on August 14, 2026 and will close on August 18, 2026. The shares will be listed on BSE SME. The IPO constitute 26.50% of the post-IPO paid-up capital of the company. From the net proceeds, the company will utilize Rs. 17.02 cr. for investment related to enhancement, maintenance and upgrading of existing products through manpower hiring, Rs. 6.75 cr. for capex on upgrading IT infrastructure, Rs. 1.20 cr. for repayment of borrowings, and the rest for general corporate purposes.

The IPO is solely lead managed by Corporate Makers Capital Ltd., and Abhipra Capital Ltd. is the registrar to the issue. ACME Capital Market Ltd., is the market maker as well as a syndicate member. The IPO is underwritten to the tune of 15% by Corporate Makers and 85% by ACME Capital Market.

Having issued initial equity capital at par, the company issued further shares at a fixed price of Rs. 65 per share in March 2025. It has also issued bonus shares in the ratio of 667 for 10 in March 2025, and 269 for 100 in July 2025. The average cost of acquisition of shares by the promoters is Rs. 0.04 per share.

Post-IPO, company’s current paid-up equity capital of Rs. 9.99 cr. will stand enhanced to Rs. 13.59 cr. Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 125.07 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 10.12 cr. / Rs. 0.90 cr. (FY24), Rs. 28.62 cr. / Rs. 3.70 cr. (FY25), Rs. 51.77 cr. / Rs. 8.40 cr. (FY26). Boosted performance in a pre-IPO year raise eyebrows, and concern over its sustainability as the company is operating in a highly competitive and fragmented segment. Rising trade receivables year-on-year raise alarm. Bumper profits for FY26 appears to be a window dressing to fetch fancy valuations for the IPO. (The company has surprisingly given its financial data in Rupees

Thousands.)

For the last three fiscals, the company has reported an average EPS of Rs. 5.69 and an average RoNW of 60.52%. The issue is priced at a P/BV of 4.99 based on its NAV of Rs. 18.45 per share as of March 31, 2026, and at a P/BV of 2.42 based on its post-IPO NAV of Rs. 37.94 per share.

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 14.89, and based on FY25 earnings, the P/E stands at 33.82. The issue appears aggressively priced based on its recent average earnings.

The company has posted PAT Margins of 8.93% (FY24), 13.07% (FY25), 16.35% (FY26), and RoCE margins of 84.15%, 84.51%, 78.41%, respectively for referred periods.

Dividend Policy

The company has not paid any dividends since its incorporation. It will adopt a prudent dividend policy, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown ASM Technologies, Infobeans Techno, Silver Touch, as its listed peers. They are currently trading at a P/E of 98.2, 18.6, and 62.6 (as of August 12, 2026). However, they are not truly comparable on an apple-to-apple basis. This comparison appears to be an eyewash. This comparison appears to be an eyewash.

Merchant Banker's Track Record

This is the 11th mandate from Corporate Makers in the last three fiscals (including the ongoing one). Out of the last 10 listings, 6 opened at discount, 3 at par and just 1 opened at a premium of 53.38% on the listing date. The merchant banker has a poor track record.

Conclusion / Investment Strategy

EEL is a technology company engaged in providing end-to-end digital commerce enablement and software solutions. It has operations in domestic and international markets. The company posted growth in its top and bottom lines for the reported periods. Quantum jump on year-on-year basis in its performance raise eyebrows and concern over its sustainability. Based on its recent financial data, the issue appears aggressively priced. Merchant Banker has a poor track record. Only well-informed/cash surplus/risk seekers may park moderate funds.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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