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BLS E-SERVICES LIMITED

Our Company was incorporated in New Delhi, as 'BLS E-Services Private Limited', a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated April 12, 2016, issued by the Deputy Registrar of Companies, Central Registration Centre. Thereafter, our Company was converted from a private limited company to a public limited company, pursuant to a resolution passed at the meeting of the Board of Directors held on December 23, 2022 and in the extraordinary general meeting of our Shareholders held on December 29, 2022, and consequently, the name of our Company was changed to 'BLS E-Services Limited', and a fresh certificate of incorporation dated April 10, 2023, was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana ("RoC") to our Company. For details of changes in the name and the registered office address of our Company, please see section titled "History and Corporate Structure of the Issuer" on page 246 of the Prospectus dated February 2, 2024.

Corporate Identity Number: U74999DL2016PLC298207; **Website:** www.blseservices.com

Registered Office: G-4B-1, Extension, Mohan Co-operative Indl. Estate Mathura Road, South Delhi, New Delhi – 110044, India; **Corporate Office:** Plot no. 865, Udyog Vihar Phase V, Gurugram, Haryana – 122016, India;

Contact Person: Sanjay Kumar Rawat, Company Secretary and Compliance Officer; **Telephone:** +91-11-45795002; **Email:** cs@blseservices.com

THE COMMENCEMENT OF TRADING OF THE EQUITY SHARES OF OUR COMPANY ON THE STOCK EXCHANGES SHALL BE WITH EFFECT FROM TUESDAY, FEBRUARY 6, 2024 PURSUANT TO THE SEBI CIRCULAR NO. SEBI/HO/CFD/TPD1/CIR/P/2023/140 DATED AUGUST 09, 2023. OUR COMPANY IS REQUIRED TO LIST ON T+3 DAY (T BEING THE ISSUE CLOSING DATE).

OUR PROMOTERS: BLS INTERNATIONAL SERVICES LIMITED, DIWAKAR AGGARWAL AND SHIKHAR AGGARWAL

Our Company has filed the Prospectus with the RoC and the Equity Shares (as defined below) are proposed to be listed on the Main Board of BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE", and together with BSE, the "Stock Exchanges"), and the trading will commence on Tuesday, February 06, 2024.

BASIS OF ALLOTMENT

INITIAL PUBLIC OFFERING OF 2,30,30,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF BLS E-SERVICES LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ 135.00 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 125.00 PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO ₹ 30,929.29 LAKHS ("ISSUE"). THE ISSUE SHALL CONSTITUTE 25.35% OF THE POST-ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

OUR COMPANY HAS UNDERTAKEN A PRE-IPO PLACEMENT BY WAY OF PRIVATE PLACEMENT OF 11,00,000 EQUITY SHARES FOR CASH AT A PRICE OF ₹125 PER EQUITY SHARE FOR AN AGGREGATING TO ₹1,375.00 LAKHS, IN CONSULTATION WITH THE BRLM, PURSUANT TO THE RESOLUTION OF THE BOARD DATED JANUARY 4, 2024. THE SIZE OF THE FRESH ISSUE OF 2,41,30,000 EQUITY SHARES HAS BEEN REDUCED BY 11,00,000 EQUITY SHARES PURSUANT TO THE PRE-IPO PLACEMENT, AND ACCORDINGLY, THE FRESH ISSUE SIZE IS 2,30,30,000 EQUITY SHARES.

THE ISSUE INCLUDES A RESERVATION OF 23,03,000 EQUITY SHARES AGGREGATING TO ₹ 2,947.84 LAKHS, FOR SUBSCRIPTION BY BLS INTERNATIONAL SHAREHOLDERS (THE "BLS INTERNATIONAL SHAREHOLDERS RESERVATION PORTION"). OUR COMPANY IN CONSULTATION WITH THE BRLM, OFFERED A DISCOUNT OF 5.19% OF THE ISSUE PRICE TO BLS INTERNATIONAL SHAREHOLDERS BIDDING IN THE SHAREHOLDER RESERVATION PORTION ("SHAREHOLDER DISCOUNT"), IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

THE ISSUE LESS THE BLS INTERNATIONAL SHAREHOLDERS RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET ISSUE", AGGREGATING TO 2,07,27,000 EQUITY SHARES.

THE FACE VALUE OF THE EQUITY SHARE IS ₹10 EACH. THE ISSUE PRICE IS 13.50 TIMES THE FACE VALUE OF THE EQUITY SHARES.

**Our Company in consultation with the BRLM, have offered a discount of ₹ 7 per Equity Share to BLS International Shareholders bidding in the BLS International Shareholders Reservation Portion.

ANCHOR INVESTOR ISSUE PRICE: ₹135.00 PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH.

ISSUE PRICE: ₹135.00 PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH.

THE ISSUE PRICE IS 13.50 TIMES THE FACE VALUE OF THE EQUITY SHARES

RISKS TO INVESTORS

- Business segment based risk:** We predominantly undertake fee and commission based activities, in our business segments namely, Business Correspondents ("BC"), Assisted E-services and E-governance. Further, a substantial portion of the revenue is generated by BC business operated by our subsidiaries, ZMPL and Starfin for our banking partners. Our BC business contributed 66.05%, 61.02%, 22.23% and 27.84% of our total revenue from operations for the six months period ended September 30, 2023, and the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively. Hence, deterioration in the performance of our Subsidiaries may adversely affect our business operations.
- Dependence on a single customer:** We are dependent on, and derive a substantial portion of our revenue from, a single customer, one of the largest PSU Bank. In the six months period ended September 30, 2023 and in Fiscal 2023, Fiscal 2022 and Fiscal 2021, our largest customer accounted for 59.75%, 59.47%, 14.89% and 27.27% respectively, of our revenue from operations. Cancellation of the agreement with our top customer could have a material adverse effect on our business, results of operations and financial condition.
- Projects awarded to our Corporate Promoter:** None of the e-governance projects are awarded to our Company directly. All of our contracts with respect to E-Governance projects are awarded to our Corporate Promoter, BLS International Services Limited by governmental agencies for providing G2C services to the citizens and to BLS Kendras, our subsidiary for providing E-Governance. As of September 30, 2023, 28.34% of our revenue generated from the contracts.
- Limited Operating History:** As a result of our limited operating history, we may not be able to compete successfully, and it may be difficult to evaluate our business and future operating results on the basis of our past performance.
- Dependence on merchants and information technology:** We significantly depend on our merchants and information technology ("IT") for our product and service distributions. Changes in our relationships with merchants, or adverse conditions, could impair their respective operations and therefore their ability to meet their obligations under our agreements. Any failure, disruption or weakness in our IT system, or breach of data, confidential information or data of our clients, customers and users of our services that may be misappropriated by our merchants or employees, cause us to breach our contractual obligations. This could adversely affect our operations and reputation.
- Utilization of Net Proceeds:** We are yet to place orders aggregating to approximately 55.72% of our Net Proceeds at upper price band for our technology infrastructure and capital expenditure equipment. A substantial portion of the Net Proceeds is intended to be utilized for this purpose.
- State Concentration Risk:** We provide E-Governance Services only in the states of Punjab, Uttar Pradesh and West Bengal, and accordingly any adverse changes in the conditions affecting these regions can adversely affect our business, financial condition and results of operations.
- Termination of master service agreement:** In the past Punjab State e-Governance Society has terminated master service agreement with our Company.
- Intellectual Property Rights:** We presently do not own trademark or logo under which we currently operate and if third parties, including our current or future competitors are able to circumvent our protection measures which are put in place for the protection of trademark, logo and intellectual property and other proprietary rights, our business and reputation would be adversely affected.
- Delay in payment of statutory dues:** There have been instances of delay in filing of GST returns of the Company. We may be subject to regulatory actions and penalties for any such delays and our business, financial condition and reputation may be adversely affected.
- Past Non-Compliances:** Our Company and our subsidiary, i.e. Zero Mass Private Limited have filed compounding applications before the Regional Director, Northern Region, Delhi and Regional Director, Western Region, Maharashtra, respectively for compounding and adjudication of certain past non-compliances.

- Outstanding litigations:** There are pending litigations against our Company, our Promoters, our Subsidiaries and our Group Companies. Any adverse decision in such proceedings may render us / them liable to liabilities / penalties and may adversely affect our business, results of operations and financial condition.

- Weighted average cost of acquisition, floor price and cap price.**

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor price* (i.e. ₹129)	Cap price* (i.e. ₹135)
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity/ convertible securities), excluding shares issued under an employee stock option plan/ employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of the Prospectus, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	12.76	10.11 times	10.58 times
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares (equity/ convertible securities), where the promoters / members of the promoter group or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of the Prospectus, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	N.A.	NA	NA

- Weighted average cost of acquisition of all shares transacted in the one year, 18 months and three years preceding the date of the Red Herring Prospectus:**

Period	Weighted average cost of acquisition per Equity Share (in ₹)^	Cap Price is 'x' times the weighted average cost of acquisition^*	Range of acquisition price per Equity Share: lowest price – highest price (in ₹)^
Last one year preceding the date of the Prospectus	125	1.08	125
Last 18 months preceding the date of the Prospectus	12.76	10.58	Nil - 125
Last three years preceding the date of the Prospectus	12.76	10.58	Nil - 125

^ As certified by S S Kothari Mehta & Co., Chartered Accountants by way of their certificate dated February 2, 2024.

- The BRLM associated with the Issue has handled 3 Main Board issues and 7 SME issues in the past three years, out of which none of the issue closed below the issue price on listing date.**

