



REPORT IN CONNECTION WITH FINANCIAL KEY PERFORMANCE INDICATORS (KPI)

To,

The Board of Directors
BLS E-Services Limited
G-4B-1, Extension, Mohan Co-operative Indl. Estate
Mathura Road, New Delhi,
South Delhi - 110044
Delhi, India

Unistone Capital Private Limited
305, A Wing, Dynasty Business Park,
Andheri Kurla Road, Andheri East,
Mumbai - 400059,
Maharashtra, India

(The aforementioned book running lead manager and any other book running lead manager appointed by the Company are collectively referred to as the "Book Running Lead Managers" or the "BRLMs")

Dear Sirs,

Re: Proposed initial public offering of equity shares of face value of ₹ 10 each (the "Equity Shares") by BLS E-Services Limited (the "Company", and such issuance, the "Issue").

We, M/s. MRKS and Associates, are an Independent Chartered Accountant firm engaged by the Company for the purpose of Issue. We have performed the procedures agreed with you and enumerated below with respect to the financial key performance indicators including business metrics and financial performance of the Company ("KPIs") as on respective dates and for the respective period mentioned against each annexure (the "Periods"), set forth in the accompanying schedules. Our engagement was undertaken in accordance with the Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information", issued by the Institute of Chartered Accountants of India. SRS 4400 is generally adopted to perform agreed upon procedures regarding financial information.

The procedures were performed solely to assist you in evaluating KPIs of the Company and the same have been enumerated in **Schedule I**. The procedures were performed to assist you in evaluating the accuracy, validity and completeness of KPIs and are summarized as follows:

At your request, we have also read the items identified by you on the attached copy of the red herring prospectus ("RHP"), received by us on **23rd January, 2024** and have compared the amounts to the corresponding amounts set out in the **Annexure A** and found them to be in agreement.

On the basis of the procedures set forth in **Schedule I** nothing came to our attention that caused us to believe the KPIs were not accurate, valid and complete.

We hereby consent to, and have no objection to, the inclusion of our name **MRKS and Associates**, Chartered Accountants and this report or any extract thereof in the DRHP of the Company, to be filed with Securities and Exchange Board of India ("SEBI") and the stock exchange where the Equity Shares are proposed to be listed (the "Stock Exchange"), the red herring prospectus ("RHP") and the prospectus ("Prospectus") to be filed with the Registrar of Companies, NCT of Delhi and Haryana at New Delhi ("RoC"), SEBI and the Stock Exchange or any other document to be issued or filed in relation to the Issue, including in any corporate or investor presentation made by or on behalf of the Company.

We confirm that the information in this certificate is true, fair, correct, accurate and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context and will enable investors to make a well-informed decision.



We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI. We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India ("ICAI") which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI and in accordance with 'Guidance Note on Reports in Company Prospectuses' (Revised 2019). We hereby confirm that while providing this certificate we have complied with the above guidance notes.

This certificate is issued for the purpose of the Issue, and can be used, in full or part, for inclusion in the red herring prospectus ("RHP"), prospectus ("Prospectus") and any other material used in connection with the Issue. We hereby consent to the aforementioned details being included in the RHP and Prospectus and consent to the submission of this certificate as may be necessary, to the Securities and Exchange Board of India, any regulatory / statutory authority, stock exchanges where the Equity Shares are proposed to be listed, Registrar of Companies, NCT of Delhi and Haryana at New Delhi or any other authority as may be required and/or for the records to be maintained by the BRLMs in connection with the Issue and in accordance with applicable law, and for the purpose of any defense the BRLMs may wish to advance in any claim or proceeding in connection with the contents of the RHP and Prospectus, as the case may be.

This certificate can be relied on by the Company, the BRLMs and the Legal Counsel to the Issue and to assist the BRLMs in conducting and documenting their investigation of the affairs of the Company in connection with the Issue. We hereby consent to this certificate being disclosed by the BRLMs, if required (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defense in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

We undertake to immediately update you, in writing, of any changes in the abovementioned information until the date the Equity Shares issued pursuant to the Issue commences trading on the Stock Exchanges. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate until the date on which the Equity Shares commence trading on the Stock Exchanges.

All capitalized terms used but not defined herein shall have the meaning assigned to them in the RHP.

Yours faithfully,

For and on behalf of **MRKS and Associates**
Chartered Accountants
Firm Registration Number: 023711N

Name: Saurabh Kuchhal
Partner
ICAI Membership Number: 512362
UDIN: 24512362BKFBUV1572
Date: 23rd January 2024
Place: Gurugram



CC:

Legal Counsel to the Issue as to Indian Laws

Dentons Link Legal
Aiwan-e-Ghalib Complex,
Mata Sundri Lane,
New Delhi 110 002, India

Schedule I

Management's Responsibility

1. The preparation of Annexure A is the responsibility of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Annexure A, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
2. The Management of the Company is also responsible for:
 - a. Identification, definition, completeness, accuracy, relevance, appropriateness and sufficiency of the KPIs included in the Statement;
 - b. Providing access to the accounting and other records to the auditor including information and explanations required for reporting on the KPIs;
 - c. maintenance of the accounting and other records in relation to point (a) and (b) above; and compliance with the ICDR Regulations, the Technical Guide on Disclosure and Reporting of Key Performance Indicators (KPIs) in Offer Documents and other regulatory requirements.

At your request, we have read the items identified by you in the Annexure A, and have performed the following procedures, which were applied as indicated with respect to the letters explained below:

- A. Compared the amounts to the corresponding amounts appearing in the restated consolidated financial statements of the Company for the six months period ended September 30, 2023 and for the financial years ended March 31, 2021, March 31, 2022 and March 31, 2023 ("**Restated Financial Statements**") or accounting records or schedules and found them to be in agreement.
- B. Verified and compared the items with the Restated Financial Statements, relevant accounting records, documents, other records and management reports, internal documents, reports used for periodic MIS reporting, reports from digital / computerized systems including the extracts of minutes of board meetings and any other documents necessary or required for verification of the items and found them to be in agreement.
- C. Tested arithmetic and clerical accuracy.

Based on the procedures performed above, we found the information identified by you in the annexure to be true and correct.



ANNEXURE A

The KPIs disclosed herein below have been approved by a resolution of Audit Committee dated 04th August, 2023 and the members of the Audit Committee have confirmed that the verified details of all KPIs pertaining to the Company that have been disclosed to investors at any point of time during the three years period prior to the date of filing of the Red Herring Prospectus have been disclosed in the "Basis for Issue Price" section of the Red Herring Prospectus.

(1) Disclosure of all the KPIs pertaining to the Company that have been disclosed to its investors at any point of time during the three years preceding the date of this certificate

S. no.	KPI	Explanation
1.	Total Income	Total Income includes Revenue from operations represents the scale of our business as well as provides information regarding our overall financial performance and other income
2.	Total Expense	Total Expense include the cost of services, employees benefit expense, finance cost, depreciation and amortization expense, and other expenses.
3.	Profit before tax ("PBT")	PBT provides the information regarding the profitability before taxes of our group.
4.	Tax expense	Tax expense includes the current year tax expense, tax expense for earlier year and deferred tax expense.
5.	Profit after tax ("PAT")	PAT provides the information regarding the overall profitability of our group
6.	Reserve & Surplus	Reserves and surplus are all the cumulative amounts of retained earnings recorded as a part of the Shareholder's Equity
7.	Non-controlling interest	A non-controlling interest, also known as a minority interest, is an ownership position wherein a shareholder owns less than 50% of outstanding shares and has no control over decisions
8.	Non- Current liabilities	Non-current liabilities are the debts a business owes, but isn't due to pay for at least 12 months
9.	Current Liabilities	Current liabilities are an enterprise's obligations or debts that are due within a year or within the normal functioning cycle
10.	Non-current assets	Non-current assets are assets and property owned by a business that are not easily converted to cash within a year. They may also be called long-term assets. Non-current assets are for long-term use by the business and are expected to help generate income
11.	Current Assets	A current asset—sometimes called a liquid asset—is a short-term asset that a company expects to use up, convert into cash, or sell within one fiscal year or operating cycle



(₹ in lakhs, except per share data)

Sr No.	KPI	For six months period ended September 30, 2023*	Fiscal 2023	Fiscal 2022	Fiscal 2021
1.	Total Income	15,804.53	24,629.27	9,839.56	6,523.35
2.	Total expense (excluding exceptional items)	13,726.99	21,671.33	9,161.82	6,131.13
3.	Profit before tax ("PBT") (after exceptional items)	2,077.54	2,697.94	677.74	392.22
4.	Tax expense	609.43	664.76	139.78	77.40
5.	Profit after tax ("PAT")	1,468.11	2,033.18	537.96	314.82
6.	Earnings Per Share: (basic and diluted)	2.04	3.02	0.89	0.52
7.	Share Capital	6,672.65	6,672.65	1.00	1.00
8.	Reserve & Surplus	5,364.35	4,021.38	678.39	139.60
9.	Share pending allotment	-	-	827.30	827.30
10.	Non-controlling interest	553.89	451.18	-	-
11.	Non- Current liabilities	884.79	413.47	1,303.06	15.53
12.	Current Liabilities	7,901.08	6,387.91	2,783.18	3,075.30
	TOTAL (7+8+9+10+11+12)	21,376.76	17,946.59	5,592.93	4,058.73
13.	Non-current assets	11,076.56	10,923.48	2,912.63	1,990.32
14.	Current Assets	10,300.20	7,023.11	2,680.30	2,068.41
	TOTAL (13+14)	21,376.76	17,946.59	5,592.93	4,058.73

*Not Annualised

Notes:

- Total income consists of revenue from operations and other income as stated in restated consolidated financial statements of the Company.
- Total expenses consist of expenses in relation to cost of services, Employee benefit expenses, finance cost, depreciation including amortization and other expenses as stated in restated consolidated financial statements of the Company.
- Profit before Tax (PBT) after exceptional items is derived after deducting Total expenses including exceptional items from Total income.
- Profit after Tax (PAT) is derived after deducting Tax expenses for current year and earlier years and deferred tax expenses from PBT.
- EPS = Earnings per share is calculated as net profit after tax as per restated consolidated summary statement of profit and loss attributable to equity share shareholders divided by weighted average number of equity shares.

(2) Key financial and operational performance indicators (KPIs)

The KPIs disclosed below have been used historically by the Company to understand and analyse the business performance, which in result, help it in analysing the growth of various verticals in comparison to its peers, and other relevant and material KPIs of the business of the Company that have a bearing for arriving at the basis for issue price have also been disclosed below. The



KPIs included herein below have been approved by the audit committee pursuant to resolution dated 23rd January, 2024.

Explanation for the KPI metrics

The list of the KPIs along with brief explanation of the relevance of the KPI for the business operations of the Company are set forth below:

KPI	Explanations
Revenue from Operations (₹ lakhs)	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of the Company and size of our business.
Total Revenue (₹ lakhs)	Total Revenue is used to track the total revenue generated by the business including other income.
Earnings before interest, tax, depreciation, and amortization "EBITDA")	EBITDA provides a comprehensive view of our financial health as it considers all sources of our income.
EBITDA Margin	EBITDA margin (%) is financial ratio that measures our profitability as a percentage of its Total revenue. .
Profit After Tax (₹ lakhs)	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 the Company generates profits from shareholders' funds.
Debt To Equity Ratio	Debt-to-equity (D/E) ratio is used to evaluate the company's financial leverage.
Interest Coverage Ratio	The interest coverage ratio is a debt and profitability ratio used to determine how easily the company can pay interest on its outstanding debt.
Return on Capital Employed (%)	ROCE provides how efficiently the Company generates earnings from the capital employed in the business.
Current Ratio	It tells management how business can maximize the current assets on its balance sheet to satisfy its current debt and other payables.
Net Capital Turnover Ratio (%)	This metric enables us to track the how effectively company is utilizing its working capital to generate revenue.

Description in the RHP

The KPIs disclosed below have been used historically by the Company to understand and analyze the business performance, which in result, help it in analyzing the growth of various verticals in comparison to its listed peers, and other relevant and material KPIs of the business of the Company that have a bearing for arriving at the Basis for Issue Price have been disclosed below. The KPIs set forth above, have been approved by the Audit Committee pursuant to its resolution dated 23rd January, 2024.



A list of the KPIs of the Company for the six months period ended September 30, 2023 and for financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 are as below:

(in ₹ lakhs, except percentages and ratios)

Sr No.	KPI	For six months period ended September 30, 2023*	Fiscal 2023	Fiscal 2022	Fiscal 2021
1.	Revenue from Operations	15,617.88	24,306.07	9,669.82	6,448.72
2.	Total revenue	15,804.53	24,629.27	9,839.56	6,523.35
3.	EBITDA	2,249.61	3,628.96	862.07	547.29
4.	EBITDA Margin (%)	14.23	14.73	8.76	8.39
5.	Profit after tax	1468.11	2,033.18	537.96	314.82
6.	PAT Margin (%)	9.40	8.36	5.56	4.88
7.	Return on Equity (ROE) (%)	12.92	33.33	43.48	38.91
8.	Debt To Equity Ratio	0.07	0.05	1.01	1.14
9.	Interest Coverage Ratio	61.43	8.53	7.62	3.65
10.	Return on Capital Employed (ROCE) (%)	16.69	30.62	28.39	29.68
11.	Current Ratio	1.30	1.10	0.96	0.67
12.	Net Capital Turnover Ratio (%)	10.29	91.32	(17.43)	(5.94)

*Not Annualised

Notes:

- Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- EBITDA = EBITDA is calculated as Restated profit before exceptional items and tax plus finance cost and depreciation & amortization.
- EBITDA Margin = EBITDA margin (%) is calculated as EBITDA divided by Total revenue.
- Net Profit Ratio/Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes by our revenue from operations.
- Return on equity (RoE) is equal to profit for the year divided by the average total equity and is expressed as a percentage.
- Debt to equity ratio is calculated by dividing the debt (i.e., borrowings and lease liabilities (current and non-current)) by total equity (which includes issued capital and all other equity reserves).
- Interest Coverage Ratio measures our ability to make interest payments from available earnings and is calculated by dividing EBIT by finance cost.
- RoCE (Return on Capital Employed) (%) is calculated as EBIT divided by capital employed. Capital employed is calculated as net worth and total debt including lease liabilities.
- Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.



Comparison of Company's KPI with listed industry peers:

(in ₹ lakhs, except percentages and ratios)

Metrics	BLS E-Services Limited				E-Mudra Limited
	Fiscal				Fiscal
	For six months period ended September 30, 2023*	2023	2022	2021	2023
Revenue From operations	15,617.88	24,306.07	9,669.82	6,448.72	24,875.7
Total revenue	15,804.53	24,629.27	9,839.56	6,523.35	25,405.6
EBITDA	2,249.61	3,628.96	862.07	547.29	9260.90
EBITDA Margin (%)	14.23	14.73	8.76	8.39	36.40
Profit after tax	1468.11	2,033.18	537.96	314.82	6,119.80
PAT Margin (%)	9.40	8.36	5.56	4.88	24.09
Return on Equity (ROE) (%)	12.92	33.33	43.48	38.91	15.63
Debt To Equity Ratio	0.07	0.05	1.01	1.14	0.06
Interest Coverage Ratio	61.43	8.53	7.62	3.65	22.68
Return on Capital Employed (ROCE) (%)	16.69	30.62	28.39	29.68	16.71
Current Ratio	1.30	1.10	0.96	0.67	4.43
Net Capital Turnover Ratio (%)	10.29	91.32	(17.43)	(5.94)	1.29

*Not Annualised

Notes:

- Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- EBITDA = EBITDA is calculated as Restated profit before exceptional items and tax plus finance cost and depreciation & amortization.
- EBITDA Margin = EBITDA margin (%) is calculated as EBITDA divided by Total revenue.
- Net Profit Ratio/Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes by our revenue from operations.
- Return on equity (RoE) is equal to profit for the year divided by the average total equity and is expressed as a percentage.
- Debt to equity ratio is calculated by dividing the debt (i.e., borrowings and lease liabilities (current and non-current)) by total equity (which includes issued capital and all other equity reserves).
- Interest Coverage Ratio measures our ability to make interest payments from available earnings and is calculated by dividing EBIT by finance cost.
- RoCE (Return on Capital Employed) (%) is calculated as EBIT divided by capital employed. Capital employed is calculated as net worth and total debt including lease liabilities.
- Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.

