

Technical Proposal

Analysis of Business Correspondent Industry in India

For BLS E-Services Limited

CRISIL/BLSE/JUN23

Scope of Work for the Industry Report

- **Macro-Economic Outlook (Historical data for Fiscal 2019-2022) (Outlook for 3-year)**
 - Indian Economy Outlook
 - Review of GDP value and GDP growth
 - GDP growth outlook for FY23 and overview of long-term drivers of growth
 - Contribution of various sectors to India's GDP
 - Overview of Financial Services sector in India
 - PSBs, PVBs, Foreign Banks
 - SFBs, Payment Banks
 - Internet and Smartphone Penetration in India

- **Financial Inclusion in India**
 - Current Scenario & Developments
 - Credit to GDP comparison across different countries
 - Adult population with banks accounts comparison across countries
 - Commercial Bank Penetration, ATM Penetration
 - Bank Credit and Deposit in Rural, Semi-Urban, Urban regions
 - CRISIL Inclusix
 - Steps taken by Govt to boost Financial Inclusion
 - PMJDY, PMSBY, PMJBY, Atal Pension Yojana, PMMY
 - PSL Norms
 - Financial Inclusion Index
 - Technology and Digitisation of Financial Services
 - Business Opportunities on asset and liability side owing to Financial Inclusion
 - Impact on Financial Inclusion Industry of upcoming initiatives like digital banks, digital currency etc.

- **Business Correspondent Industry in India**
 - Banking Structure in India
 - Bank Credit to various sectors in India and Bank deposits in India
 - Bank accounts in India – Deposit and Credit Accounts in India
 - Bank branches in India
 - Penetration of Banking in India – Credit & Deposit penetration
 - State of Business Correspondents
 - Business correspondents and banking during Covid-19 lockdown
 - Type of Business Correspondents
 - Individual BCs, Corporate BCs

- **Business Model**
 - Traditional Kiosk Model, Digital Non-Fixed-Point model, Digital Fixed-Point model
- **Key Services provided by BCs**
 - Lending, Account Opening, Transactions/Remittances, Other value-added services (Insurance distribution, collection of premiums etc)
- **Evolution of Regulation Framework in India**
- **Total Banking correspondents in India**
- **Growth in Business Correspondent Network in India**
- **Distribution of BCs by Regions (*best effort basis*)**
- **Overall Transaction volume and value transacted through BCs**
 - Share of BSBDA, Cash in Cash out, Remittance, Bill Payments, Commission from lending products in overall transaction volume and value (*best effort basis – Primary Interactions*)
 - Growth Drivers for BC Business
- **Revenue Pool of BC Business and outlook for 3 years (*best effort basis – Primary Interactions & CRISIL Internal analysis*)**
- **Use of Technology by BCs - Leveraging Digital Technology to Expand BC Services across Rural India in a cost-efficient manner to deepen Financial Inclusion**
- **Key Success factors and risk for BC Businesses**
- **Profitability**

- **Domestic Remittances**
 - Market Size
 - Growth Drivers
 - Charges and Revenue model for service providers (*basis primary interactions*)

- **Retail Cash Management Service**
 - Overall retail market in India
 - Cash Economy of India
 - Online retail ecommerce business in terms of Cash Component (*basis primary interaction and best effort basis*)
 - Banking ATM Comparison across countries
 - Cash as a % of all payment modes
 - Benchmarking volume of cash in circulation with other countries

- **Assessment of Fintech Industry**
 - **Assessment of market (Qualitative commentary only)**
 - **Assessment of digital payments Industry in India**
 - Assess the volume and value of various modes of digital payments (UPI, AePS, RTGS, NEFT, IMPS, and NACH) in India

- Outlook for Transaction Volume and Value (3-year outlook)
- Growth Drivers
- Charges and Revenue model for service providers (basis primary interactions)
- Key Players and Trends
 - Key players using digital medium for distribution of loans (payment banks, digital lenders, neo-banking platforms, etc.) - Partnerships/DSAs/Co-lending (best effort basis public data)
 - Evaluate key technologies (API etc.) shaping the industry
- **E-governance services in India**
 - **Global & Domestic Trends in E-Government Services**
 - Improvement in India's ranking in UN E-Government Development Index
 - Digital trends in shaping the E-Gov space globally
 - Rising Digitisation of services and data in India across all levels
 - Services outsourced by government to private players globally
 - **Assessment of PAN Card Issuance Market in India**
 - Introduction to PAN Card, its usage and new PAN Card Issuance in India
 - Process for new PAN Card application & PAN Card Data Update
 - PAN Card Allotment in India
 - Revenue from PAN Card Issuance in India (Charges earned by service provider – basis primary interactions)
 - Growth Drivers
 - New Application demand, Formalisation of economy, Mandatory requirement of Tax filing, Growing tax payers base, growing rural economy and reach of Internet and IT facilities in the rural areas
 - **Assessment of NPS in India**
 - Overview of NPS and parties involved in NPS
 - NPS AUM & Subscribers growth over the years
 - Charges for opening an account and transaction charges (basis best effort - Primary Interaction)
 - Growth Drivers
 - Increasing population of middle income, Government push towards NPS (Tax saving incentives), rising penetration of Pension Products
 - **Assessment of Aadhar Authentication, e-KYC and e-Sign in India**
 - Overview of AADHAR and its usage
 - Overview of e-KYC & e-Sign and its use cases
 - Overview of e-Authentication services and use cases

- Growth Drivers of e-KYC and E-Sign
 - Growth of Digital economy, rising use cases, DBT, increasing financial inclusion leading to higher usage of such services for delivery of financial instrument
 - Charges for AADHAR Card Registration and Data update, printing, AADHAR Account linking earned by the Service provider (basis best effort - Primary Interaction)

- **Assessment of e-Commerce retail Industry in India**
 - Size of Overall Retail market in India
 - Evolution of e-Commerce Industry in India
 - Current market size and outlook
 - Growth Drivers
 - Demographic dividend, smartphone and internet penetration, last mile delivery of goods from e-Commerce players

- **Assessment of assisted e-Commerce Industry in India**
 - Assessment of Market & Opportunity (Qualitative)
 - Future trends of Digital & assisted e-Commerce in India (Qualitative)
 - Data cost comparison – India vs other countries
 - Key Players & trends
 - Key Players
 - Investments made by PE over the past 3 years (done on best effort basis public data from company press releases –Require Client's support in this case – to be done basis availability of public data)
 - Expected trends and changes in the market

- **Assessment Insurance Industry in India**
 - Overview of Life Insurance, Health Insurance and Non-Health Insurance (within General)
 - Total number of policies and premiums
 - Distribution mix of Policies – Share of direct/online channels
 - Growth Drivers – Government initiatives and others, Digitisation

- **Assessment of Ed-Tech and e-learning in India**
 - Indian Education Industry landscape
 - Key Offerings in Education technology space in India
 - Digital Learning Market Size & Outlook
 - Role of new age Ed-Tech solutions

- Government Initiatives
- Growth Drivers
 - Online courses
 - Test/Competitive exam preparation
 - Skill based vocational courses

- **Assessment of Tele-medicine Industry in India**
 - Overview of Telemedicine (Qualitative Commentary)
 - Industry Prospects (Qualitative commentary)
 - Growth Drivers
 - Key Players in the Market

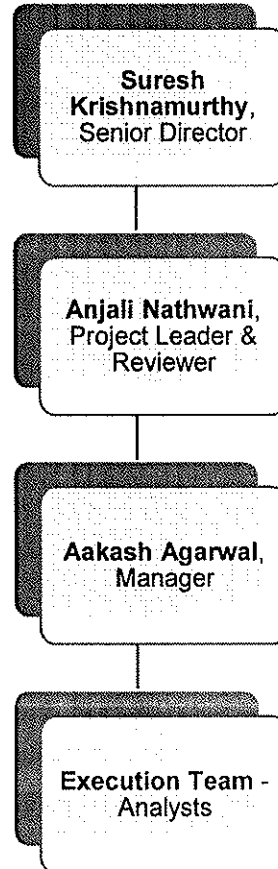
- **Assessment of Tele-agriculture Industry in India**
 - Overview of Tele-agriculture (Qualitative Commentary)
 - Industry Prospects (Qualitative commentary)
 - Government initiatives and drivers
 - Digital Agriculture Division (Ministry of Agriculture & Farmers)
 - DD Kisan Channel
 - Digital India Corporation & Indian Council of Agriculture Research MOU to provide Demand based Tele-Agriculture advisors to farmers

- **Assessment of Travel Industry in India**
 - Indian Travel Industry - Current market size and outlook
 - Online Ticketing market in India (Higher focus in this space)
 - Overview of OTA market in India
 - Growth Drivers
 - Charges earned by service providers (Flight booking, Bus booking)

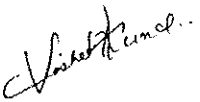

- **Competitive Landscape (Vakrangee, CSC, NICT, Nearby Technologies, Fino paytech)**
 - Revenue, EBITDA, PAT of players
 - EBITDA and PAT Margin of players
 - Comparison of Services offered/Product Suite

Proposed Engagement Team

CRISIL MIA will constitute a dedicated team comprising analysts and sector experts to provide relevant inputs in the assignment



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We agree, accept and confirm

<p>For Crisil Consulting, a division of CRISIL Ltd.</p> <p>Authorised Signatory</p> <p>Name: Vishal Kumar</p> <p>Designation: Associate Director</p> <p>Company Stamp</p>  	<p>For Client Name <i>BLS E-SERVICES LTD</i></p> <p>Authorised Signatory <i>Rahul Sharma</i></p> <p>Name: <i>RAHUL SHARMA</i></p> <p>Designation: <i>EXECUTIVE DIRECTOR, CEO</i></p> <p>Stamp</p> 
<p>DATE : 27.06.23</p>	<p>DATE: <i>27/06/2023</i></p>

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