

National Stock Exchange Of India Limited

Ref.: NSE/LIST/2609

December 05, 2023

The Company Secretary & Compliance Officer
BLS E Services Limited
G-4B-1, Extension,
Mohan Co-operative Indl.
Estate Mathura Road,
South Delhi, New Delhi –110044

Kind Attn.: Mr. Sanjay Kumar Rawat

Dear Sir,

Re.: In-principle approval for proposed Initial Public Offering comprising of fresh issue up to 2,41,30,000 equity shares face value of Rs. 10 each for cash at a price of Rs. [●] per equity share aggregating up to Rs. [●] crores of BLS E Services Limited.

This is with reference to the application received from the Company for the proposed public issue. It has requested the Exchange to grant an in-principle approval for listing the equity shares.

The Draft Red Herring Prospectus appears to be in order subject to the compliance with applicable provisions under the SC(R)A and rules framed thereunder, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, the Companies Act, 2013 and other relevant guidelines issued by the Ministry of Finance, Government of India, and SEBI.

You have been permitted to use the name of the National Stock Exchange of the India in the Offer Document in respect of the proposed public issue of equity shares provided the Company prints the Disclaimer Clause as given below in the Offer Document after the SEBI disclaimer clause. The in-principle approval is subject to adequate disclosures to be made in the Offer Document as mentioned above.

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/2609 dated December 05, 2023, permission to the Issuer to use the Exchange’s name in this Offer Document as one of the Stock Exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid 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 in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

This Document is Digitally Signed

Signer: DHAROD CHARMI CHETAN
Date: Tue, Dec 5, 2023 18:25:18 IST
Location: NSE

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

You may insert the following lines in the advertisements instead of the entire disclaimer clause:

“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’.”

Please note that the approval given by us should not in any way be deemed or construed that the draft Offer Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this draft offer document; nor does it warrant that the securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project.

As per SEBI circular Ref no. SEBI/ HO/ AFD/ AFD – PoD – 2/ CIR/ P/ 2023/ 148 August 24, 2023 and NSE Circular Ref. NSE/CML/2023/81 dated November 30, 2023, the Company shall ensure submission of details of ‘corporate group’ certified by the Merchant Banker to the issue at the RHP stage. Please note that the details shall be submitted to the Exchange at least 2 working days prior to the opening of the Issue.”

Please note that the confirmation provided by the Company with respect to changes to be made in the offer document is attached as Annexure to this letter. The Company is advised to ensure that the same along with this letter shall be made a part of the material contracts and documents for inspection in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Further, the Company shall ensure submission of financial results in accordance with Reg. 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which inter-alia states that the listed entity shall, subsequent to the listing, submit its financial results for the quarter or the financial year immediately succeeding the period for which the financial statements have been disclosed in the offer document for the initial public offer, within the timeline specified in clause (a) or clause (d) of Regulation 33(3), as the case may be, or within 21 days from the date of its listing, whichever is later. The Company shall also ensure that it meets the eligibility criteria of the Exchange at the time of listing of the equity shares of the Company.

Further note that this Exchange letter should not be construed as approval under any other Act/ Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up the matter with the concerned departments for approval, if any.

This Document is Digitally Signed

This in-principle approval shall be valid up to the validity of the SEBI observation.



Signer: DHAROD CHARMI CHETAN
Date: Tue, Dec 5, 2023 18:25:18 IST
Location: NSE

Yours faithfully,
For National Stock Exchange of India Limited

Charmi Dharod
Senior Manager

Book Running Lead Managers to the Issue Unistone Capital Private Limited 305, A Wing, Dynasty Business Park, Andheri Kurla Road, Andheri East, Mumbai-400059	Registrar to the Issue KFin Technologies Limited Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad-500 032
Depositories	
National Securities Depository Limited 4th Floor, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.	Central Depository Services Limited Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400 013

This Document is Digitally Signed



Signer: DHAROD CHARMI CHETAN
Date: Tue, Dec 5, 2023 18:25:18 IST
Location: NSE

Confidential

November 18, 2023

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Kind Attention: Utkarsh Mishra, Deputy Manager

Re: Proposed initial public offering of equity shares (the “Equity Shares” and such issuance, the “Issue”) of BLS E-Services Limited (the “Company”)

We hereby confirm that pursuant to the observations received from NSE vide letter no. NSE/LIST/2513 dated November 15, 2023 addressed to the Company, we undertake to make following changes in the Red Herring Prospectus to be filed by the Company with the Securities and Exchange Board of India (“SEBI”), BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) and RoC, subject to the observations given by SEBI and BSE:

1. **We undertake to modify the disclosure under the section titled “Objects of the Offer - Funding initiatives for organic growth by setting up of BLS Stores” on page 108 as stated below:**

“The Company has entered into letter of intent with ~~1,107~~ 1,576 BLS Touchpoints for undertaking upgradation and renovation. ~~Further, we are in the process of entering into letter of intent with remaining BLS Touchpoints.”~~”

2. **We undertake to include the below language at all relevant places in the RHP:**

“The amount for General Corporate purposes and the objects where our company has not identified acquisition or investment target shall not exceed thirty-five per cent of the total amount being raised by our Company through this Red Herring Prospectus.”

3. **We undertake to obtain renewed quotations and the same will be valid at the time of filing of the RHP under the section titled “Objects of the Issue” beginning on page 101.**

4. **We undertake to modify the disclosures under the section titled “Government and Other Approvals – Intellectual Property” on page 370 as stated below:**

“As on the date of this Red Herring Prospectus, our Company and BLS Kendras do not own any trademark, copyright or any other intellectual property.”

5. **We undertake to include the below Risk factor under top 25 risk factors:**

“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.

There have been instances of delays in filing of GST returns, which were due to initial technological hiccups, delay in receipt of fees from PSeGS and other vendors and limited time frame for staff to align with the amendments in the initial years.

The following table depicts the delays in filing of GST returns and steps taken by the Company to rectify the delay:

Financial year	State	Return Type	Total Number of Establishments	Establishments with Delayed Filings
2022-2023	Delhi	GSTR3B	3	1
2021-2022	Punjab	GSTR3B	3	2
2019-2020	Punjab	GSTR3B	2	1
2018-2019	Punjab	GSTR3B	2	1
2017-2018	Punjab	GSTR3B	2	1

Though we have taken appropriate steps to rectify the delays, we may be subject to regulatory actions and penalties for any such delays and our business, financial condition and reputation may be adversely affected. There can be no assurance that there will be no such instances of delays in future, which may involve litigation, including monetary penalties, which may adversely affect our business, cash flows, financial condition and results of operation.”

6. We undertake to re-arrange the risk factors under section titled “Risk Factors” beginning on page 39 as stated below:
- Risk factor 21 to the top 10 risk factors.
 - Risk factor 25 to top 15 risk factors.
 - Risk factor 28 to top 20 risk factors.
 - Risk factor 29 to top 15 risk factors.
 - Risk factor 37 to top 20 risk factors.
 - Risk factor 46 to top 15 risk factors.
 - Risk factor 54 to top 15 risk factors.
 - Risk factor 57 to top 20 risk factors.

7. We undertake to modify the risk factor no. 41 under section titled “Risk Factors” on page 57 as stated below:

“Certain of our Directors, Subsidiaries, Key Management Personnel and Senior Management Personnel may be interested in our Company other than remuneration and reimbursement of expenses.

Our Directors may be deemed to be interested to the extent of Equity Shares held by it, directly or indirectly, in us as well as to the extent of any dividends or other distributions on such shareholding. Additionally, certain of our Directors, Key Management Personnel and Senior Management Personnel while managing the day-to-day operations, may also be regarded as interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses and any benefit arising from renting of property. While our Directors believe that they act in the benefit and best interest of our Company, we cannot assure you that they will continue to do so. Further, while we enter into related party transactions at arm’s length basis in compliance with applicable provisions of Companies Act, 2013 and other applicable laws, there can be no assurance that we could not have obtained better terms from a third party. For further details, please see sections titled “Our Promoter and Promoter Group” and “Our Management” on pages [●] and [●], respectively. Also please see section titled “Restated Consolidated Financial Information-Note no. 40-Related Party Disclosures” on page [●].”

8. We undertake to modify the risk factor no. 56 under section titled “Risk Factors” on page 61 as stated below:

“Any variation in the utilisation of our Net Proceeds would be subject to certain compliance requirements, including prior Shareholders’ approval.

We propose to utilise the Net Proceeds towards strengthening our technology infrastructure to develop new capabilities and consolidating our existing platforms, funding initiatives for organic growth by setting up of BLS Stores and achieving inorganic growth through acquisitions. For further details of the proposed objects of the Issue, please see section titled “Objects of the Issue” on page [●]. We cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. Further, the Net Proceeds are intended to be utilised by the Company only and none of the members of our Promoter Group or Group Companies will receive any portion of the Net Proceeds. The planned use of the Net Proceeds is based on current conditions and is subject to changes in external circumstances, costs, other financial conditions or business strategies. Any variation in the planned use of the Net Proceeds **will be made in compliance with SEBI ICDR Regulations, SEBI Listing Regulations, and other applicable laws and** would also require Shareholders’ approval by passing a special resolution and our Promoter will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects and may involve considerable time or cost overrun and in such an eventuality it may adversely affect our operations or business.”

9. **We undertake to modify disclosure relating to BLS Touchpoints and BLS Stores as mentioned in the section titled “Our Business - Overview” on page 215, as stated below:**

“As on March 31, 2023, we had ~~we~~ 92,427 BLS Touchpoints and **which includes** 402 BLS Stores.”

10. **We undertake to disclose the below mentioned details at all relevant places in the RHP:**

“The list of services offered by the Company, Starfin, ZMPL and BLS Kendras along with their contribution to the total revenue of the Company for the Fiscal 2023:

Services offered	% contribution to total revenue of the Company for Fiscal 2023
Company	
<i>E- Commerce, IT Hardware, Footwear/ Automobile, Software, IRCTC Ticketing, Digital & Technological Services, Insurance, Laptop & Accessories, Refurbish Sale etc.</i>	6.19
Starfin	
<i>Account opening (including savings and fixed), AePS, Cash deposit and withdrawal, money transfer, passbook printing etc.</i>	6.27
ZMPL	
<i>Account opening (including savings and fixed), AePS, Cash deposit and withdrawal, money transfer, passbook printing, recovery in loan accounts etc.</i>	56.81

BLS Kendras	
<i>Renewal of birth certificate, death certificate, arms license, Ayushman Sarbat Sehat Bima e- Card, demarcation of land, aadhar enrolment, aadhar eKYC, lamination, PAN card, form filing etc</i>	<i>30.74</i>
Total	100.00

...”

11. We undertake to modify the “Our Business- our Business Segments” beginning on page 222 as stated below:

“Our Business Segments

Our three primary business segments are (i) Business Correspondent Services; (ii) E-Governance Services; and (iii) Assisted E-services. Our platform connects the full ecosystem of our product and service offerings with a wide range of distribution channels, targeting different consumer segments across G2C, B2C and B2B.

Particulars	Fiscal		
	2023	2022	2021
<i>BC Business Revenue</i>	<i>14,830.95</i>	<i>2,149.49</i>	<i>1,795.56</i>
<i>E-Governance Revenue</i>	<i>8,258.27</i>	<i>7,073.66</i>	<i>4,612.02</i>
<i>Assisted E-Services</i>	<i>1,216.85</i>	<i>446.66</i>	<i>41.14</i>
Total Revenue from Operations	24,306.07	9,669.82	6,448.72

(i) Business Correspondent Services (BCs)

[.....]

Our BCs business accounted for ₹15,331.14 lakhs, ₹ 2,157.85 lakhs and ₹ 1,795.56 lakhs, representing 63.08% 22.32% and 27.84%, respectively of our total revenue in the Fiscals 2023, 2022 and 2021. Our BCs business accounted for ₹14,830.95 lakhs, ₹ 2,149.49 lakhs and ₹ 1,795.56 lakhs, representing 61.02%, 22.23% and 27.84%, respectively of our total revenue in the Fiscals 2023, 2022 and 2021.

[.....]

(ii) Assisted E-services

[.....]

Our Assisted E-services business accounted for ₹1,216.85 lakhs, ₹ 446.66 lakhs and ₹ 41.14 lakhs, representing 5.01%, 4.62% and 0.64%, respectively of our total revenue in the Fiscals 2023, 2022 and 2021.

(iii) E-Governance Services

[.....]

Our E-Governance Services business accounted for ₹ 8,974.93 lakhs, ₹ 7,511.96 lakhs and ₹ 4,653.16 lakhs representing 36.92%, 77.68% and 72.16%, respectively of our total revenue for the Fiscal 2023, 2022 and 2021. Our E-Governance Services business accounted for ₹ 8,258.27 lakhs, ₹ 7,073.66 lakhs and ₹ 4,612.02 lakhs representing 33.98%, 73.15% and 71.52%, respectively of our total revenue for the Fiscal 2023, 2022 and 2021.

[.....]

12. **We undertake to modify the “Risk Factors” beginning on page 39 as stated below:**

(i) **Risk Factor 4 on page 41**

“A substantial portion of the revenue is generated by BC business operated by our subsidiaries, ZMPL and Starfin for our banking partners. The businesses of our banking partners are regulated by the RBI and any change in the RBI’s policies, decisions and regulatory framework could adversely affect our business, cash flows, results of operations and financial condition.

A substantial portion of the revenue is derived from BC business operated by our subsidiaries, ZMPL and Starfin for our banking partners, which primarily consist of opening of savings account, fixed deposit including term deposits, recurring deposits etc.

Set forth below is our revenue from BC business, including as a percentage of our total revenue from operations, for the periods indicated:

Particulars	Fiscals		
	2023	2022	2021
<i>Revenue from BC business (₹ in lakhs)</i>	<i>15,331.14</i>	<i>2,157.85</i>	<i>1,795.56</i>
<i>Revenue from BC business as a percentage of total revenue from operations (%)</i>	<i>63.08%</i>	<i>22.32%</i>	<i>27.84%</i>

Particulars	Fiscals		
	2023	2022	2021
<i>Revenue from BC business (₹ in lakhs)</i>	<i>14,830.95</i>	<i>2,149.49</i>	<i>1,795.56</i>
<i>Revenue from BC business as a percentage of total revenue from operations (%)</i>	<i>61.02%</i>	<i>22.23%</i>	<i>27.84%</i>

[....]”

(ii) **Risk Factor 19 on page 48**

“We may not be able to provide solutions that meet our clients’ requirements, which could lead to clients discontinuing their work with us, which in turn could harm our business.

We provide E-Governance solutions that meet requirements and offer our capabilities and expertise to the Central Government and respective State Governments, regulators, financial and non-financial institutions to create large scale E-Governance solutions. ~~Our IT enabled E-Governance Services generated revenue from operations of ₹ 8,974.93 lakhs, ₹ 7,511.96 lakhs and ₹ 4,653.16 lakhs representing 36.92%, 77.68% and 72.16%, respectively of our total revenue in Fiscals 2023, 2022 and 2021, respectively~~ Our IT enabled E-Governance Services generated revenue from operations of ₹ 8,258.27 lakhs, ₹ 7,073.66 lakhs and ₹ 4,612.02 lakhs representing 33.98%, 73.15% and 71.52%, respectively of our total revenue in Fiscals 2023, 2022 and 2021, respectively.

[....]”

(iii) **Risk Factor 33 on page 55**

“Because we recognize revenue from portal usage fees for some of our services, over the term of the subscription, downturns or upturns in new business may not be immediately reflected in our operating results.

*In our Assisted E-Services business segment, we generally recognize revenue from customers rateably over their subscription by way of monthly portal usage fee, branding fee, etc. **Our Assisted E-services business accounted for ₹1,216.85 lakhs, ₹ 446.66 lakhs and ₹ 41.14 lakhs, representing 5.01%, 4.62% and 0.64%, respectively of our total revenue in the Fiscals 2023, 2022 and 2021. [.....]”.***

13. **We undertake to classify Diwakar Aggarwal and Shikhar Aggarwal as the promoters and include all details of the promoter group their respective promoter group of Diwakar Aggarwal and Shikhar Aggarwal under section titled “Our Promoter and Promoter Group” beginning on page 265.**

Should you require any clarification, we request you to contact the following person:

Contact Person	Telephone No.	Email
Sanjay Kumar Rawat (Company Secretary and Compliance Officer)	+91-11-45795002	cs@blsservices.com

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to such terms in the DRHP.

Thanking you.

Sincerely,

For **BLS E Services Limited**



Authorised Signatory

Name: Sanjay Kumar Rawat

Designation: Company Secretary and Compliance Officer

