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DRAFT RED HERRING PROSPECTUS
Dated August 4, 2023
Please read section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Issue

BLS E-SERVICES LIMITED

CORPORATE IDENTITY NUMBER: U74999DL2016PLC298207

REGISTERED OFFICE AND CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
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	Sanjay Kumar Rawat *Company Secretary and Compliance Officer*	**Email:** cs@blseservices.com **Telephone:** +91-11-45795002	www.blseservices.com

NAME OF OUR PROMOTER: BLS INTERNATIONAL SERVICES LIMITED

DETAILS OF ISSUE TO PUBLIC

TYPE	SIZE OF FRESH ISSUE	SIZE OF OFFER FOR SALE	TOTAL ISSUE SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIB, NIIs AND RIIs
Fresh Issue	Fresh Issue of up to 2,41,30,000 Equity Shares aggregating up to ₹ [●] lakhs	Not applicable	Up to 2,41,30,000 Equity Shares aggregating up to ₹ [●] lakhs	The Issue is being made pursuant to Regulation 6(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**") as our Company did not fulfil requirements under Regulation 6(1)(a) and 6(1)(c) of the SEBI ICDR Regulations. For further details, please see section titled "*Other Regulatory and Statutory Disclosures - Eligibility for the Issue*" on page 371. For details of share reservation among QIBs, NIBs, RIBs and BLS International Shareholders, please see section titled "*Issue Structure*" on page 389.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue by our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each. The Issue Price, Floor Price or the Price Band as determined by our Company in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under the section titled "*Basis for the Issue Price*" on page 120, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, Bidders must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the Bidders is invited to the section titled "*Risk Factors*" on page 39.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**", and together with NSE, the "**Stock Exchanges**"). For the purposes of the Issue, [●] shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER AND REGISTRAR TO THE ISSUE

NAME OF BRLM AND LOGO		CONTACT PERSON	EMAIL AND TELEPHONE
Unistone Capital Private Limited	UNISTONE	Brijesh Parekh	**Email:** mb@unistonecapital.com; **Telephone:** + 91- 9820057533
NAME OF REGISTRAR AND LOGO		**CONTACT PERSON**	**EMAIL AND TELEPHONE**
KFin Technologies Limited	KFINTECH EXPERIENCE TRANSFORMATION	M. Murali Krishna	**Email:** blseservices.ipo@kfintech.com; **Telephone**: +91 40 6716 2222

BID / ISSUE PROGRAMME

ANCHOR INVESTOR BIDDING DATE	[●]*	BID / ISSUE OPENS ON	[●]	BID / ISSUE CLOSES ON	[●]**#

**Our Company in consultation with the BRLM, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid / Issue Opening Date.*

*** Our Company in consultation with the BRLM, may consider closing the Bid / Issue Period for QIBs one Working Day prior to the Bid / Issue Closing Date in accordance with the SEBI ICDR Regulations.*

 # The UPI mandate end time shall be at 5:00 p.m. on Bid / Issue Closing Day.

DRAFT RED HERRING PROSPECTUS
Dated: August 4, 2023
Please read section 32 of the Companies Act, 2013
(*This Draft Red Herring Prospectus will be updated upon filing with the RoC*)
100% Book Built Issue

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 236.

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

OUR PROMOTER: BLS INTERNATIONAL SERVICES LIMITED

INITIAL PUBLIC OFFERING OF UP TO 2,41,30,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF BLS E-SERVICES LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹ [●] LAKHS ("ISSUE"). THE ISSUE WILL CONSTITUTE [●] % OF THE POST-ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER, MAY CONSIDER A FURTHER ISSUE OF EQUITY SHARES, INCLUDING BY WAY OF A PREFERENTIAL OFFER OR ANY OTHER METHOD AS MAY BE PERMITTED UNDER THE APPLICABLE LAW TO ANY PERSON(S), AGGREGATING UP TO 11,00,000 EQUITY SHARES, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT"). IF THE PRE-IPO PLACEMENT IS UNDERTAKEN, THE ISSUE SIZE WILL BE REDUCED TO THE EXTENT OF SUCH PRE-IPO PLACEMENT, SUBJECT TO THE ISSUE COMPLYING WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED ("SCRR").

THE ISSUE INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ [●] LAKHS, FOR SUBSCRIPTION BY BLS INTERNATIONAL SHAREHOLDERS (THE "BLS INTERNATIONAL SHAREHOLDERS RESERVATION PORTION"). OUR COMPANY IN CONSULTATION WITH THE BRLM, MAY OFFER A DISCOUNT OF UP TO [●]% OF THE ISSUE PRICE TO BLS INTERNATIONAL SHAREHOLDERS BIDDING IN THE SHAREHOLDER RESERVATION PORTION ("SHAREHOLDER DISCOUNT"), SUBJECT TO NECESSARY APPROVALS AS MAY BE REQUIRED. THE ISSUE LESS THE BLS INTERNATIONAL SHAREHOLDERS RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET ISSUE", AGGREGATING UP TO [●] EQUITY SHARES.

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 EACH. THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] AN ENGLISH NATIONAL DAILY NEWSPAPER AND ALL EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER, HINDI BEING THE REGIONAL LANGUAGE OF NEW DELHI, WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID / ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

In case of any revision in the Price Band, the Bid / Issue Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid / Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of three Working Days, subject to the Bid / Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the website of the BRLM and at the terminals of the Syndicate Member(s) and by intimation to Designated Intermediaries and the Sponsor Bank(s), as applicable.

This Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", and such portion, the "**QIB Portion**"), provided that our Company in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("**Anchor Investor Portion**"). One-third of the Anchor Investor Portion shall be reserved for the domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors **("Anchor Investor Allocation Price")** in accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion) (the "**Net QIB Portion**"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not more than 15% of the Issue shall be available for allocation to Non-Institutional Investors (out of which one-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with an application size of more than ₹ 2.00 lakhs and up to ₹ 10.00 lakhs and two-third shall be reserved for Bidders with application size of more than ₹ 10.00 lakhs, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category) and not more than 10% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All Bidders, other than Anchor Investors, are required to participate in the Issue by mandatorily utilising the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA Account (as defined hereinafter) and UPI ID in case of UPI Bidders (as defined hereinafter), as applicable, pursuant to which their corresponding Bid Amounts which will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or by the Sponsor Bank(s) under the UPI Mechanism, as the case may be, to the extent of their respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. Further, up to [●] Equity Shares, aggregating up to ₹ [●] lakhs shall be made available for allocation on a proportionate basis only to BLS International Shareholders Bidding in the BLS International Shareholders Reservation Portion, subject to valid Bids being received at or above the Issue Price. For further details, please see section titled "*Issue Procedure*" on page 394.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue by our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each. The Issue Price, Floor Price or the Price Band as determined by our Company in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under the section titled "*Basis for the Issue Price*" on page 120, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, Bidders must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the Bidders is invited to the section titled "*Risk Factors*" on page 39.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Issue, [●] shall be the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid / Issue Closing Date, please see section titled "*Material Contracts and Documents for Inspection*" on page 477.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
Unistone Capital Private Limited **Address:** 305, A Wing, Dynasty Business Park, Andheri Kurla Road, Andheri East, Mumbai- 400059 Maharashtra, India **Telephone:** + 91 9820057533 **Email:** mb@unistonecapital.com **Investor grievance email**: compliance@unistonecapital.com **Website**: www.unistonecapital.com **Contact Person**: Brijesh Parekh **SEBI Registration No**: INM000012449	**KFin Technologies Limited** **Address:** Selenium, Tower B, Plot No. 31- 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad-500 032, Telangana, India **Telephone:** + 91 40 6716 2222 **Email:** blseservices.ipo@kfintech.com **Investor grievance email**: einward.ris@kfintech.com **Website**: www.kfintech.com **Contact Person**: M. Murali Krishna **SEBI Registration No**: INR000000221

BID / ISSUE PROGRAMME

ANCHOR INVESTOR BIDDING DATE	[●]*	BID / ISSUE OPENS ON	[●]	BID / ISSUE CLOSES ON	[●]**#

* *Our Company in consultation with the BRLM, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid / Issue Opening Date.*

** *Our Company in consultation with the BRLM, may consider closing the Bid / Issue Period for QIBs one Working Day prior to the Bid / Issue Closing Date in accordance with the SEBI ICDR Regulations.*

 # The UPI mandate end time and date shall be at 5:00 p.m. on Bid / Issue Closing Day.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, circular, notification, direction, clarification or policy shall be to such legislation, act, regulation, rule guidelines, circular, notification, direction, clarification or policy as amended from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Further, the Issue related terms used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document (as defined below). In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document, the definitions given below shall prevail.

Notwithstanding the foregoing, terms in the chapters/sections titled "Objects of the Issue", "History and Corporate Structure of the Issuer", "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies in India", "Basis for the Issue Price", "Financial Information", "Outstanding Litigation and Other Material Developments", "Restrictions on Foreign Ownership of Indian Securities", "Issue Procedure", and "Description of Equity Shares and Terms of Articles of Association" on pages 101, 236, 127, 133, 232, 120, 273, 362, 415, 394 and 416 will have the meaning ascribed to such terms in these respective chapters/sections.

General terms

Term	Description
our Company / the Company / the Issuer	BLS E-Services Limited, a public limited company incorporated under the Companies Act, 2013, and having its Registered Office at G-4B-1, Extension, Mohan Co-operative Indl. Estate Mathura Road, South Delhi, New Delhi – 110044, India
we / us / our	Unless the context otherwise indicates or implies, our Company together with its Subsidiaries as applicable, as at and during the relevant period / Fiscal / Financial Year.

Company-related terms

Term	Description
AoA / Articles of Association / Articles	The articles of association of our Company, as amended from time to time
Audit Committee	Audit committee of the Board of Directors, constituted in accordance with the Companies Act, 2013 and the Listing Regulations, described in the section titled "*Our Management – Committees of our Board*" on page 252
Auditors / Statutory Auditors	The statutory auditors of our Company, currently being S. S. Kothari Mehta & Company, Chartered Accountants
BLS Kendras	BLS Kendras Private Limited
Board/Board of Directors	The board of directors of our Company, as constituted from time to time or any duly constituted committee thereof.
Chairman	Shikhar Aggarwal, the chairman of the Board of Directors, described in the section titled *"Our Management"* on page 245
Chief Financial Officer / CFO	Chief financial officer of our Company, namely Rahul Sharma. For further details please see section titled "*Our Management – Key Managerial Personnel and Senior Management Personnel*" on page 262
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, namely Sanjay Kumar Rawat. For further details, please see section titled *"General Information — Company Secretary and Compliance Officer"* and "*Our Management – Key Managerial Personnel and Senior Management Personnel*" on pages 82 and 262

Term	Description
Corporate Office	The corporate office of our Company is situated at Plot no. 865, Udyog Vihar Phase V, Gurugram, Haryana- 122016, India
CSR Committee/ Corporate Social Responsibility Committee	The corporate social responsibility committee of the Board of Directors, described in the section titled "*Our Management – Committees of our Board*" on page 252
CRISIL	CRISIL MI&A, a division of CRISIL Limited
CRISIL Report	Industry Report titled "Assessment of Business Correspondents, E-Governance and other Digital services in India" dated July 2023, which is exclusively prepared for the purpose of the Issue and issued by CRISIL and is commissioned and paid for by our Company. CRISIL was appointed on June 27, 2023. The CRISIL Report will be available on the website of our Company until the Bid / Issue Closing Date.
Director(s)	The director(s) on the Board of our Company, as appointed from time to time.
Equity Shares	The equity shares of our Company of face value of ₹ 10 each
Executive Director(s)	Executive Director(s) of our Company. For further details of our Executive Director(s), please see section titled "*Our Management*" on page 245
Group Companies	Our group companies in accordance with the SEBI ICDR Regulations and the Materiality Policy, as described in the section titled "*Group Companies"* on page 270
Independent Director(s)	A non-executive, independent Director(s) appointed as per the Companies Act, 2013 and the SEBI Listing Regulations. For further details of our Independent Directors, please see section titled "*Our Management*" on page 245
IPO Committee	IPO committee of the Board of Directors, described in section titled "*Our Management – Committees of our Board*" on page 252
KMP / Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as described in the section titled "*Our Management – Key Managerial Personnel and Senior Management Personnel*" on page 262
Material Subsidiaries	Below are the material Subsidiaries of our Company in terms of Paragraph (11)(I)(A)(ii)(b) of Part A of Schedule VI of the SEBI ICDR Regulations: (i) Zero Mass Private Limited; and (ii) BLS Kendras Private Limited
Materiality Policy	The policy adopted by our Board of Directors pursuant to its resolution dated July 10, 2023, for identification of material (a) outstanding litigation/ arbitration proceedings of our Company, our Subsidiaries, our Promoter and our Directors; (b) Group Companies; and (c) material creditors, pursuant to the disclosure requirements under the SEBI ICDR Regulations, and for the purposes of disclosure in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus
MoA / Memorandum of Association	The memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	The nomination and remuneration committee of the Board of Directors, described in the section titled "*Our Management – Corporate Governance*" on page 252
Non-Executive Director(s)	A Director, not being an Executive Director. For further details of our Non-Executive Director(s), please see section titled "*Our Management*" on page 245
Pre-IPO Placement	A private placement by our Company in consultation with the BRLM, may consider a further issue of Equity Shares, including by way of a preferential offer or any other method as may be permitted under the applicable law to any person(s), aggregating up to 11,00,000 Equity Shares, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Issue Size will be reduced to the extent of such Pre-IPO Placement, subject to the issue complying with rule 19(2)(b) of the SCRR.
Promoter / BLS International	The promoter of our Company is BLS International Services Limited
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed in the section titled "*Our Promoter and Promoter Group*" on page 265

Term	Description
Registered Office	The registered office of our Company is situated at G-4B-1, Extension, Mohan Co-operative Indl. Estate Mathura Road, South Delhi, New Delhi – 110044, India
Restated Consolidated Financial Information	The restated consolidated financial information of our Company and its Subsidiaries, for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, comprising of the restated consolidated statement of assets and liabilities for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, restated consolidated statements of profit and loss (including other comprehensive income), and restated consolidated cash flow statements and restated consolidated statements of changes in equity for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, the summary statement of significant accounting policies and other explanatory information derived from our audited consolidated financial statements for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared in accordance with Ind AS and restated by the Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time
Risk Management Committee	The risk management committee of the Board of Directors, described in the section titled "*Our Management – Committees of our Board*" on page 252
RoC / Registrar of Companies	The Registrar of Companies, National Capital Territory of Delhi and Haryana
Senior Management Personnel/ SMP	Senior Management Personnel of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as described in the section titled "*Our Management – Key Managerial Personnel and Senior Management Personnel*" on page 262
Shareholders	The equity shareholders of our Company whose names are entered into (i) the register of members of our Company; or (ii) the records of a depository as a beneficial owner of Equity Shares
Stakeholders' Relationship Committee	The stakeholders' relationship committee of the Board of Directors, described in the section titled "*Our Management – Committees of our Board*" on page 252
Starfin	Starfin India Private Limited
ZMPL	Zero Mass Private Limited

Issue-related terms

Term	Description
Abridged Prospectus	The memorandum containing such salient features of a prospectus as may be specified by the SEBI in this regard
Acknowledgement Slip	The slip or document issued by a Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allot / Allotment / Allotted	Unless the context otherwise requires, allotment of Equity Shares pursuant to the Issue
Allotment Advice	A note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus, and who has Bid for an amount of at least ₹ 1,000 lakhs
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus, which will be decided by our Company in consultation with the BRLM during the Anchor Investor Bidding Date
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus

Term	Description
Anchor Investor Bidding Date	The date, being one Working Day prior to the Bid / Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	Final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLM
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid / Issue Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the BRLM, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Applications Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism.
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a UPI Bidder linked to a UPI ID, in which the Bid Amount will be blocked by the SCSB upon acceptance of the UPI Mandate Request by a UPI Bidder Bidding through the UPI Mechanism
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Issue	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank(s) and Public Issue Account Bank(s)
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Issue, as described in the section titled "*Issue Procedure*" on page 394
Bid	An indication to make an offer during the Bid / Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of Retail Individual Bidders Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Issue, as applicable.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid / Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in all editions of [●], an English national daily newspaper and

Term	Description
	all editions of [●], a Hindi national daily newspaper, Hindi also being the regional language of New Delhi, where our Registered Office is located, each with wide circulation. In case of any revisions, the extended Bid / Issue Closing Date shall also be notified on the website of the BRLM and terminals of the Syndicate Member(s), as required under the SEBI ICDR Regulations and communicated to the Designated Intermediaries and the Sponsor Bank(s) and shall also be notified in an advertisement in the same newspapers in which the Bid / Issue Opening Date was published, as required under the SEBI ICDR Regulations. Our Company, in consultation with the Book Running Lead Manager may consider closing the Bid / Issue Period for QIBs one Working Day prior to the Bid / Issue Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Issue Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLM and at the terminals of the Syndicate Members, which shall also be notified in an advertisement in same newspapers in which the Bid/ Issue Opening Date was published, as required under the SEBI ICDR Regulations.
Bid / Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper, Hindi also being the regional language of New Delhi, where our Registered Office is located, each with wide circulation.
Bid / Issue Period	Except in relation to Anchor Investors, the period between the Bid / Issue Opening Date and the Bid / Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and in accordance with the terms of the Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors Our Company may in consultation with the BRLM, consider closing the Bid / Issue Period for the QIB Category one Working Day prior to the Bid / Issue Closing Date in accordance with the SEBI ICDR Regulations. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding ten Working Days.
Bidder/ Applicant	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	Centres at which at the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
BLS International Shareholders	Individuals and HUFs who are the public equity shareholders of BLS International Services Limited, our Promoter, excluding such other persons not eligible to invest in the Issue under applicable laws, rules, regulations and guidelines, as on the date of the Red Herring Prospectus
BLS International Shareholders Discount	Our Company in consultation with the BRLM, may offer a discount of up to [●]% to the Issue Price (equivalent of ₹ [●] per Equity Share) to BLS International Shareholders Bidding in the BLS International Shareholder Reservation Portion, subject to necessary approvals as may be required, and which shall be announced at least two Working Days prior to the Bid / Issue Opening Date

Term	Description
BLS International Shareholders Reservation Portion	Reservation of up to [●] Equity Shares aggregating up to [●] lakhs, available for allocation to BLS International Shareholders, on a proportionate basis.
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made
Book Running Lead Manager / BRLM	The sole book running lead manager to the Issue namely Unistone Capital Private Limited
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker provided that UPI Bidders may only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on / after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted. The Cap Price shall not be more than 120% of the Floor Price, provided that the Cap Price shall be at least 105% of the Floor Price.
Cash Escrow and Sponsor Bank Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the BRLM, the Banker(s) to the Issue and Syndicate Members(s) for, among other things, the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account(s) and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant(s) / CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent applicable) and the UPI Circulars issued by SEBI, and as per the list available on the websites of BSE and NSE, as updated from time to time
Collecting Registrar and Share Transfer Agents/ CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of, among others, SEBI circular no.CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI
Cut-off Price	Issue Price, finalised by our Company in consultation with the BRLM, which shall be any price within the Price Band Only Retail Individual Bidders in the Retail Portion and BLS International Shareholders Bidding under BLS International Shareholder Reservation Portion (subject to the Bid Amount being up to ₹200,000) are entitled to Bid at the Cut-off Price. QIBs, including Anchor Investors, and Non-Institutional Bidders and BLS International Shareholders applying for Bid Amount above ₹200,000 under the BLS International Shareholders Reservation Portion, and are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder’s address, name of the Bidder’s father / husband, investor status, occupation and bank account details and UPI ID, where applicable
Designated CDP Locations	Such locations of the CDPs where Bidders (other than Anchor Investors) can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) as updated from time to time

Term	Description
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Issue Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders, instruction issued through the Sponsor Bank(s)) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus after finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares will be Allotted in the Issue.
Designated Intermediaries	In relation to ASBA Forms submitted by RIBs and Non-Institutional Investors Bidding by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, Sub-Syndicate / agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs, Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, Sub-Syndicate / agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the CRTAs where Bidders can submit the ASBA Forms to CRTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus / DRHP	This draft red herring prospectus dated August 4, 2023 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue, including any addenda or corrigenda thereto
Eligible FPIs	FPIs from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid Cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit / NEFT / RTGS / NACH in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	The Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account(s) will be opened, in this case being [●]
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted
Fugitive Economic Offender	A fugitive economic offender as defined under the Fugitive Economic Offenders Act, 2018

Term	Description
General Information Document / GID	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLM
Issue	Initial public offering of up to 2,41,30,000 equity shares of face value of ₹ 10 each of our Company for cash at a price of ₹ [●] per equity share (including a share premium of ₹ [●] per equity share) aggregating up to ₹ [●] lakhs The Issue comprises of the Net Issue and the BLS International Shareholders Reservation Portion. The Company in consultation with the BRLM, may consider a Pre-IPO Placement aggregating up to 11,00,000 Equity Shares. If the Pre-IPO Placement is undertaken, the Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the issue complying with Rule 19(2)(b) of the SCRR. The discount of up to [●]% on the Issue Price (equivalent of ₹ [●] per Equity Share) may be offered to BLS International Shareholders Bidding in the BLS International Shareholder Reservation Portion, subject to necessary approvals as may be required. The Shareholder Discount, if any, will be decided by our Company, in consultation with the BRLM
Issue Agreement	The agreement dated August 4, 2023 entered amongst our Company and the BRLM, pursuant to the requirements of the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Issue.
Issue Price	₹ [●] per equity share, being the final price at which Equity Shares will be Allotted to successful ASBA Bidders, as determined in accordance with the Book Building Process and determined by our Company, in consultation with the Book Running Lead Manager, in terms of the Red Herring Prospectus and Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price, which will be decided by our Company in consultation with the BRLM in terms of the Red Herring Prospectus
Issue Proceeds	The proceeds from the Issue. For further details regarding use of the Issue Proceeds. For further details, please see section titled "*Objects of the Issue*" on page 101
Mobile App(s)	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes &intmId=43 or such other website as may be updated from time to time, which may be used by UPI Bidders to submit Bids using the UPI Mechanism as provided under 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019
Minimum NIB Application Size	Bid amount of more than ₹ 2.00 lakhs in the specified lot size
Monitoring Agency	[●]
Monitoring Agency Agreement	The agreement to be entered into between our Company and the Monitoring Agency
Mutual Fund	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price
Net Issue	The Issue less the BLS International Shareholders Reservation Portion
Net Proceeds	The proceeds from the Issue less the Issue related expenses. For further details regarding the use of the Net Proceeds and the Issue related expenses, please see section titled "*Objects of the Issue*" on page 101
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors

Term	Description
Non-Institutional Investors / NIIs	All Bidders that are not QIBs or Retail Individual Bidders or BLS International Shareholders and who have Bid for Equity Shares for an amount more than ₹ 2.00 lakhs (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion being not more than 15% of the Issue, consisting of [●] Equity Shares, which shall be available for allocation to Non-Institutional Investors, subject to valid Bids being received at or above the Issue Price. The Equity Shares available for allocation to Non-Institutional Investors under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Investors shall be reserved for Bidders with an application size of more than ₹ 2.00 lakhs and up to ₹ 10.00 lakhs, and (ii) two-third of the portion available to Non-Institutional Investors shall be reserved for Bidders with application size of more than ₹ 10.00 lakhs, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Investors
Non-Resident / NR	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Pre-IPO Placement	A further issue of Equity Shares, including by way of a preferential offer or any other method as may be permitted under the applicable law to any person(s), aggregating up to 11,00,000 Equity Shares, which may be undertaken by our Company prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Fresh size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue complying with Rule 19(2)(b) of the SCRR. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement and after compliance with requirements prescribed under the Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards the objects of the Issue.
Price Band	Price band ranging from a minimum price of ₹ [●] per Equity Share (Floor Price) to the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price and shall be less than or equal to 120% of the Floor Price The Price Band and the minimum Bid Lot for the Issue will be decided by our Company in consultation with the BRLM, and will be advertised in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper, Hindi also being the regional language of New Delhi, where our Registered Office is located, each with wide circulation at least two Working Days prior to the Bid / Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company in consultation with the BRLM, will finalise the Issue Price
Promoters' Contribution	Aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company that is eligible to form part of the minimum promoters' contribution, as required under the provisions of the SEBI ICDR Regulations, held by our Promoter, which shall be locked-in for a period of 3 years from the date of Allotment
Prospectus	The prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, *inter alia*, the Issue Price that is determined in accordance with the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto
Public Issue Account(s)	Bank account(s) to be opened with the Public Issue Account Bank(s) under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date
Public Issue Account Bank(s)	The banks with which the Public Issue Account(s) is opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●]
Qualified Institutional Buyers / QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIB Bidders	QIBs who Bid in the Issue

Term	Description
QIB Category / QIB Portion	The portion of the Issue (including the Anchor Investor Portion) being not less than 75% of the Issue, consisting of [●] Equity Shares which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLM), subject to valid Bids being received at or above the Issue Price
Red Herring Prospectus / RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue, including any addenda or corrigenda thereto The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid / Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account(s) opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012, issued by SEBI
Registrar Agreement	The agreement dated August 4, 2023, amongst our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Registrar and Share Transfer Agents / RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the list available on the websites of BSE and NSE, the SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 and the UPI Circulars
Registrar to the Issue / Registrar	KFin Technologies Limited
Resident Indian	A person resident in India, as defined under FEMA
Retail Individual Bidder(s) / RIB(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹ 2.00 lakhs in any of the bidding options in the Issue (including HUFs applying through their *karta* and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Issue being not more than 10% of the Issue consisting of up to [●] Equity Shares, which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable QIB Bidders and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid / Issue Period and withdraw their Bids until Bid / Issue Closing Date. BLS International Shareholders Bidding in the BLS International Shareholder Reservation Portion (subject to the Bid Amount being up to ₹200,000) can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date
Self-Certified Syndicate Bank(s) / SCSB(s)	The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable or such other website as may be prescribed by SEBI

Term	Description
	from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40, or such other website as may be prescribed by SEBI from time to time In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders
Sponsor Bank(s)	The Banker(s) to the Issue registered with SEBI, which has been appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and/or payment instructions of the UPI Bidders, using the UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, in this case being [●]
Stock Exchanges	Collectively, BSE and NSE
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLM and the Syndicate Members, to collect ASBA Forms and Revision Forms.
Syndicate / Members of the Syndicate	Together, the BRLM and the Syndicate Member(s)
Syndicate Agreement	Agreement to be entered into amongst our Company, the BRLM, the Syndicate Member(s) and the Registrar in relation to collection of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries (other than the BRLM) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Issue and carry out activities as an underwriter
Systemically Important Non-Banking Financial Company / NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriter(s)	[●]
Underwriting Agreement	The agreement to be entered into among the Underwriter(s) and our Company on or after the Pricing Date, but prior to filing of the Prospectus with the RoC
Unistone	Unistone Capital Private Limited
UPI	Unified Payments Interface, which is an instant payment mechanism developed by NPCI
UPI Bidders	Collectively, individual investors applying as (i) Retail Individual Bidders, in the Retail Portion, (ii) BLS International Shareholders in the BLS International Shareholder Reservation Portion, and (iii) Non-Institutional Investors with an application size of up to ₹ 5.00 Lakhs in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Member(s), Registered Brokers, Collecting Depository Participants

Term	Description
	and Registrar and Share Transfer Agents. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 5.00 Lakhs shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL-2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, along with the circular issued by the National Stock Exchange of India Limited having reference no. 23/2022 dated July 22, 2022 and reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220722-30 dated July 22, 2022 and reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI and Stock Exchanges in this regard.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI Mobile App and by way of a SMS directing the UPI Bidder to such UPI Mobile App) to the RIB initiated by the Sponsor Bank(s) to authorise blocking of funds in the relevant ASBA Account through the UPI Mobile App equivalent to the Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	The mechanism that may be used by a UPI Bidder to make a Bid in the Issue in accordance with the UPI Circulars
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter or a Fraudulent Borrower	A company or person, as the case may be, categorised as a wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the RBI
Working Day	All days on which commercial banks in Mumbai, Maharashtra or Delhi are open for business; provided, however, with reference to (a) announcement of Price Band; and (b) Bid / Issue Period, the expression “Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai, Maharashtra or Delhi are open for business; (c) the time period between the Bid / Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, the expression “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI, including the UPI Circulars

Technical/Industry Related Terms/Abbreviations

Term	Description
AePS	Aadhaar Enabled Payment System
Anti DDoS	Distributed denial of service
APY	Atal pensión Yojana
BBPS	Bharat Bill Payment System
BCs	Business Correspondents
BI/AI/DSS/ Analytics	Business Intelligence/ Artificial Intelligence/ Decision Support System
B2B	Business to Business
B2B2C	Business to Business to Customers
B2C	Business to Customers
CMS	Cash Management Services
Database - DC- MongoDB - 1	Data Center – MongoDecibel- 01
Database - DC - MongoDB - 2	Data Center – MongoDecibel- 02
Database - DC- PGSQL - 1	Data Center - Procedural Language/PostgreSQL
Database - DC - PGSQL - 2	Data Center - Procedural Language/PostgreSQL
DB – 1 (HA)-01	Decibel – 1 (High Availability)- 01
DB – 1 (HA)-02	Decibel – 1 (High Availability)- 02
DB – 2 (HA)-01	Decibel – 2 (High Availability)- 01
DB – 2 (HA)-02	Decibel – 2 (High Availability)- 02
DBT	Direct Benefit Transfer
Database - DR - MongoDB - 2	Disaster Recovery - MongoDecibel- 02
Database - DR - PGSQL – 2	Disaster Recovery - Procedural Language/PostgreSQL
DMT	Direct Money Transfer
DR Management Tool	Disaster Recovery Management Tool
G2C	Government to Citizens
G2E	Government to Employees
G2G	Government to Government
GBPS	Gigabytes per second or Gigabits per second
GIS Server – 01	Geographic information system Server - 01
GIS Server – 02	Geographic information system Server - 02
ICT	Information Communication Technology
IPS/ IDS	Intrusion Prevention System/ Intrusion Detection system
MAP Services for Tracking	Manufacturing Automation Protocol Services for Tracking
Neox Advance appliance for Call Centre & IP PBX Solution in redundancy	Neox Advance appliance for Call Centre & Internet Protocol Private Branch Exchange Solution in redundancy
Neox ACD & IVRS License	Neox Automatic Call Distributor & Interactive Voice Response System
Neox IP PBX	Neox Internet Protocol Private Branch Exchange
NMS and Helpdesk Tool	Network Management Station and Helpdesk Tool
PFRDA	Pension Fund Regulatory and Development Authority
Phygital	Physical and digital
PoS	Point of Sale
PMJDY	Pradhan Mantri Jan Dhan Yojana
PMJJBY	Pradhan Mantri Jeevan Jyoti Bima Yojana
PMSBY	Pradhan Mantri Suraksha Bima Yojana
PRI	Primary Rate Interface
SIEM	Security Information And Event Management
SRS Phase	Software Requirement Specification
SAN Storage	Storage Area Network Storage
SAN switch	Storage Area Network Switch
T&D Server - 01	Testing & Development Server -01
T&D Server - 02	Testing & Development Server -02
TTS and ASR	Text-to-speech dataset (TTS), Automatic Speech Recognition (ASR)
VoIP PRI Gateway	Voice Over Internet Protocol Primary Rate Interface Gateway
Web APP (HA)-01	Web Application (High Availability)-01
Web APP (HA)-02	Web Application (High Availability)-02

WAF	Web Application Firewall

Conventional and general terms and abbreviations

Term	Description
AIF(s)	Alternative Investment Funds
AGM	Annual general meeting
AS	Accounting standards issued by the Institute of Chartered Accountants of India, as notified from time to time
Bn	Billion
BSE	BSE Limited
CAGR	Compound Annual Growth Rate, which is computed by dividing the value as at the year-end by its value at the beginning of that period, raise the result to the power of one divided by the period length, and subtract one from the subsequent result ((End Value / Start Value) ^ (1 / Periods) - 1)
Calendar Year or year	Unless the context otherwise requires, shall refer to the twelve-month period ending December 31
CCI	Competition Commission of India
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act, 1956	The erstwhile Companies Act, 1956, along with the relevant rules made thereunder
Companies Act / Companies Act, 2013	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder, as amended to the extent currently in force
Competition Act	Competition Act, 2002
Consolidated FDI Policy	The consolidated foreign direct policy bearing DPITT file number 5(2)/2020-FDI Policy dated October 15, 2020, and effective from October 15, 2020, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
COVID - 19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020, and a pandemic on March 11, 2020
CSR	Corporate social responsibility
Depositories	NSDL and CDSL, collectively
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP Bill	The Digital Personal Data Protection Bill, 2022
DP ID	Depository Participant's identity number
DPIIT	The Department for Promotion of Industry and Internal Trade (earlier known as Department of Industrial Policy and Promotion)
EBITDA	Earnings before interest, taxes, depreciation, and amortization
EGM	Extraordinary general meeting
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
ESIC	Employees' State Insurance Corporation
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder

Term	Description
FEMA NDI Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / Fiscal / Fiscal Year	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FIR	First information report
FPIs	Foreign Portfolio Investors, as defined under SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000) registered with SEBI
GAAR	General anti-avoidance rules
GDP	Gross Domestic Product
GoI / Government / Central Government	Government of India
GST	Goods and Services Tax
HUF(s)	Hindu Undivided Family(ies)
IAS Rules	Companies (Indian Accounting Standards) Rules, 2015, as amended
ICAI	Institute of Chartered Accountants of India
ICDS	Income Computation and Disclosure Standards
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board
IFSC	Indian Financial System Code
IGST	Integrated Goods and Services Tax
Income Tax Act/ IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013
Ind AS 24	Indian Accounting Standard 24, "Related Party Disclosures", notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013
IGAAP / Indian GAAP	Accounting standards notified under section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules, 2006, as amended and the Companies (Accounts) Rules, 2014, as amended
INR / Rupee / ₹ / Rs.	Indian Rupee, the official currency of the Republic of India
IRDAI	Insurance Regulatory and Development Authority of India
ISIN	International Securities Identification Number
IT	Information Technology
KYC	Know Your Customer
MAT	Minimum Alternate Tax
MCA	The Ministry of Corporate Affairs, Government of India
MCLR	Marginal Cost of Funds Based Landing Rate
MoU	Memorandum of Understanding
MSEI	Metropolitan Stock Exchange of India Limited
MSMEs	Small scale undertakings as per the Micro, Small and Medium Enterprises Development Act, 2006
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NA	Not applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NBFC	Non-Banking Financial Company
NEFT	National Electronic Fund Transfer
NPCI	National Payments Corporation of India
NR / Non-resident	A person resident outside India, as defined under the FEMA and includes an NRI
NRI / Non-Resident Indian	Non-Resident Indian

Term	Description
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas corporate body, a company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue
PAN	Permanent account number
PAT	Profit after tax
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real Time Gross Settlement
SCORES	Securities and Exchange Board of India Complaints Redress System, a centralized web-based complaints redressal system launched by SEBI
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1999, as amended
STT	Securities Transaction Tax
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Trademarks Act	Trademarks Act, 1999, as amended
US$ / USD / US Dollar	United States Dollar, the official currency of the United States of America
USA / U.S. / US	United States of America and its territories and possessions, including any state of the United States
U.S. GAAP	Generally Accepted Accounting Principles in the United State of America
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be

Key Performance Indicators

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 sizeof our business.
Total Revenue (₹ lakhs)	Total Revenue is used to tack the total revenue generated by the business including other income.
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 ourbusiness.
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.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

All references herein to the "US", the "U.S.", the "USA", or the "United States" are to the United States of America and its territories and possessions.

Page Numbers

Unless indicated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to page numbers of this Draft Red Herring Prospectus.

Financial data

Unless stated otherwise or the context otherwise requires, the financial information in this Draft Red Herring Prospectus is derived from the Restated Consolidated Financial Information. For further information, please see section titled "*Restated Consolidated Financial Information*" on page 273.

The Restated Consolidated Financial Information of our Company and its Subsidiaries, for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, comprising of the restated consolidated statement of assets and liabilities for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, restated consolidated statements of profit and loss (including other comprehensive income), and restated consolidated cash flow statements and restated consolidated statements of changes in equity for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, the summary statement of significant accounting policies and other explanatory information derived from our audited consolidated financial statements for each of the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared in accordance with Ind AS and restated by the Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.

For further information on our Company's financial information, please see section titled "*Financial Information*" on page 273.

Unless the context otherwise indicated, any percentage amounts, as set forth in the sections titled "*Summary of this Draft Red Herring Prospectus*", "*Risk Factors", Basis for the Issue Price","Our Business"*, "*Other Financial Information*", "*Capitalisation Statement*" and *"Management's Discussion and Analysis of Financial Conditional and Results of Operations"* on pages 28, 39, 120, 214, 329, 331 and 332 respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Consolidated Financial Information or non-GAAP financial measures as described below.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Our Company's financial year commences on April 1 and ends on March 31 of the next calendar year. Accordingly, all references in this Draft Red Herring Prospectus to a particular Financial Year, Fiscal or Fiscal Year, unless stated otherwise, are to the 12-month period ended on March 31 of that particular calendar year.

The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act, 2013, and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act 2013, the SEBI ICDR Regulations and Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

There are significant differences between Ind AS, Indian GAAP, US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS, please see section titled *"Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our financial condition"* on page 70.

Non-GAAP financial measures

Certain non-GAAP measures presented in this Draft Red Herring Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the year or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP measures, and other statistical and other information relating to our operations and financial performance, may not be computed on the basis of any standard methodology that is applicable across the industry and, therefore, a comparison of similarly titled Non-GAAP measures or statistical or other information relating to operations and financial performance between companies may not be possible. Other companies may calculate the Non-GAAP measures differently from us, limiting their usefulness as a comparative measure. Although the Non-GAAP measures are not a measure of performance calculated in accordance with applicable accounting standards, we compute and disclose them as our Company's management believes that they are useful information in relation to our business and financial performance. For further information, please see section titled *"Management's Discussion and Analysis of Financial Condition and Results of Operations– Key Performance Indicators and Non-GAAP Financial Measures - Reconciliation of EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin to Profit for the year / period"* on page 336.

Industry and market data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been derived from a report dated July 2023 and titled "Assessment of Business Correspondents, E-Governance and other Digital services in India" (the "**CRISIL Report**") that has been commissioned and paid for by our Company and prepared by CRISIL exclusively for the purpose of understanding the industry our Company operates in, in connection with the Issue, and has been obtained from publicly available information, as well as various government publications and industry sources. The CRISIL Report is available on the website of our Company at http://blseservices.com/industry-report.php, until the Bid / Issue Closing Date. CRISIL has confirmed *vide* its letter dated July 27, 2023, that it is an independent agency, and is not related to our Company, our Directors, our Promoter, our Key Managerial Personnel or our Senior Management Personnel.

Except for the CRISIL Report, we have not commissioned any report for purposes of this DRHP and any market and industry related data, other than that derived from the CRISIL Report, used in this DRHP has been obtained or derived from publicly available documents and other industry sources.

Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, and while industry publications generally state that the information contained in such publications has been obtained from sources generally believed to be reliable, such industry sources and publications may base their information on estimates and assumptions that may prove to be incorrect, and their accuracy, adequacy, completeness or reliability are not guaranteed and cannot be assured. The data used in these sources may also have been reclassified by us for the purposes of presentation and may also not be comparable. Further, industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which we conduct business and methodologies, and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled "*Risk Factors – Certain sections of this Draft Red Herring Prospectus contain information from CRISIL Report, which has been commissioned and paid for by our Company and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.*" on page 59. Accordingly, no investment decisions should be made based on such information.

In accordance with the SEBI ICDR Regulations, please see section titled "*Basis for the Issue Price*" on page 120 includes information relating to our peer group companies, which has been derived from publicly available sources.

Disclaimer of CRISIL

This Draft Red Herring Prospectus contains data and statistics from the CRISIL Report, which is subject to the following disclaimer:

"CRISIL MI&A, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. BLS E-Services Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of, and does not have access to information obtained by CRISIL Ratings Limited / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL MI&A and not of CRISIL Ratings Limited / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."

Currency and Units of Presentation

All references to:

- '**Rupees**' or '**₹**' or '**Rs.**' or **INR** are to Indian Rupees, the official currency of the Republic of India.
- '**U.S.$**', '**U.S. Dollar**', '**USD**' or '**U.S. Dollars**' are to United States Dollars, the official currency of the United States of America.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. Except otherwise stated, all figures have been expressed in lakhs. One lakh represents 1,00,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than lakhs, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in their respective sources.

Figures sourced from third-party industry sources may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such number of decimal points as provided in such respective sources. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Time

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Exchange rates

This Draft Red Herring Prospectus may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. These conversions should not be construed as a representation that such currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, or at all.

Unless otherwise stated, the exchange rates referred to for the purpose of conversion of foreign currency amounts into Rupee amounts, are as follows:

Currency	**Exchange Rate as on**		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
1 USD	82.21	75.81	73.50

Source: www.fbil.org.in and rbi.org.in

Note:

1. *Exchange rate is rounded off to two decimal places.*
2. *If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.*

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain statements which are not statements of historical fact and may be described as "forward-looking statements". These forward looking statements include statements which can generally be identified by words or phrases such as *"aim", "anticipate", "are likely", "believe", "continue", "can", "shall", "could", "expect", "estimate", "intend", "may", "likely", "objective", "plan", "project", "propose", "seek to", "will", "will achieve", "will continue", "will likely", "will pursue"* or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. These forward-looking statements include statements as to our business strategy, plans, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Draft Red Herring Prospectus that are not historical facts. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations, and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. This may be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries we cater to, and our ability to respond to them, our ability to successfully implement our strategies, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

1. We predominantly undertake fee and commission-based activities, and our financial performance may be adversely affected by our inability to generate income from such activities;
2. Our contracts with respect to E-Governance projects are awarded to our Promoter, BLS International Services Limited by governmental agencies for providing G2C services to the citizens.
3. 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.
4. 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.
5. Some of our operations involve handling significant amounts of cash, making us susceptible to operational risks, including fraud, petty theft, negligence and embezzlement by our employees or our merchants, which could harm our results of operations and financial position.
6. 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.
7. In the past Punjab State e-Governance Society has terminated master service agreement with our Company.
8. We are yet to place orders for our technology infrastructure and capital expenditure equipment for which a significant portion of the Net Proceeds are proposed to be utilized. Unavailability or increase in costs of the technology infrastructure and equipment could adversely impact financial condition and our growth prospects.
9. We significantly depend on our merchants for our product and service distribution network. Changes in our relationships, or adverse conditions (such as COVID-19 pandemic), could impair their respective operations and therefore their ability to meet their obligations under our agreements, which in turn could have an adverse effect on our growth, business, results of operations, financial condition and cash flows.
10. There are pending litigations against our Company, our Promoter, 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.

For further discussion of factors that could cause our actual results to differ from our estimates and expectations, please see sections titled "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 39, 214 and 332, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. These statements are based on our management's belief and assumptions, which in turn are based on currently available information. As a result, actual results could be materially different from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Neither our Company, nor the BRLM, nor any Syndicate Member, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors in India are informed of material developments pertaining to our Company and the Equity Shares from the date of the Red Herring Prospectus until the date of Allotment.

SECTION II – SUMMARY OF THIS DRAFT RED HERRING PROSPECTUS

The following is a general summary of certain disclosures and the terms of the Issue included in this Draft Red Herring Prospectus and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled "Risk Factors", "The Issue", "Capital Structure", "Objects of the Issue", "Our Promoter and Promoter Group", "Industry Overview", "Our Business", "Financial Information", "Outstanding Litigation and Other Material Developments", "Issue Procedure" and "Description of Equity Shares and Terms of Articles of Association" on pages 39, 74, 89, 101, 265, 133, 214, 273, 362, 394 and 416, respectively.

Summary of primary business of our Company

We are a leading technology enabled digital service provider, providing (i) Business Correspondents services to major banks in India, (ii) Assisted E-services; and (iii) E-Governance Services at grass root levels in India. Through our robust network we provide access points for delivery of essential public utility services, social welfare schemes, healthcare, financial, educational, agricultural and banking services to governments (G2C) and businesses (B2B) alike apart from a host of B2C services to citizens in urban, semi-urban, rural and remote areas.

Summary of the industry in which our Company operates

In India, technology has significantly improved the accessibility and affordability of financial services that were previously inaccessible to the unbanked or underbanked masses. Total digital payments in India have witnessed significant growth over the past few years. Between Fiscal 2018 and 2023, the volume of digital payments transactions has increased from 14.6 billion to 113.9 billion, causing its share in overall payment transactions to increase from 59% in Fiscal 2018 to 99% in Fiscal 2023.

Name of Promoter

As on the date of this Draft Red Herring Prospectus, our Promoter is BLS International Services Limited. For further details, please see section titled "*Our Promoter and Promoter Group*" on page 265.

Issue size

Issue [(1)^]	Up to 2,41,30,000 Equity Shares of face value of ₹ 10 each of the Company for cash at price of ₹ [●] per Equity Share (including a premium of [●] per Equity Share), aggregating up to ₹[●] lakhs.
of which	
BLS International Shareholder Reservation Portion	The Issue includes a reservation of up to [●] Equity Shares, aggregating up to ₹ [●] lakhs (constituting up to [●]% of the post-Issue paid-up Equity share capital), for subscription by BLS International Shareholders ("**BLS International Shareholder Reservation Portion**").

^Our Company in consultation with the BRLM, may consider the Pre-IPO Placement for an aggregate amount of up to 11,00,000 Equity Shares. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLM, and will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue complying with Rule 19(2)(b) of the SCRR.

(1) The Issue has been authorised by a resolution of our Board dated July 31, 2023 and by our Shareholders pursuant to a special resolution passed on August 1, 2023.

For further details, please see section titled "*The Issue*" and "*Issue Structure*" on pages 74 and 389, respectively.

The Issue shall constitute [●] % of the post-Issue paid up Equity Share capital of our Company.

Objects of the Issue

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

Particulars	Amount (in ₹ lakhs)^
Strengthening our technology infrastructure to develop new capabilities	9,758.71

and consolidating our existing platforms	
Funding initiatives for organic growth by setting up of BLS Stores	7,478.30
Achieving inorganic growth through acquisitions	2,871.00
General Corporate Purpose (1)	[●]
Total(1)	**[●]**

^(1) Our Company in consultation with the BRLM, may consider a further issue of equity shares, including by way of a preferential offer or any other method as may be permitted under the applicable law to any person(s) aggregating up to 11,00,000 Equity Shares. If the Pre-IPO Placement is completed the Issue size will be reduced to the extent such Pre-IPO Placement, subject to the issue complying with Rule 19(2)(b) of the SCRR.

(1) To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing of the Prospectus with the ROC. The amount to be utilised for general corporate purposes and achieving growth through acquisitions and shall not exceed 35% of the Gross Proceeds. The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Gross Proceeds.

For further details, please see section titled "*Objects of the Issue*" on page 101.

Aggregate pre-Issue Shareholding of our Promoter and the members of our Promoter Group

The aggregate pre-Issue shareholding of our Promoter and the members of our Promoter Group as a percentage of the pre-Issue paid-up Equity Share capital of our Company is set out below:

S. No.	Name of Shareholder	No. of Equity Shares	% of total pre-Issue paid up Equity Share capital*
Promoter			
1.	BLS International Services Limited	4,62,56,485	69.32
Total (A)		**4,62,56,485**	**69.32**
Promoter Group			
1.	Diwakar Aggarwal*	86,05,000	12.90
2.	Shikhar Aggarwal*	63,55,000	9.52
3.	Karan Aggarwal	13,55,000	2.03
4.	Gaurav Aggarwal	10,000	0.01
5.	Nimit Aggarwal	10,000	0.01
	Total (B)	**1,63,35,000**	**24.48**

** Diwakar Aggarwal and Shikhar Aggarwal are directors in our Company and are also directors in our Promoter, BLS International Services Limited.*

For further details, please see section titled *"Capital Structure"* on page 89.

Summary derived from the Restated Consolidated Financial Information

The following information has been derived from our Restated Consolidated Financial Information for the last three Fiscals:

(₹ in lakhs, except per share data)

Particulars	As at and for the Fiscal		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
Equity Share capital	6,672.65	1.00	1.00
Net worth	10,694.03	1,506.69	967.90
Total Income	24,629.27	9,839.56	6,523.35
Restated Profit / (loss) after tax for the year	2,033.18	537.96	314.82
Restated Earnings per share (basic and diluted) (in ₹)	3.02	0.89	0.52
Net Asset Value per share (in ₹)	18.76	2.42	1.53
Total Borrowings	0.00	876.05	1,101.57

For further details, please see section titled *"Restated Consolidated Financial Information" and "Other Financial Information"* on pages 273 and 329 respectively.

Qualifications by the Statutory Auditors which have not been given effect to in the Restated Consolidated Financial Information

There are no qualifications by the Statutory Auditors which have not been given effect to in the Restated Consolidated Financial Information.

Summary of Outstanding litigation and Other Material Developments

A summary of outstanding litigations involving our Company, our Subsidiaries, our Promoter, our Directors and our Group Companies which have a material impact on our Company, as on the date of this Draft Red Herring Prospectus is as follows:

(₹ in lakhs)

Category of individuals / entities	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoter in the last five years, including outstanding action	Material civil litigation#	Aggregate amount involved*
Company						
By our Company	Nil	Nil	-	-	Nil	Nil
Against our Company	-	-	-	-	1	52.34 + 10% interest
Subsidiaries						
By our Subsidiaries	17	Nil	-	-	Nil	5.40
Against our Subsidiaries	Nil	Nil	Nil	Nil	4	228.59 + 18% interest
Promoter						
By our Promoter	Nil	Nil	-	-	Nil	Nil
Against our Promoter	Nil	3	Nil	Nil	1	3,009.12^
Directors						
By our Directors	Nil	Nil	-	-	Nil	Nil
Against our Directors	Nil	5	Nil	Nil	Nil	115.49
Group Companies						
Proceeding against Group Companies which have material impact on our Company	Nil	Nil	Nil	Nil	1	52.34 + 10% interest

Determined in accordance with the Materiality Policy.

**To the extent quantifiable.*

^The demand is being raised in lieu of error in computation by Income tax department. The Company has submitted its response to the Income Tax department for rectification of the same. The closure order is awaited.

Further, as on the date of this Draft Red Herring Prospectus, there are no pending litigation proceedings involving any of our Group Companies which will have a material impact on our Company. For further details, please see section titled “*Outstanding Litigation and Other Material Developments*” on page 362.

Risk factors

Specific attention of the Investors is invited to the section titled “*Risk Factors*” on page 39 to have an informed view before making an investment decision.

Summary of contingent liabilities

As at March 31, 2023, our contingent liabilities as per the Restated Consolidated Financial Information were as follows:

(₹ in lakhs)

Particulars	As at March 31, 2023
Guarantees issued by the bank on behalf of the Company	2,000.00
Guarantees given to bank for providing fund based facilities to CSP's	273.79
Total	2,273.79

For further information on such contingent liabilities, please see section titled “*Restated Consolidated Financial Information– Note no. 37 – Contingent Liabilities*” on page 306.

Summary of related party transactions

A summary of the related party transactions entered into by our Company in Fiscals 2023, 2022 and 2021, and as per Ind AS 24 - Related Party Disclosures read with the SEBI ICDR Regulations, derived from the Restated Consolidated Financial Information is detailed below:

(₹ in lakhs)

S.No.	Name of the related party	Nature of transactions	For the year ended		
			March 31, 2023	March 31, 2022	March 31, 2021
I.	***BLS E-SERVICES LIMITED***				
1.	BLS International Services Limited	Consultancy services	-	0.69	-
		Registration Fee	0.05	-	-
		Interest expense	158.10	53.14	95.77
		Repayment of Interest on Loan	-	476.12	-
		Loan received during the year	6,414.00	-	-
		Loan repaid during the year	(6,414.00)	1,101.57	130.10
		Other payables (paid)	-	4.10	15.00
		Reimbursement of Expenses (Payable)	276.42	2.50	-
		Reimbursement of Expenses (Recoverable)	0.12	0.19	-
		Office Administrative Income	128.00	-	-
		Closing Balances:			
		Loan payable	-	-	1,101.57
		Interest payable	-	-	428.29
		Other payables	-	-	0.89
		Balance recoverable	-	0.12	-
		Off balance sheet items:			
		Corporate guarantee taken	-	-	2,000.00
2.	BLS IT Services Private Limited	Loan/ Advance received	2,865.00	-	3.50
		Loan/ Advance repaid	(2,865.00)	41.85	2.25
		Reimbursement of expenses received	0.02	0.01	-
		Reimbursement of expenses paid	0.08	-	-
		Management Consultancy Income	90.00	-	-
		Interest on Loan	94.47	-	-

S.No.	Name of the related party	Nature of transactions	For the year ended		
			March 31, 2023	March 31, 2022	March 31, 2021
		Repayment of Interest on Loan	85.02	-	-
		Closing Balances:			
		Balance receivables	97.26	-	41.85
		Balance Payable	-	-	-
3.	BLS E-Solutions Private Limited	Loan/ Advance received	1,230.00	-	4.98
		Loan/ Advance repaid	(1,956.05)	50.00	-
		Long term Loan/ Advance Received	-	776.05	-
		Loan/ Advance recovered	-	4.98	-
		Management Consultancy Income	70.00	-	-
		Reimbursement of Expenses	0.25	0.01	-
		Reimbursement of Expenses Received	(0.09)	-	-
		Interest on Loan	90.49	12.87	-
		Repayment of Interest on Loan	93.03	-	-
		Closing Balances:			
		Balance receivables	75.76	-	4.98
		Balance Payable	-	726.05	-
		Interest Payable	-	11.58	-
4.	BLS Kendras Private Limited	E-wallet top up	61.25	625.85	(445.32)
		Commission paid	-	3.23	(1.95)
		Commission received	6.98	4.24	0.34
		E-wallet transaction done	-	622.32	438.49
		Franchisee fee	-	-	110.00
		Management Consultancy	150.00	-	-
		Interest on Loan	39.36	-	-
		Loan/ Advance Received	1,836.25	-	-
		Loan/ Advance repaid	(1,317.51)	-	-
		Discount received	0.26	-	-
		Purchase	60.60	-	-
		Sale	-	4.59	-
		Other Receivable Received	(4.64)	-	-
		Other Receivable Paid	(164.94)	-	-
		Loan/ Advance Received	-	145.00	-
		Loan/ Advance repaid	-	145.00	-
		Reimbursement of Expenses	-	0.02	-
		Other Payable (rent)	0.72	0.72	-
		Closing Balance			
		UP E- wallet top up	67.88	-	50.08
		Interest Payable	35.42	-	-
		Loan Payable	518.75	-	-
		Balance payable	-	0.85	-
		Wallet	-	-	0.45
5.	Starfin India Private Limited	Sale of wallet top up	-	46.53	1.07
		Loan & Advances Received	200.00	-	0.50
		Loan & Advances paid	(200.00)	-	-
		Balance payable paid	174.45	-	-
		Interest on Loan	11.88	-	-
		Repayment of Interest on Loan	10.69	-	-
		Other Receivable	0.11	-	-
		Other Receivable received	(0.11)	-	-
		Manpower Services	-	100.00	-
		Technical Services	-	50.00	-
		Reimbursement of Expense	-	0.11	-
		Closing Balance			

S.No.	Name of the related party	Nature of transactions	For the year ended		
			March 31, 2023	March 31, 2022	March 31, 2021
		Balance Payable	-	174.45	-
		Wallet Top up liability	-	-	46.59
		Loan & Advances	-	-	0.50
6.	Zero Mass Private Limited	Loan & Advances Received	4,448.00	-	-
		Loan & Advances Paid	(1,474.48)	-	-
		Information Tech. Income	400.00	-	-
		Interest on Loan	150.17	-	-
		Other payable	0.09	-	-
		Other payable (paid)	0.56	-	-
		Repayment of Interest on Loan	50.00	-	-
		Closing Balance			
		Loan Payable	2,973.52	-	-
		Interest Payable	85.16	-	-
7.	BLS International Services Limited	Bonus Shares	4,300.52	-	-
		Right Issue	2,500.00	-	-
		Swap Issue	827.29	-	-
8.	Diwakar Aggarwal	Private Placement	886.83	-	-
		Rent Expense	0.90		
		Sweat Equity	1,230.00	-	-
		Bonus Shares	688.64	-	-
9.	Shikhar Aggarwal	Private Placement	333.33	-	-
		Sweat Equity	1,230.00	-	-
		Bonus Shares	508.40	-	-
10.	Karan Aggarwal	Private Placement	333.33	-	-
		Bonus Shares	108.40	-	-
11.	Gaurav Aggarwal	Private Placement	2.46	-	-
		Bonus Shares	0.80	-	-
12.	Nimit Aggarwal	Private Placement	2.46	-	-
		Bonus Shares	0.80	-	-
13.	Rahul Sharma	Managerial Remuneration	4.46	-	-
		Reimbursement of Expense (Paid)	0.94	-	-
		Balance Receivable	0.02	-	-
14.	Sanjay Kumar Rawat	Managerial Remuneration	0.68	-	-
II.	***BLS KENDRAS PRIVATE LIMITED***				
1.	BLS International Services Limited	Management consultancy services	-	230.00	112.06
		Loan/ Advance received	-	-	40.00
		Loan/ Advance repaid	-	-	341.55
		Interest expenses	-	-	13.67
		Reimbursement of Expense (Paid)	-	-	-
		Repayment of Interest on loan	-	13.30	-
		Other payables paid	169.60	-	-
		Closing Balance			
		Loan payable	-	-	-
		Interest payable	-	-	13.30
		Other payables	-	54.00	74.10
		Others receivable	-	-	-
		Off balance sheet item			
		Corporate guarantee taken	2,000.00	2,000.00	2,000.00
2.	BLS IT Services Private Limited	Loan/ Advance taken	-	50.86	-
		Loan/ Advance paid	(150.00)	200.86	-
		Rental Income	0.72	-	-
		Other Receivable (Rent) paid	2.10	0.72	-
		Interest Expense	8.01	0.72	-

S.No.	Name of the related party	Nature of transactions	For the year ended		
			March 31, 2023	March 31, 2022	March 31, 2021
		Closing Balance			
		Balance receivables	0.31	150.00	-
		Interest payable	-	0.65	-
		Other Receivable (Rent)	-	0.85	-
3.	BLS E-Services Limited	Loan/ Advance given	1,836.25	145.00	-
		Loan/ Advance recovered	(1,317.51)	145.00	-
		Reimbursement of Expenses	0.01	0.02	-
		Reimbursement of Expenses paid	(0.01)	-	-
		Other payable	(164.94)	7.20	-
		Other Receivable paid	(4.64)	-	-
		Interest Income	39.36	-	-
		Management Consultancy	150.00	-	-
		Purchase of E-wallet top up	-	625.85	442.32
		E-wallet transaction done	-	622.32	435.60
		Wallet Topoup Received	61.25	-	-
		Commission Income	-	3.23	1.95
		Commission Expense	6.98	4.24	0.05
		Rental Income	0.72	-	-
		Franchisee fees	-	-	110.00
		Discount	0.26	-	-
		Purchase	-	4.59	-
		Sale	60.60	-	-
		Closing Balances:			
		Interest Recoverable	35.42	-	-
		Loan Receivable	518.75	-	-
		Balance receivables	-	-	50.54
		Wallet payable	67.88	-	-
		Other Receivable (Rent)	-	0.85	-
4.	BLS E-Solutions Private Limited	Rental Income	0.72	-	-
		Insurance Receivable	0.99	-	-
		Other Receivable (Rent)	0.23	-	-
		Closing Balances:			
		Balance receivables	0.62	-	-
5.	Starfin India Private Limited	Other Receivable (Received)	243.89	-	-
		Technical Services	148.00	-	-
		Closing Balance (Balance Payable)	123.50	-	-
6.	Gaurav Aggarwal	Professional Consultancy fee	26.00	34.94	-
7.	Riya Aggarwal	Professional Consultancy fee	32.00	43.00	-
8.	Abhinav Goel	Professional Consultancy fee	12.00	11.00	-
9.	Karan Aggarwal	Salary	6.00	6.00	-
III.	***Starfin India Private Limited***				
1.	BLS E-Services Limited	Manpower Services	-	100.00	-
		Information Technology Service Income	-	50.00	-
		Other Receivable (Received)	174.45	46.53	-
		Interest Income	11.88	-	-
		Interest Income (Received)	10.69	-	-
		Reimburse of Expense (paid)	-	0.11	-
		Wallet-BLS E Services	0.11	-	-
		Wallet-BLS E Services (Paid)	(0.11)	-	-
		Loan & Advance given	200.00	-	-
		Loan & Advance repaid	(200.00)	-	-

S.No.	Name of the related party	Nature of transactions	For the year ended		
			March 31, 2023	March 31, 2022	March 31, 2021
		Closing Balance			
		Receivable	-	174.45	-
		Loan Receivable	-	-	0.50
		Wallet-BLS E Services	-	-	46.59
2.	BLS International Services Limited	Rental Income	72.00	8.00	-
		Management Consultancy Fees	-	30.00	145.00
		Sale of Mini PC	-	8.36	-
		Information Technology Service Income	-	100.00	-
		Commission Onboarding CSP	45.20	-	-
		Payment Received	292.14	-	-
		Reimbursement of Expense	0.04	-	-
		Closing Balance			
		Balance Payable	-	-	49.73
		Balance Receivable	-	118.16	-
3.	BLS Kendras Private Limited	Other Receivable (Received)	243.89	-	-
		Loan & Advance Received	-	55.24	-
		Loan & Advance paid	-	55.24	-
		IT Service Income	148.00	166.00	-
		Closing Balance			
		Balance Receivable	123.50	192.56	-
4.	Diwakar Aggarwal	Rent Expense	144.00	48.00	-
		Security Deposit	-	36.00	-
		Rent (Payable) Paid	191.52	-	-
		Closing Balance			
		Balance Receivable	51.84	87.84	-
IV.	***Zero Mass Private Limited***				
1.	BLS E-Services Private Limited	Reimbursement of expenses	-	-	-
		Loan & Advance given	4,448.00	-	-
		Repayment of loans given	(1,474.48)	-	-
		Information Tech. Expense	400.00	-	-
		Interest paid on loans given	150.17	-	-
		Interest received on loan given	50.00	-	-
		Other receivable	0.09	-	-
		Other payable	0.57	-	-
		Closing Balances-			
		Loan & Advance given	2,973.52	-	-
		Interest Receivable	85.16	-	-
2.	BLS International Services Limited	Collection on behalf of BLS International	7.32	-	-
		Transfer to BLS International	7.32	-	-
3.	Key Managerial person (KMP)				
	- Lokanath Panda	Managerial Remuneration	68.48	-	-
	- Anurag Gupta	Managerial Remuneration	-	-	-
	ii)Reimbursement of Expenses		-	-	-
	- Lokanath Panda	Reimbursement of Expenses	1.07	-	-
	- Anurag Gupta	Reimbursement of Expenses	-	-	-

S.No.	Name of the related party	Nature of transactions	For the year ended		
			March 31, 2023	March 31, 2022	March 31, 2021
	iii) Sale of Investment in A Little World Private Limited		-	-	-
	- Anurag Gupta		3,170.00	-	-

For further details, please see section titled "*Restated Consolidated Financial Information – Note no. 40 – Related Party Disclosures*" on page 310.

Financing arrangements

There have been no financing arrangements whereby our Promoter, members of the Promoter Group, our Directors and their relatives (as defined in Companies Act, 2013) have financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

Details of price at which Equity Shares were acquired in the last three years preceding the date of this Draft Red Herring Prospectus by our Promoter, by our members of the Promoter Group and by the Shareholders with special rights

The price at which Equity Shares were acquired by our Promoter and members of the Promoter Group in the last three years is set forth below:

S. No.	Name	Date of acquisition	Number of Equity Shares	Acquisition Price per Equity Share (in ₹)*
Promoter				
1.	BLS International Services Limited	October 1, 2022	60,00,000	NA
		October 4, 2022	25,00,000	100.00
		October 31, 2022	7,41,297	NA
		December 30, 2022	3,70,05,188	NA
Promoter Group				
1.	Diwakar Aggarwal	December 21, 2022	7,21,000	123.00
		December 21, 2022	10,00,000	110.00
		December 30, 2022	68,84,000	NA
2.	Shikhar Aggarwal	December 21, 2022	2,71,000	123.00
		December 21, 2022	10,00,000	110.00
		December 30, 2022	50,84,000	NA
3.	Karan Aggarwal	December 21, 2022	2,71,000	123.00
		December 30, 2022	10,84,000	NA
4.	Gaurav Aggarwal	December 21, 2022	2,000	123.00
		December 30, 2022	8,000	NA
5.	Nimit Aggarwal	December 21, 2022	2,000	123.00
		December 30, 2022	8,000	NA

***** *As certified by S S Kothari Mehta & Company, Chartered Accountants by way of their certificate dated August 4, 2023.*

There are no Shareholders with special rights, as on the date of this Draft Red Herring Prospectus.

Weighted average price at which specified securities were acquired by our Promoter and members of the Promoter Group in the one year preceding the date of this Draft Red Herring Prospectus

The weighted average price at which equity shares were acquired by our Promoter and members of the Promoter Group in the one year preceding the date of this Draft Red Herring Prospectus, is set forth below:

S. No.	Name	Date of allotment / acquisition / transfer	Number of Equity Shares	Weighted average price of acquisition per Equity Share (in ₹)*
Promoter				
1.	BLS International Services Limited	October 1, 2022	60,00,000	5.41
		October 4, 2022	25,00,000	
		October 31, 2022	7,41,297	
		December 30, 2022	3,70,05,188	
Promoter Group				
2.	Diwakar Aggarwal	December 21, 2022	7,21,000	23.09
		December 21, 2022	10,00,000	
		December 30, 2022	68,84,000	
3.	Shikhar Aggarwal	December 21, 2022	2,71,000	23.55
		December 21, 2022	10,00,000	
		December 30, 2022	50,84,000	
4.	Karan Aggarwal	December 21, 2022	2,71,000	24.60
		December 30, 2022	10,84,000	
5.	Gaurav Aggarwal	December 21, 2022	2,000	24.60
		December 30, 2022	8,000	
6.	Nimit Aggarwal	December 21, 2022	2,000	24.60
		December 30, 2022	8,000	

** As certified by S S Kothari Mehta & Company, Chartered Accountants by way of their certificate dated August 4, 2023.*

Average cost of acquisition of Equity Shares held by our Promoter and members of the Promoter Group

The average cost of acquisition of Equity Shares by our Promoter and members of the Promoter Group as on the date of this Draft Red Herring Prospectus is set forth below:

S. No.	Name	Number of Equity Shares	Average cost of acquisition per Equity Share (in ₹)*
Promoter			
1.	BLS International Services Limited	4,62,56,485	5.41
Promoter Group			
1.	Diwakar Aggarwal	86,05,000	23.09
2.	Shikhar Aggarwal	63,55,000	22.55
3.	Karan Aggarwal	13,55,000	24.06
4.	Gaurav Aggarwal	10,000	24.06
5.	Nimit Aggarwal	10,000	24.06

** As certified by S S Kothari Mehta & Company, Chartered Accountants by way of their certificate dated August 4, 2023.*

For further details of the average cost of acquisition of our Promoter, please see section titled "*Capital Structure – Build-up of the Promoter's shareholding in our Company*" on page 93.

Weighted average cost of acquisition of all shares transacted in the one year, 18 months and three years preceding the date of this Draft 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 this Draft Red Herring Prospectus	10.91	[●]	Nil -123
Last 18 months preceding the date of this Draft Red Herring	10.91	[●]	Nil -123

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 ₹)^
Prospectus			
Last three years preceding the date of this Draft Red Herring Prospectus	10.91	[●]	Nil -123

^ As certified by S S Kothari Mehta & Company, Chartered Accountants by way of their certificate dated August 4, 2023.
**To be updated in the Prospectus.*

Details of Pre-IPO placement

Our Company, in consultation with the BRLM, may consider a further issue of equity shares, including by way of a preferential offer or any other method as may be permitted under the applicable law to any person(s), aggregating up to 11,00,000 Equity Shares, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue complying with Rule 19(2)(b) of the SCRR.

Issue of Equity Shares for consideration other than cash in the last one year

Except as disclosed in this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration other than cash in the last one year preceding the date of this Draft Red Herring Prospectus. For further details, please see section titled "*Capital Structure*" on page 89.

Split or consolidation of Equity Shares in the last one year

Our Company has not undertaken a split or consolidation of the Equity Shares in last one year preceding the date of this Draft Red Herring Prospectus.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company has not applied for an exemption from complying with any provisions of securities laws by SEBI from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

SECTION III - RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares.

We have described the risks and uncertainties that we consider material, but these risks and uncertainties may not be the only risks relevant to us, the Equity Shares, or the industry in which we currently operate or propose to operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations, financial condition and cash flows. If any or a combination of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our businesses, results of operations, financial condition and cash flows could be adversely affected, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Our Business", "Industry Overview", "Key Regulations and Policies in India" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 214, 133, 232 and 332, respectively, as well as the financial, statistical and other information contained in this Draft Red Herring Prospectus.

In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. You should consult your tax, financial and legal advisers about the particular consequences to you of an investment in our Equity Shares. Unless otherwise indicated or context requires otherwise, the financial information included herein is derived from our Restated Consolidated Financial Information for the Fiscals 2023, 2022 and 2021 included in this Draft Red Herring Prospectus.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further details, please see section titled "Forward-Looking Statements" on page 26. Unless the context otherwise requires, under this section, references made to "we", "us", "our", "the Company" or "our Company" refers to BLS E-Services Limited. For further details relating to various defined terms used in our business operations, please see section titled "Definitions and Abbreviations" on page 5.

*Unless stated otherwise, industry and market data used in this section have been obtained or derived from publicly available information as well as industry publications and sources such as the "Assessment of Business Correspondents, E-Governance, and other Digital Services in India" dated July 2023, prepared and issued by CRISIL ("**CRISIL Report**"), paid and commissioned by our Company for the purposes of confirming our understanding of the industry in connection with the Issue. There are no material parts, data or information that have been left out or changed in any material manner. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Our financial year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular financial year are to the 12 months ended March 31 of that year. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.*

Internal Risks

1. We predominantly undertake fee and commission-based activities, and our financial performance may be adversely affected by our inability to generate income from such activities

The pivotal drivers of our revenue are the fees and commissions that we charge for our products and services, including our Business Correspondents, Assisted E-services and E-Governance Services, and the volume achieved from such fees and commissions. The fees and commissions we charge from our customers can depend upon a number of factors that are, in part, within our control, which can include our overall business strategy, our expenses related to a particular transaction type, nature of product and service, the volume of transactions for a product or service (where the greater the number of expected transactions will typically result in us setting a smaller fee or commission, and *vice versa*), or promotions that we may be running at any given time. Further, they are also dependent upon various external factors, which can include general macro-economic conditions, the market value of certain infrastructure, the supply or demand for a product and service, regulatory instructions and competitive factors with certain other fintech companies, or within certain product/service lines. Competitive factors have and may continue to have an adverse effect on our ability to charge higher fees and commissions to improve our margins.

Additionally, because we charge our fees and commission primarily on per transaction basis, the volume of transactions that we record is a primary driver of our revenue. The volume of transactions depend upon a number of factors that are, in part, within our control, which can include the number of and availability of BLS Touchpoints, the usability of our customer facing technology and the reliability and capacity of such technology to handle large volumes of transactions, our marketing efforts and customer care initiatives and the extent to which our touchpoints represent our brand(s) in a positive manner. The E-Governance Services offered by us are need based services and depends on the discretion of government. Hence, the volume of transaction in this case depends on the government's decision. Further, the volume of transactions also depends upon various external factors, which can include macro-economic conditions, critical technology and power infrastructure, government initiatives regarding financial inclusion, digitization of transactions and payments in India, competition and global pandemics.

2. Our contracts with respect to E-Governance projects are awarded to our Promoter, BLS International Services Limited by governmental agencies for providing G2C services to the citizens.

Our contracts with respect to E-Governance projects are awarded to our Promoter, BLS International Services Limited through a tender process by the governmental agencies for providing G2C services. Our Company has entered into a master service agreement with our Promoter i.e. BLS International Services Limited on November 19, 2020 ("**MSA**"). to secure all e-governance contracts awarded and contracts that may be awarded in future to our Promoter through competitive tendering process from the various State Governments. Pursuant to the terms of the MSA these e-governance contracts are being executed by our Company in an endeavour to provide differentiated focus and operational efficiency to our E-Governance Services.

While we have also entered into a non-compete agreement with our Promoter, BLS International Services Limited (including its promoters) in order to ensure that our Promoter (including its promoters) don't compete with our Company in relation to E-Governance Services even in cases where our Company do not meet the eligibility conditions specified in the tendering documents for such services for all future tenders relating to e-governance services. The non-compete arrangement is valid for a period of 5 years within which period we believe that we would have achieved the credentials for participating in e-governance services tenders independently. In light of the above MSA and the non-compete arrangements, we cannot assure you the continuity of such contracts or ability to renew such contract upon expiry at the favourable terms or at all, which may adversely impact on our revenues and results of operations.

3. 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.

Our Company has limited experience, having begun its operations as a special purpose vehicle ("**SPV**") in 2016. Thereafter, we acquired Starfin in the month of August 2018 and ZMPL the month of June 2022, which had 1,384 active CSPs and more than 11,500 active CSPs, respectively at the time of acquisition. Further, in October 2022, we acquired BLS Kendras Private Limited, which had 365 Sewa Kendras, in the State of Punjab at the time of acquisition. Sewa Kendras provide E-Governance Services in two out of three zones in the State of Punjab. For further details, please see section titled "*History and Corporate Structure of the Issuer*" on page 236.

Prior to commencing BC, G2C and B2B2C operations, our Company was incorporated as a SPV for executing G2C contracts and providing citizen centric services in compliance with terms of tender documents by the Promoter, BLS International Services Limited. Our limited track record in BC segment, such as opening of savings account, fixed deposit including term deposits, recurring deposits etc. and B2B2C operations, such as BLS edutech services, domestic money transfer, pan card application, bus and air ticketing services, railway ticketing services, banking services, AePS enabled cash services, recharges, demat account opening, bill payments, exposes us to risks that more experienced competitors may not face.

If we are not able to successfully compete in newer business segments, our quality of services may suffer, we may not be able to diversify our portfolio, and we may not be able to lower our cost. Moreover, as a result of our relatively shorter operating history, the limited historical data that is available may not be indicative of our financial position or results of operations for any future periods.

4. *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**
Revenue from BC business *(₹ in lakhs)*	15,331.14	2,157.85	1,795.56
Revenue from BC business as a percentage of total revenue from operations *(%)*	63.08%	22.32%	27.84%

Our banking partners are subject to certain regulations by various government authorities, including the RBI. Introduction of new laws or regulations by the RBI in respect of our arrangement with our banking partners, if promulgated, could adversely affect our business, financial condition and results of operations. Compliance with new regulations governing our banking partners could also result in significant expenditure for them that could cause them to renegotiate or terminate existing agreements, or curtail their operations, which could adversely affect our business and financial performance. Furthermore, any adverse regulatory action that changes a banking partner's business or adversely affects its financial condition or results of operations, may adversely affect our partnership with such banking partner thereby adversely affecting our business, financial condition and results of operations. For further details, please see section titled *"Risk Factor - Our success depends on our ability to develop and maintain successful relationships with merchants"* on page 50.

Certain of these laws and regulations are relatively new and evolving, and their interpretation and enforcement may involve uncertainties. As a result, we may be required to seek and follow additional procedures, modify or adjust certain activities, obtain new and additional licenses, registrations or authorizations and incur additional expenses to comply with such laws and regulations, any of which could adversely affect our future development and business. For instance, we are not required to obtain any authorizations or license from the RBI for undertaking our business in its current form; our banking partners, hold the requisite authorizations and licenses. If any change in laws or regulations requires us to obtain such authorization or licenses from the RBI, we cannot assure you that we will be able to obtain such authorizations and licenses in a timely manner, or at all. Failure to obtain the relevant authorization or licenses from the RBI could result in loss of our ability to operate the relevant business, which could adversely affect our financial condition, results of operations and prospects.

To the extent we are unable to enter into arrangements with new banking partners, and/or maintain our relationships with our existing banking partners, our operating results and financial condition could be impacted. Furthermore, the termination of our relationship with any of our banking partners may adversely affect our business, cash flows, results of operations and financial condition.

5. *Some of our operations involve handling significant amounts of cash, making us susceptible to operational risks, including fraud, petty theft, negligence and embezzlement by our employees or our merchants, which could harm our results of operations and financial position.*

A substantial portion of our BC business, particularly with respect to the activities associated with payment solutions, continues to be cash based. Our merchants are responsible for handling, collection and depositing of cash, thereby exposing us to the risks of loss, fraud, misappropriation, theft, assault, negligence and unauthorized transactions by such parties. While we seek to prevent or mitigate such risks through internal control measures and capping transactional limits appropriately, we may be unable to adequately prevent or deter such activities in all cases or obtain insurance that adequately covers such risks. In the past, we have experienced acts of fraud, theft, forgery and misappropriation committed by or involving our merchants. These acts involved breach in processes, monetary malpractice and in some circumstances a violation of codes of conduct followed by disciplinary issues. We have filed various First Information Reports ("**FIRs**") and criminal complaints in relation to robbery, theft, fraud, cyber fraud, cheating, forgery, and criminal breach of trust. For further details, please see section titled "*Outstanding Litigation and Other Material Developments - Litigation involving our Subsidiaries*" beginning on 363.

There can be no assurance that there will be no instances of fraud, theft, negligence and embezzlement, which may involve litigation, including monetary penalties, which may adversely affect our business, reputation and results of operation.

6. 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.

We provide E-Governance Services only in the states of Punjab, Uttar Pradesh and West Bengal. In the event of a regional slowdown in the economic activity in Punjab, Uttar Pradesh and West Bengal or any other developments including political unrest, disruption or sustained economic downturn or natural calamities in those regions affecting the ability of our merchants to continue their operations within their respective communities, or that make our services and/or products in these states less available or attractive and beneficial to the customer, we may experience an adverse effect on our financial condition and results of operations, which are largely dependent on the performance, geo-political and other prevailing conditions affecting the economies of the state. The market for our products and services in Punjab, Uttar Pradesh and West Bengal may perform differently from, and be subject to, market and regulatory developments that are different from the requirements in other states of India. There can be no assurance that the demand for our products and services will grow, or will not decrease, in the future, in these regions.

7. In the past Punjab State e-Governance Society has terminated master service agreement with our Company.

In the past, our Company had entered into an agreement dated April 8, 2016, with Punjab State e-Governance Society ("**PSeGS**") for operation, maintenance and management of sewa kendras in certain zones of Punjab which could be pre-closed without cause either by us or by PSeGS with notice**.** Accordingly, the Punjab State e-Governance Society *vide* its letter dated January 30, 2018, pre-closed the agreement executed with our Company by exercising its right of termination of agreement for convenience.

While the contracts for our existing E-Governance projects have been executed by our Promoter, which we are implementing through the MSA, there is no assurance that such contracts cannot be terminated by the relevant State Government authorities in future and upon any such occurrence our revenues and results of operations will be adversely impacted.

8. We are yet to place orders for our technology infrastructure and capital expenditure equipment for which a significant portion of the Net Proceeds are proposed to be utilized. Unavailability or increase in costs of the technology infrastructure and equipment could adversely impact financial condition and our growth prospects.

As on the date of this Draft Red Herring Prospectus, we have not placed orders or entered into any definitive agreements for the purchase of technology infrastructure and equipment we propose to utilise for our capital expenditure such as setting up BLS Stores and Data Centre and Disaster Recovery site. Accordingly, orders worth ₹ 9,758.71 lakhs in respect of setting up of Data Centre and Disaster Recovery and , which constitute 100% of the total estimated costs of the equipment in relation to setting up the BLS Stores and Data Centre and Disaster Recovery site are yet to be placed. While we have obtained the quotations from vendors in relation to such capital expenditure, most of these quotations are valid for a limited period of time and may be subject to revisions, and other commercial and technical factors. The cost of such technology infrastructure and other equipment may escalate due to changes including but not limited to import duties, foreign exchange fluctuations, shortage, or increase in the cost of raw material. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. For further details, please see section titled "*Objects of the Issue - Details of Objects of the Issue*" on page 102.

9. We significantly depend on our merchants for our product and service distribution network. Changes in our relationships, or adverse conditions (such as COVID-19 pandemic), could impair their respective operations and therefore their ability to meet their obligations under our agreements, which in turn could have an adverse effect on our growth, business, results of operations, financial condition and cash flows.

Our ability to deliver our products and services significantly depends on our merchants and employees. We rely on our merchant network to distribute products and provide services and we rely on our merchant network to provide E-Governance solutions to the customers. In each case, we rely on such merchants to interact with our customers and be the face of our brand. Malfunctions in the software we use, or human error could result in our inability to provide our products and services or cause unforeseen technical problems.

Further, our subsidiaries, Starfin India Private Limited and Zero Mass Private Limited have approx. 17,727 active CSPs as of March 31, 2023, who are generally retail agents engaged by us to provide banking products and services on behalf of various PSU banks and at locations other than at traditional branches. Additionally, as on March 31, 2023, our Company has over 19,000 touch points across the states of Uttar Pradesh and West Bengal and our material subsidiary, BLS Kendras operates over 368 sewa kendras, who generally provide services on behalf of the government.

We have limited to no control over such merchant described above. We provide training to our merchants and are dependent upon the efforts of such third-parties to distribute our products and services to the end-customer. Our merchants could fail to adequately perform their obligations to us or breach their obligations or fail to renegotiate or renew the agreements on commercially reasonable terms. In addition, one or more of those merchants, fail or refuse to work with us and/ or begin working for a competitor, fail to meet certain minimum performance clauses, take advantage of the non-exclusivity of agreements, and begin operating with our competition, become insolvent, or our relationships with such entities may otherwise change adversely, or we may experience high attrition rates with such entities. Further, we might not be able to secure a suitable replacement for that merchant, regardless of whether they distribute some or all our products or service a specific region and/ or community. In addition, to the extent these entities violate laws, other regulatory requirements or their contractual and performance obligations, or act inappropriately in the conduct of their business, our business and reputation could be negatively affected, contracts may be terminated, or penalties could be directly imposed upon us.

10. There are pending litigations against our Company, our Promoter, 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.

Certain legal proceedings involving our Company, our Promoter, our Subsidiaries and our Group Companies are pending at different levels of adjudication before various courts, tribunals and authorities. In the event of adverse rulings in these proceedings or consequent levy of penalties, we may need to make payments or make provisions for future payments, and which may increase expenses and current or contingent liabilities.

A summary of outstanding litigation proceedings involving our Company, our Promoter, our Subsidiaries and our Group Companies, as disclosed in section titled "*Outstanding Litigation and Other Material Developments*" on page 362 in terms of the SEBI ICDR Regulations as of the date of this Draft Red Herring Prospectus is provided below:

(in ₹ lakhs)

Particulars	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceeding	Disciplinary actions by SEBI or Stock Exchanges our Promoter in the last five years, including outstanding action	Material Civil Litigation*	Aggregate amount involved**
Company						
By our Company	Nil	Nil	-	-	Nil	Nil
Against our Company	Nil	Nil	Nil	Nil	1	52.34 + 10% interest
Subsidiaries						
By our Subsidiaries	17	Nil	-	-	Nil	5.40
Against our Subsidiaries	Nil	Nil	Nil	Nil	4	228.59 + 18% interest
Promoter						

By our Promoter	Nil	Nil	-	-	Nil	Nil
Against our Promoter	Nil	3	Nil	Nil	Nil	3,009.12^
Directors						
By our Directors	Nil	Nil	-	-	Nil	Nil
Against our Directors	Nil	5	Nil	Nil	Nil	115.49
Group Companies						
Proceeding against Group Companies which have material impact on our Company	Nil	Nil	Nil	Nil	1	52.34 + 10% interest

**This comprises the pending proceedings which may have a material impact on our Company, in accordance with the Materiality Policy.*
*** To the extent quantifiable*
^The demand is being raised in lieu of error in computation by Income tax department. The Company has submitted its response to the Income Tax department for rectification of the same. The closure order is awaited.

We cannot assure you that any of the outstanding litigation matters will be settled in our favour, or that no (additional) liability will arise out of these proceedings. Our Company is in the process of litigating these matters and based on the assessment in accordance with applicable accounting standard, our Company has presently not made provision for any of the pending legal proceedings. In addition to the foregoing, we could also be adversely affected by complaints, claims or legal actions brought by persons, before various forums such as courts, tribunals, consumer forums or sector-specific or other regulatory authorities in the ordinary course or otherwise, in relation to our products and services, our technology and/or intellectual property, our branding or marketing efforts or campaigns or our policies or any other acts/omissions. Further, we may be subject to legal action by our employees and/or ex-employees in relation to alleged grievances such as termination of their employment with our Company. We cannot assure you that such complaints or claims will not result in investigations, enquiries or legal actions by any courts, tribunals or regulatory authorities against us.

11. We are dependent on application programming interface, technology and server of banks and the government agencies to provide business correspondent services and G2C services.

We are dependent on information technology, including application programming interface and server of banks and the government agencies to provide Business Correspondent services and E-Governance Services for delivery of products and services to citizens. Any disruption in information technology systems of the government/banks or our ability to process our transactions efficiently and reliably, including disruptions, may adversely affect our operations, reputation and our financial position. For further details, please see section titled "*Our Business – Technology*" on page 229.

Weakness, disruption, breach or failure in information technology systems may have significant consequences on our business, financial condition and results of operations, including disabling or malfunctioning of financial, accounting; inability to or a deterioration in servicing our customers on a timely basis or at all; non-availability of certain information for our management in order to enable them to plan for or respond to contingencies and changes in market conditions in a timely manner or at all; and loss of confidential or material data in relation to our business, operations, financial products and services and employees.

12. We rely extensively on our information technology systems and any failure, disruption or weakness in such systems, or breach of data, could adversely affect our operations and reputation. Further, our success depends on our ability to innovate, upgrade and adapt to new technological advances.

We are extensively dependent on the information technology systems ("**IT Systems**") provided by various PSU banks and various State Governments for operating our BC business and G2C business, respectively. Further, we are dependent on our IT Systems for operating our assisted e-services business and G2C business (to the extent

IT Systems are not provided by any State Government) and our ability to efficiently and reliably process volume of transactions across various locations and delivery channels, as well as for certain critical functions including financial controls, risk management and transaction processing. Any disruption to our IT Systems or our ability to process our transactions efficiently and reliably, including disruptions to our web applications and digital mobile applications, may adversely affect our operations, reputation and our financial position. For further details, please see section titled "*Our Business – Technology*" on page 229.

In addition, our success will depend, in part, on our ability to respond to and keep pace with new technological advances and emerging payments and consumer trends and other financial services industry standards and practices in a cost-effective and timely basis. The development and implementation of such technology, including with respect to new mobile operating systems, entails significant technical and business risks. There can be no assurance that we will successfully implement new technologies or adapt our transaction processing systems to customer requirements or improving market standards.

Weakness, disruption, breach or failure in our IT Systems may have significant consequences on our business, financial condition and results of operations, including disabling or malfunctioning of financial, accounting or data processing systems; inability to or a deterioration in servicing our customers on a timely basis or at all; non-availability of certain information for our management in order to enable them to plan for or respond to contingencies and changes in market conditions in a timely manner or at all; and loss of confidential or material data in relation to our business, operations, financial products and services and employees.

13. The interests of our Promoter or Directors may cause conflicts of interest in the ordinary course of our business.

Conflicts may arise in the ordinary course of decision-making by the Promoter or Board of Directors of our Company. Our Promoter or certain of our non-executive Directors may also be on the board of certain companies engaged in businesses similar to the business of our Company. For instance, our Promoter has entered into BC agreement with one of the largest PSU bank and is also engaged in the business of providing BC services. However, revenue contribution of BC business of the total revenue of BLS international was not material.

Pursuant to a non-compete agreement dated July 5, 2023, our Promoter (including its promoters) have undertaken not to, directly or indirectly, either individually or collectively, bid for any project for which our Company is entitled to bid, not acquire any interest in any business or services competing with our business except such projects which have already commenced. Any violation, non-compliance (whether in whole or in part) or unenforceability of such non-compete obligations may have an adverse effect on the results of our operations and financial condition. Further, there is no assurance that our Directors will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in future. Such factors may have an adverse effect on the results of our operations and financial condition.

14. Cybersecurity threats continue to increase in frequency and sophistication. A successful cybersecurity attack could interrupt or disrupt our information technology systems or cause the loss of confidential or protected data, which could disrupt our business, force us to incur excessive costs or cause reputational harm

We interact with our customers and facilitate them with a one-stop digital online platform for all of our offerings. Accordingly, through the ordinary course of business, we collect, store, process, transfer, and use a wide range of confidential information, including personally identifiable information, for various purposes, including to follow government regulations and to provide services to our customers and counterparties. The information we collect may be sensitive in nature and subject to a variety of privacy, data protection, cybersecurity, and other laws and regulations. Due to the sensitivity and nature of the information we process, as well as the size and complexity of our information systems, we and our third-party service providers are the target of, defend against and must regularly respond to cyberattacks, including from malware, phishing or ransomware, physical security breaches, or similar attacks or disruptions. If our security measures are breached or unauthorized access to customer data is otherwise obtained, our solutions may be perceived as not being secure, and we may incur significant liabilities. Our solutions involve regular monitoring by a dedicated team, transfer of data in encrypted form and data purging at server level wherein data can be stored for limited time at particular server unless required pursuant to any applicable law, could result in the loss of this information, which in turn could result in litigation, breach of contract claims, indemnity obligations, reputational damage and other liability for our Company.

While we have invested in the protection of data and information technology, there can be no assurance that our efforts will prevent or quickly identify service interruptions or security breaches. Any such interruption or breach of our systems could adversely affect our business operations and result in the loss of critical or sensitive confidential information or intellectual property, and could result in financial, legal, business and reputational harm to us. These risks also reside with third party service providers and partners with whom we conduct business. While there have been no instances of cybersecurity breaches in the past three Fiscals. However, our business could be materially and adversely impacted by security breaches of the data and information of agent and customer data and information, either by unauthorized access, theft, destruction, loss of information or misappropriation or release of confidential data.

Cybersecurity risks for technology-focused companies have significantly increased in recent years in part because of the proliferation of new technologies, increased digitization of our products and services and the use of the internet and telecommunications technologies to conduct financial transactions. In addition, cybersecurity risks have significantly increased in recent years in part due to the increased sophistication and activities of organized crime affiliates, terrorist organizations, hostile foreign governments, disgruntled employees or vendors, activists and other external parties, including those involved in corporate espionage. Even the most advanced internal control environment may be vulnerable to compromise. Targeted social engineering attacks and "spear phishing" attacks are becoming more sophisticated and are extremely difficult to prevent. Persistent attackers may succeed in penetrating defenses given enough resources, time, and motive. The techniques used by cyber criminals change frequently, may not be recognized until launched and may not be recognized until well after a breach has occurred. The risk of a security breach caused by a cyber-attack via a merchant, or by unauthorized merchant access has also increased in recent years.

Indian and international laws or regulators, as well as our contractual partners, may also require notice in event of a security breach that involves personally identifiable information, and these disclosures may result in negative publicity, loss of confidence in our security measures, regulatory or other investigations, the triggering of indemnification and other contractual obligations, and other adverse effects to our ecosystem and operations. We may also incur significant costs and loss of operational resources in connection with remediating, investigating, mitigating, or eliminating the causes of security breaches, cyberattacks, or similar disruptions after they have occurred, and particularly given the evolving nature of these risks, our incident response, disaster recovery, and business continuity planning may not sufficiently address all of these eventualities. The retention and coverage limits in our insurance policies may not be sufficient to reimburse the full cost of responding to and remediating the effects of a security breach, cyberattack, or similar disruption, and we may not be able to collect fully, if at all, under these insurance policies or to ensure that the insurer will not deny coverage as to any future claim.

15. Any disruption of our internet connections could affect the success of our internet-based products and services and certain parts of our physical distribution.

Any system failure, including network, software or hardware failure, that causes an interruption in our network or a decrease in the responsiveness of our website, apps or back-end infrastructure could result in reduced user traffic and reduced revenue. Continued growth in internet usage could cause a decrease in the quality of internet connection service. If these outages, delays or service disruptions frequently occur in the future, usage of our web-based services could grow slower than anticipated or decline and we may lose revenues and customers. These systems are also vulnerable to damage from fire, floods, and earthquakes, acts of terrorism, power loss, telecommunications failures, break-ins and similar events. The controls implemented by our third-party service providers may not prevent or timely detect such system failures. We do not own any insurance to compensate us for losses that may occur. In addition, our users depend on internet service providers, online service providers and other website operators for access to our website. These providers could experience outages, delays and other difficulties due to system failures unrelated to our systems.

16. We have and will continue to introduce new products and services, and we cannot assure you that such products and services will be profitable now or in the future. Further, we may not be able to develop new products or services necessary to effectively respond to rapid technological changes.

We have and will incur significant costs to expand our range of products and services and we cannot assure you that such products and services will be successful, whether due to factors within or outside of our control, such as general economic conditions, a failure to accurately understand customer demand and distribution and market requirements or insufficient focus by management on these new products and services. We may not be able to accurately assess and manage all of the opportunities and risks associated with some of these products and services, which may lead to an increase in expenses and/or a decrease in revenue. Further, these operations may be accompanied by operating and marketing challenges that may be different from those we have previously encountered.

In addition, if we fail to successfully offer our new products and services in an increasingly competitive market, our future results of operations and growth strategies could be adversely affected. We may also require approvals from regulatory authorities before we commence offering certain products and services. If we fail to obtain such approvals in a timely manner, or to develop and launch such products and services successfully, we may lose a part or all of the costs incurred in the development of such offerings with third parties, or discontinue these offerings, or have strategic relationships damaged, which could in turn adversely affect our business, reputation and results of operations.

To be successful, we must adapt to rapidly changing technological and market needs, by continually enhancing and introducing new products and services to address our customers' changing demands. The marketplace in which we operate is characterized by rapidly changing technology, evolving industry standards, frequent new product and service introductions, shifting distribution channels, and changing customer demands. We could incur substantial costs if we need to modify our services or infrastructure in order to adapt to changes affecting our market, and we may be unable to effectively adapt to these changes.

As part of our growth strategy, we intend to diversify our products and services portfolio and in doing so, we may encounter certain additional risks including management and market-related risks. We cannot assure you that such diversification or expansion of operations will yield expected results, as our overall profitability and success will be subject to various factors, including, among others, our ability to effectively recruit, retain and motivate appropriate and experienced operational and managerial talent, and ability to compete with other payments solutions providers, financial technology companies and travel services providers, some of which are already well established in these market segments. Our inability to effectively manage any of these issues could adversely affect our business and future financial performance.

17. Our international expansion efforts may not be successful or may subject our business to increased risks. We rely on partnerships with our merchants to expand our geographical presence in international markets. Any disruption in these partnerships or our inability to develop additional partnerships in the international markets could have an adverse effect on our growth, business and results of operations.

In an attempt to expand internationally, we are exploring partnerships with national and State Governments for delivery of ICT based citizen centric services. Our Promoter, BLS International has made applications to Government of United Kingdom, Government of South Africa, Government of Australia, Government of Vietnam, Government of Sri Lanka, Government of Singapore, Government of Philippines, Government of Mauritius, Government of Kenya, Government of Brazil; Government of Nepal and Government of Myanmar for setting up citizen services centers by providing government and non-government services to citizens by promoting local entrepreneurship, should any of these materialize, our Company will be implementing the same. For further details, please see sections titled "*Our Business – Our Strategies – Grow our merchants and BLS Stores network*" and "*Objects of the Issue – Details of the Offer - Funding initiatives for organic growth by setting up of BLS Stores*" on pages 220 and 107, respectively. We do not have any business experience overseas and may not be able to replicate the success of our business in these newer geographies. Developing new markets requires significant investments of time and resources, and may present new and difficult technological, operational and compliance challenges which may lead to higher costs and/or lower transaction volume than we have historically experienced. If we expand into new geographic regions, we will need to understand and comply with various new requirements applicable to us in those regions. If we experience service disruptions, failures, or other issues, our business may be materially and adversely affected and it could damage or reputation, and limit our growth, business and prospects. Our expansion into newer geographies may not recoup our investments in a timely manner or at all. Further, failure to forecast demand or growth accurately in new geographies, or eventual reputational damage from engaging in or withdrawing from these geographies, could have a material adverse impact on our growth, business and results of operations.

Even if our international expansion efforts are successful, expanding operations into new geographic markets will subject our business to increased risks, including but not limited to:

- increased licensing, regulatory and compliance requirements, including those governing data protection, money-laundering and tax;
- competition from service providers or other entrenched market participants that have greater experience in the local markets than we do;
- changes to the way we do business as compared with our current operations, including increased costs, increased exchange rate exposure and exposure to regional economic and political instability;

- a lack of acceptance of our products and services;
- the ability to support and integrate with local financial institution partners and other third-party service providers;
- difficulties in staffing, recruiting, retaining and managing qualified employees for our foreign operations;
- potential tariffs, sanctions, fines or other trade restrictions;
- exchange rate exposure; and
- regional economic and political instability.

As a result of these risks, our international expansion efforts may not be successful or may be hampered, which would limit our ability to grow our business.

18. We may not be able to renew our agreements which could have a material adverse effect on our growth, business, financials and results of operation.

We have entered into agreements with various state governments and various banks for our E-Governance and Business Correspondents business, respectively. The agreements entered with such government entities and banks are for a definite term and the relevant authorities may float tenders for such projects after expiry of the current term. For instance, the project awarded by Punjab State e-Governance Society to our Material Subsidiary, BLS Kendras will expire in August 2023. Further, the Punjab State e-Governance Society has floated Request for Proposal ("**RFP**") dated July 27, 2023 inviting bids to select service operator(s) to operate, manage, and maintain the sewa kendras established in urban and rural areas of the state of Punjab. There can be no assurance that we will be awarded such project at the end of the tender process which could have a material adverse effect on our growth, business, financials and results of operation.

19. 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. In recent years, we have been expanding the nature and scope of our engagements by extending the breadth of solutions and services that we offer through authorised BCs, which include, birth and death certificates to property registration.

The increased breadth of our service offerings may result in larger and more complex client projects. This will require us to establish closer relationships with our clients and potentially with other technology service providers and vendors and require a more thorough understanding of our clients' operations. Our ability to establish these relationships will depend on a number of factors including the proficiency of our technology professionals and our management personnel. We may face challenges to successfully diversify and develop our services in response to evolving trends and demands may adversely affect our growth and negatively impact our profitability. Our service offerings may fail to accurately address our clients' or users requirements and may not generate the returns as anticipated. We may be required to discontinue such offering and we may not be able to recover the expenses incurred in developing and launching such offerings. There can be no assurance that there are no other services that will be discontinued in future. Thus, if we are unable to attain a thorough understanding of our clients' operations, our service offerings may not effectively meet client needs and jeopardize our client engagements, which may negatively impact our revenues and financial condition.

Any inability to manage the scale of operations could cause clients to lose confidence in our offerings and may choose not to use our products or services. Further, it may also adversely impact our reputation as a provider of large-scale solutions which may in turn adversely impact our financial condition and results of operations. Larger projects often involve multiple components, engagements or stages, and a client may choose not to retain us for additional stages or may cancel or delay additional planned engagements for various reasons unrelated to the quality of our services and outside of our control, such as the business or financial condition of our clients or the economy in general. Further, at the end of the term of the project, we may be required to participate in a fresh tender process for the existing project. In the event, we are unable to bid competitively or are not re-appointed, our financial condition, cash flows and results of operation could be adversely impacted. These terminations, cancellations or delays may make it difficult to plan for project resource requirements, which may have a negative impact on our profitability. Additionally, the business departments of our clients are increasingly making or influencing technology-related buying decisions. If we are unable to establish business relationships or if we are unable to articulate the value of our technology services to these business functions, our revenues may be adversely impacted.

20. Our inability to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our businesses may adversely affect our business, financial condition, results of operation and cash flows.

We are required to obtain various statutory and regulatory permits and approvals to operate our business which requires us to comply with certain terms and conditions to continue our operations. As on the date of this Draft Red Herring Prospectus, there are no material approvals applied for by our Company and Material Subsidiaries but yet to receive and there are no material approvals required but not obtained or applied for by our Company and Material Subsidiaries. Failure to obtain these permits and approvals may result in imposition of fines and penalties by the relevant regulator. Further, the said approvals and permits also require us to comply with certain terms and conditions, and in the event that we are unable to comply with any or all of these terms and conditions or seek waivers or extensions of time for complying with these terms and conditions, we may be subject to stringent restrictions on our operations. This may result in the interruption of all or some of our operations and may have an adverse effect on our business, financial condition, results and cash flow. In the event that we are unable to obtain, renew or maintain statutory permits and approvals or comply with regulatory requirements, it may result in the interruption of all or some of our operations, imposition of penalties and could materially and adversely affect our business, financial performance and reputation.

In addition, we are required to obtain certain approvals in the normal course of our business such as employee provident fund, employees' state insurance corporation registration and tax registrations. For further details, please see section titled "*Government and Other Approvals"* on page 369. Further, our approvals and licenses are subject to numerous conditions, some of which are onerous and may require us to incur substantial expenditure in order to comply with such conditions. We may not, at all times, have all the approvals required for our business. For details in relation to our pending applications, please see section titled "G*overnment and Other Approvals"* on page 369. We cannot assure that the approvals, licenses, registrations or permits issued to us will not be suspended or revoked, or that applicable penalties will not be imposed on us in the event of non-compliance with any terms and conditions. We may also incur substantial costs related to litigation if we are subject to significant regulatory action, which may adversely affect our business, future financial performance and results of operations.

21. Deterioration in the performance of our Subsidiaries may adversely affect our results of operations and our ability to pay dividends on the Equity Shares depends on our ability to obtain cash dividends or other cash payments.

We conduct certain of our business operations, particularly Business Correspondents services, through our Subsidiaries and these entities generate a significant portion of our revenue and cash flow. Any default by our Subsidiaries in the performance of their respective obligations could adversely impact our business and results of operations. For further details, please see section titled "*Our Business - Our Business Segments*" on page 222.

During Fiscals 2023, 2022 and 2021, our revenue from operations was ₹ 24,306.07 lakhs, ₹ 9,669.82 lakhs and ₹ 6,448.72 lakhs, respectively, out of which ZMPL has contributed 56.81% in Fiscal 2023, BLS Kendras has contributed 30.74%, 67.29% and 68.13% of our revenue from operations in Fiscal 2023, 2022 and 2021, respectively and Starfin has contributed 6.27%, 22.32% and 27.84% of our revenue from operations in Fiscal 2023, 2022 and 2021, respectively.

We will be required to rely on free cash flows and cash dividends from our Subsidiaries. The ability of our Subsidiaries to make payments to us depends largely on their financial condition and ability to generate profits as well as regulatory conditions. In addition, because our Subsidiaries are separate and distinct legal entities, they will have no obligation to pay any dividends and may be restricted from doing so by contract, including other financing arrangements, other shareholders or partners or the applicable laws and regulations.

We cannot assure you that our Subsidiaries will generate sufficient profits and cash flows, or otherwise prove willing or able, to pay dividends to enable us to meet our obligations and pay interest, expenses and dividends, if any, on the Equity Shares. Our financial condition and results of operations could be adversely affected should our equity stake in our Subsidiaries be diluted or in the event they cease to be our Subsidiaries. Further, in the event that the value of our investment in any of our Subsidiaries diminishes significantly, this could have a material.

22. Our success depends on our ability to develop and maintain successful relationships with merchants.

We believe that continued growth in our business is dependent upon identifying, developing, and maintaining strategic relationships with additional merchants that can drive substantial revenue. Our agreements with our existing merchants are non-exclusive, so our merchants may offer customers the products of several different companies, including products that compete with ours. They may also cease marketing our products with limited or no notice and without penalty. Furthermore, our agreements with our existing merchants are not renewed automatically and the continuity of our relationship with them is subject to fresh negotiations. These factors have contributed to the limited revenue to date generated from our relationships with our existing touchpoints. As such, there may be periods before renewals where we do not have any contractual arrangements with any merchants. We cannot assure you that we will be able to renew our existing relationships with our merchants, on favourable terms or at all, and you should not rely on continuity of our existing relationships with them.

We expect that any additional BLS Touchpoints we identify and develop will be similarly non-exclusive and not bound by any requirement to continue to market our products. If we fail to identify additional BLS Touchpoints in a timely and cost-effective manner, or at all, or are unable to assist our current and future BLS Touchpoints in independently selling and deploying our array of products and services, our business, results of operations and financial condition could be adversely affected. If our BLS Touchpoints do not effectively market and sell our products and services, or fail to meet the needs of our customers, our reputation and ability to grow our business could also be adversely affected.

23. Employee misconduct or failure of our internal processes or procedures could harm us by impairing our ability to attract and retain customers and subject us to significant legal liability and reputational harm.

Our business is exposed to the risk of employee misconduct or the failure of our internal processes and procedures. For example, misconduct by employees could involve the improper use or disclosure of confidential information, which could result in costly litigation and serious reputational or financial harm. While we strive to monitor, detect and prevent fraud or misappropriation by our employees, through various internal control measures, internal policies and insurance coverage, the precautions we take to prevent and detect such activity may not be effective in all cases and we may be unable to adequately prevent or deter such activities in all cases. While we have been able to identify such issues in the past and such issues were not material, there could be instances of fraud and misconduct by our employees which may go unnoticed for certain periods of time before corrective action is taken. In addition, we may be subject to regulatory or other proceedings, including claims for alleged negligence, in connection with any such unauthorized transaction, fraud or misappropriation by our employees, which could adversely affect our goodwill, business prospects and future financial performance. Even when we identify instances of fraud and other misconduct and pursue legal recourse or file claims with our insurance carriers, we cannot assure you that we will recover any amounts lost through such fraud or other misconduct.

24. Stringent and changing laws and regulations relating to privacy and data protection could result in claims, harm our results of operations, financial condition, and prospects, or otherwise harm our business.

We are subject to a numerous laws, rules, directives, and regulations, as well as contractual obligations, relating to the processing privacy and the collection, storing, sharing, use, disclosure, and protection of certain types of data, including personal information. The regulatory framework for privacy and data protection worldwide is rapidly evolving and, as a result, implementation standards and enforcement practices are likely to continue to evolve for the foreseeable future.

As part of our operations, we are required to comply with the Information Technology Act, 2000 and the rules thereof, which provides for civil and criminal liability including compensation to persons affected, penalties and imprisonment for various cyber related offenses, including unauthorized disclosure of confidential information and failure to protect sensitive personal data. India has already implemented certain privacy laws, including the Information Technology (Reasonable Security Practices and Procedures and or Information) Rules, 2011, which impose limitations and restrictions on the collection, use, disclosure and transfer of personal information.

Additionally, the Government of India, in November 2022, published the Digital Personal Data Protection Bill, 2022, which sets out the rights and duties of the citizen (Digital Nagrik) and the obligations of the data fiduciary to use the collected data lawfully. As part of the compliance framework, it envisages the setting up of a Data Protection Board of India to determine non-compliance, to impose penalty for such non-compliance, and perform such other functions as the Central Government. For further details, please see section titled "*Key Regulations and Policies in India*" on page 232. Our failure to adhere to or successfully implement processes in response to changing regulatory requirements in this area could result in legal liability or impairment to our reputation in the marketplace, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Compliance with current or future privacy and data protection laws (including those regarding security breach notification) affecting personal information to which we are subject could result in higher compliance and technology costs and could restrict our ability to provide certain products and services (such as products or services that involve us sharing personal information with third parties or storing personal information), which could materially and adversely affect our financial position and could reduce income from certain business initiatives. We publicly post policies and documentation regarding our practices concerning the processing of personal information. This publication of our privacy policy and other documentation that provide information about our privacy and security practices is required by applicable law and can subject us to proceedings and actions brought by data protection authorities, government entities, or others (including, potentially, in class action proceedings brought by individuals) if our policies are alleged to be deceptive, unfair, or misrepresentative of our actual practices. Although we endeavour to comply with our published policies and documentation consistent with applicable law, we may at times fail to do so or be alleged to have failed to do so.

Our failure, or the failure of any third party with whom we conduct business, to comply with privacy and data protection laws could result in potentially significant regulatory investigations and government actions, litigations, fines, or sanctions, consumer, funding source, bank partner, and damage to our reputation and brand, all of which could have a material adverse effect on our business. Complying with privacy and data protection laws and regulations may cause us to incur substantial operational costs or require us to change our business or privacy and security practices. We may not be successful in our efforts to achieve compliance either due to internal or external factors, such as resource allocation limitations or a lack of cooperation from third parties. Although we have not received complaints or notifications from third parties, alleging that we have violated applicable privacy and data protection laws and regulations, we cannot assure you that this will not occur in the future.

Non-compliance could result in proceedings against us by governmental entities, customers, or others. We may also experience difficulty retaining or obtaining new customers in these jurisdictions due to the legal requirements, compliance cost, potential risk exposure, and uncertainty for these entities, and we may experience significantly increased liability with respect to these consumers pursuant to the terms set forth in our agreements with them.

25. 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.

In the business in which we operate, all our trademarks and other intellectual property rights are our material assets and are crucial to our business operations. We depend on a combination of trademark laws and domain name protection laws to protect our logo, brand name and domain names. As on the date of this Draft Red Herring Prospectus, we have not obtained trademark registration of our name and logo. Further, we cannot guarantee that our application for registration of the trademarks will be granted by the relevant authority or that there will not be instances where such applications are contested and/or objections are raised by third parties. In the event that we are unable to successfully defend such challenges or objections, we may be unsuccessful in obtaining the registration of our trademarks. In the absence of obtaining registration of these trademarks, we may not be able to initiate an infringement action against any third party infringing on our trademarks. Additionally, the use of trade names or trademarks by third parties which are similar to our trade names or trademarks may result in confusion among customers and loss of business, goodwill and confidence in us.

While our agreements with our employees and consultants include confidentiality provisions, these agreements may not effectively prevent unauthorized use or disclosure of our confidential information, our intellectual property including our technology, systems and processes and may not provide an adequate remedy in the event of unauthorized use or disclosure of our confidential information or infringement of our intellectual property. Despite our efforts to protect our proprietary rights, unauthorized parties may copy aspects of our processes and use information that we consider proprietary. In addition, unauthorized parties may also attempt, or successfully endeavour, to obtain our intellectual property, confidential information, and trade secrets through various methods, including through cybersecurity attacks. If our technical know-how is leaked to our competitors, it could significantly affect our competitive advantage and adversely affect our financial condition and business prospects.

We may need to litigate to protect our intellectual property or to defend against third party infringement. Any such litigation could be time consuming and costly, and a favourable outcome cannot be guaranteed. We may not be able to detect any unauthorised use or take appropriate and timely steps to enforce or protect our intellectual property. Any inability to use or protect our intellectual property could affect our relationships with our customers, result in costly litigation and divert management's attention and resources. An adverse ruling arising out of any intellectual property dispute could subject us to liability for damages and could adversely affect our business, results of operations and financial condition.

26. Any failure to maintain quality of customer service, products and ability to deal with customer complaints in a timely manner could materially and adversely affect our business and operating results.

Our business is significantly affected by the overall size of our retail and corporate customer base, which is determined in part by our ability to provide consistent and quality customer service. We provide customer support at all stages of our product and service offering, through call centres, e-mail and web-based support. If we fail to provide quality customer service, our customers may be less inclined to use our services, or recommend us to new customers, and may channel their payments, remittance, or pre-paid card requirements through our competitors. If service providers or third parties experience difficulty in meeting our requirements for quality and customer service standards including any operational or system interruptions, our reputation could suffer, and our business could be adversely affected. In the event one or more of our contracts with such service providers or third parties is terminated on short notice, we may be unable to find alternative service providers on commercially reasonable terms, or at all. Further, the quality of the service provided by a new or replacement service provider may not meet our requirements for quality and customer service standards, which could materially and adversely affect our business and operating results.

27. If we are unable to implement our growth strategies, our operations may suffer and our performance may be adversely affected.

We have witnessed growth in our business. Our total income for the Fiscals 2023, 2022 and 2021 was ₹ 24,629.27 lakhs, ₹ 9,839.56 lakhs and ₹ 6,523.35 lakhs, growing at a CAGR of 94.31% between Fiscals 2021 to 2023. We intend to strategically grow our network of merchants in existing and new geographies in India to attract new customers as well as expand our digital outreach to consumers. Any such growth in our distribution touchpoints or products and services that we pursue may not be profitable immediately or at all or may take more time than is planned to break even, and failure to do so within a reasonable period may adversely affect our profitability. Historical growth and the speed of such growth is not indicative of any future growth or speed of such growth.

Our recent growth rates may not be indicative of our future growth. We will need to enhance, improve and monitor our financial, accounting, information technology, administrative and operational infrastructure and internal capabilities in order to manage the future growth of our business. We cannot assure you that we will succeed in doing so, as it is subject to many factors beyond our control. In addition, we are likely to compete with other entities that offer the same or similar products and services as us. Factors such as competition, customer requirements, regulatory regimes, culture and business practices in these new markets may differ from those in our existing markets.

As we plan to expand our geographic footprint in India, our business may be exposed to additional challenges, including obtaining additional governmental or regulatory approvals, identifying and collaborating with local businesses with whom we may have no existing relationship, successfully marketing our products and services in markets in which we have no or low familiarity, attracting customers in a market in which we do not have significant experience or visibility, maintaining standardized systems and procedures, adapting our marketing strategy and operations to new markets in India and internationally in which different languages are spoken, higher technology costs, upgrading, expanding and securing our technology platform in physical locations, operational risks including integration of internal controls and procedures, compliance with KYC, anti-money laundering and other regulatory norms, ensuring merchants and customer satisfaction, recruiting, training and retaining skilled personnel, failure to manage service providers in relation to any outsourced services and difficulties in the integration, with our existing network. To address these challenges, we may have to make significant investments that may not yield desired results or incur costs that we may not be able to recover. If we are unable to implement our planned growth strategies, our business, results of operations, financial condition and cash flows will be adversely affected.

28. 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.

In accordance with section 139 of the Companies Act, 2013, our Company was required to appoint statutory auditor for a period of 5 years from the conclusion of the AGM held on September 19, 2017, however, at the said AGM of the Company, the statutory auditor was appointed for a period of one year i.e. from the conclusion of the said AGM till the conclusion of the next AGM. In this regard, we have filed a compounding application with the Regional Director, Northern Region, Delhi on February 14, 2023, which is currently pending.

Further, in accordance with section 139 of the Companies Act, 2013, our subsidiary, Zero Mass Private Limited ("**ZMPL**") was required to appoint statutory auditor for a period of 5 years from the conclusion of the AGM held on August 29, 2017, however, at the said AGM of ZMPL, the statutory auditor was appointed for a period of 4 years i.e. from the conclusion of the said AGM till the conclusion of the 14th AGM to be held in the year 2021. In this regard, ZMPL has filed a compounding application with the Regional Director, Western Region, Maharashtra on June 8, 2023, which is currently pending.

Further, in accordance with section 179 of the Companies Act, 2013, ZMPL was required to appoint the Company Secretary (Key Managerial Personnel) through a resolution passed by the Board of Directors, however, ZMPL appointed the Company Secretary of the Company by passing of circular resolution. In this regard, ZMPL has filed an adjudication application with the Registrar of Companies, Maharashtra at Mumbai on June 9, 2023, which is currently pending.

If we are subject to any penalties or other regulatory actions, our reputation, business and results of operation could be adversely affected. There can be no assurance that such lapses will not occur in the future, or that we will be able to rectify or mitigate such lapses in a timely manner or at all.

29. In past, SEBI has issued summon to our Promoter, for production of documents and personal appearance before the investigating authority.

On January 10, 2023, SEBI *vide* its email to our Promoter, sought various information pertaining to the board meeting held on April 13, 2022, to consider the proposal for issue of bonus shares to the equity shareholders of BLS International Services Limited, for which detailed reply was submitted on January 17, 2023. Subsequently, SEBI *vide* its letter bearing no. SEBI/HO/IVD/ID3/OW/SJ/2023/4418/1 dated February 02, 2023, summoned company secretary of our Promoter, Mr. Dharak Mehta for production of documents and personal appearance before SEBI on February 10, 2023, in the matter of "trading activities of certain entities in the scrip of BLS International Services Limited". Consequently, the company secretary of our Promoter appeared before SEBI. However, as on the date of this Draft Red Herring Prospectus, SEBI did not seek any additional information from the Promoter.

We may be subject to legal action by SEBI and/or the investigating authority in this matter. We cannot assure you that such summons will not result in investigations, enquiries or legal actions by any courts, tribunals or regulatory authorities against us.

30. Our Registered Office and Corporate Office are located on land parcels that are not owned by us and are held by us on a leasehold basis. In the event we lose or are unable to renew such leasehold rights, our business, results of operations, financial condition and cash flows may be adversely affected.

As of the date of this Draft Red Herring Prospectus, our Registered Office and Corporate Office, are held on a leasehold basis. Set out in the table below are details of the address of our Registered Office and our Corporate Office:

Particulars	Address
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
Other Office	8th Floor, A-842, Tower A, Bestech Business Tower, Sector – 66, Mohali, SAS Nagar, Punjab – 160059, India
	Floor no. 910, Indraprakash Building, Barakhamba Road, New Delhi – 110001, India

For further details, please see section titled "*Our Business – Our Properties*" on page 231.

We cannot assure you that we will be able to renew our leases on commercially acceptable terms, or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements and we cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

31. Our Promoter, in the past, has been involved in certain monitoring actions which may adversely impact our business and reputation.

As a part of SEBI and Stock Exchanges initiative to enhance market integrity and safeguard the interest of investors, the concept of additional surveillance measure ("**ASM**") was introduced. The ASM list is a list of companies whose securities are being monitored on a daily basis due to factors like price fluctuation, volatility, volume variance, etc. In the past three fiscals, there have been a few instances wherein our Promoter, BLS International Services Limited, was shortlisted under both long-term and short-term ASM at different stages. However, at present our Promoter is not shortlisted under any ASM. Further, we cannot assure you that any such instance will not occur in future and any such future instance may have loss of reputation and diversion of management's attention or other recourses.

32. Our future growth may depend in part on acquiring other businesses and successfully integrating them.

In the past, we have made acquisitions to broaden our product and service offerings, expand our operations, and enter new geographic markets. We may continue to make selective acquisitions to engage in other appropriate business investments or arrangements that we believe will strengthen us. However, the continued success of our acquisition program will depend on our ability to find and buy attractive businesses at a reasonable price, to obtain any lender or other consents required under our credit facilities or other agreements, to access the requisite financing resources, if needed, and to integrate acquired businesses into our existing operations. Our ability to do so is not assured and may be limited by a number of factors.

Any future acquisitions that we may undertake could be difficult to integrate, disrupt our business, dilute stockholder value and adversely impact our operating results. Future business acquisitions subject us to a variety of risks, including those risks associated with an inability to efficiently integrate acquired operations, higher incremental cost of operations, outdated or incompatible technologies, labor difficulties, or an inability to realize anticipated synergies, whether within anticipated time frames or at all. One or more of these risks, if realized, could have an adverse impact on our operations. Among the integration issues related to acquisitions are:

- potential incompatibility of business cultures;
- potential delays in integrating diverse technology platforms;
- potential need for additional disclosure controls and internal controls over financial reporting;
- potential difficulties in coordinating geographically separated organizations;
- potential difficulties implementing common internal business systems and processes;
- potential conflicts in third-party relationships; and
- potential loss of customers and key employees and the diversion of the attention of management from other ongoing business concerns.

Our ability to succeed will depend on the synergies we are able to achieve through the integration of acquired entities. In addition, there are certain litigations which are on-going with minority shareholders in relation to certain of our acquired entities. For details regarding such litigation, please see section titled "*Outstanding Litigation and Other Material Developments*" on page 362.

Acquisitions may also disrupt our ongoing business, divert our resources and require significant management attention that would otherwise be available for ongoing development of our current business. In addition, we may be required to make additional capital investments or undertake remediation efforts to ensure the success of our acquisitions, which may reduce the benefits of such acquisitions. We also may be required to use a substantial amount of our cash or issue debt or equity securities to complete an acquisition or realize the potential of an alliance, which could deplete our cash reserves and/or dilute our existing stockholders. If any of these risks were to play out, it could have a material adverse impact on the results of our operations and financial condition.

33. 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. A decline in new or renewed subscriptions will negatively impact our revenue in future. Accordingly, the effect of significant downturns in sales and market acceptance of our services, and potential changes in our attrition rate, may not be fully reflected in our results of operations until future periods. Our subscription model also makes it difficult to rapidly increase our revenue through additional sales in any period, as revenue from new customers must be recognized over the applicable subscription term.

34. We depend on the continued service of our merchants and employees, and our business and growth prospects may be disrupted if we lose our merchants and employees' services or if employee costs increase.

We may not be able to identify, attract or retain merchants and employees with the skillsets we require in a timely manner, on commercially favourable terms or at all. Although we have agreements with merchants, we cannot assure you that we will be able to retain such merchants. Further, if we are unable to offer competitive salaries to our employees and commissions to merchants within the stipulated time, we may not be able to retain them. Our financial condition and results of operations may be materially and adversely affected by any of the foregoing.

Further, we also depend on our merchants and employees to perform our operations, deliver our services and grow our business. If any of our merchants and/or employees are not properly trained, incentivized or motivated to perform our services in accordance with our quality standards, operating procedures or applicable laws, this may adversely affect our brand and our business. Any non-compliance by our employees with our quality standards, operating procedures, safety regulations or applicable laws or any malicious acts, including making disparaging or unauthorized statements in the public press about our business or causing personal harm to any of our clients in the course of performing their employment, could damage our reputation and subject us to claims and loss of business. We may also become subject to regulatory/ legal proceedings, which impose service quality standards on us. This may adversely affect our business, operations and financial condition.

35. Our inability to cater to unanticipated surges or increases in transaction volumes may adversely impact our financial performance.

Continued increases in transaction volumes may require us to expand and adapt our network and technology infrastructure to avoid interruptions to our systems and technology. Any unanticipated surges or increases in transaction volumes across any or all of our products may cause interruptions to our systems and technology, reduce the number of completed transactions, increase expenses, and reduce the level of customer service, and these factors could adversely impact our reputation and, thus, diminish consumer confidence in our systems, which may result in a material adverse effect on our business, results of operations and financial condition.

36. The prices that we can charge for our E-Governance Services are dependent on recommended or mandatory fees or commissions are fixed under the terms of the agreements entered into with governments agencies.

The prices that we charge for our services are fixed under the contracts we enter with government agencies. Reference prices of E-governance Services or pricing limits imposed by the government may limit our ability to determine or revise the prices of the services we offer. Other than certain escalation terms, we have limited ability to determine the prices of the services we offer for our E-Governance Services. This could have a material adverse effect on our business, results of operations, financial condition and prospects. Further, if the governments implement mandatory pricing regimes, our margins could deteriorate which in turn could have a material adverse effect on our business, results of operations, financial condition and prospects.

37. The confidential information or data of our clients, customers and users of our services may be misappropriated by our merchants or employees and as a result, cause us to breach our contractual obligations in relation to such confidential information.

We store confidential information and data of our clients, customers and the users of our services. We cannot assure you that the steps taken by us to protect such data will adequately prevent the disclosure of confidential information by our merchants or an employee and we may not have internal controls and processes to ensure that our merchants or employees do not misappropriate or unlawfully distribute such information. If the confidential information is disclosed by us or is misappropriated by our merchants or employees, our customers or clients may raise claims against us for breach of our contractual obligations. The successful assertion of any claim may have an adverse effect on our business, financial condition and results of operations.

38. If we are unable to meet our service level commitments, under the terms of the agreements, our reputation and results of operation could suffer.

Our services are typically subject to stringent requirements, extensive technical specifications and other obligations, as specified by our clients in their respective agreements with us. If we fail to meet our service level commitments, we may be contractually obligated to pay the affected client a financial penalty and/or liquidated damages, which varies by contract, and the client may in some cases be able to terminate its contract. In addition, if such a failure were to occur, there can be no assurance that our clients will not seek other legal remedies that may be available to them.

Our clients may seek more favorable terms from us in our contracts, particularly in connection with clauses related to the limitation of our liability for damages resulting from unsatisfactory performance of services. Further, our agreements also require us to indemnify our clients for losses arising out of, among other things, non-performance or breach of our obligations and gross negligence. In certain contracts, the capping of liability may not apply for instance in cases of bodily injury and damage to real property and tangible personal property. We are also required under certain agreements to pay penalties and/or liquidated damages in the event of delays or other non-compliances.

Furthermore, we have provided performance bank guarantees under certain agreements to our clients in relation to our obligations. While there have not been any past instances of failure to perform our obligations under such agreements, including any non-compliance with such specifications, any such failure on our part in the future may lead to termination of the agreement, loss of business with such client, loss of reputation and loss of goodwill. Additionally, it could expose us to indemnity, monetary liability by way of penalties and liquidated damages and may further result in litigation proceedings, which could adversely affect our business, operations, our cash flows and financial condition.

39. Our operations depend on the accuracy and completeness of information about merchants, customers and counterparties which, if inaccurate or materially misleading, could adversely affect our business and results of operations.

In deciding whether to enter into relationships and/or transactions with merchants, customers and counterparties, we may rely on information furnished to us by or on behalf of such parties. Our business primarily involves offering citizen centric services like birth and death certificate, caste certificate, property registration etc, banking related services like small savings accounts and payments / remittance products to the unserved and underserved population, by enabling high-volume low-value transactions in deposits and payments / remittance products in a secured and technology-driven environment. As a result, we are vulnerable to a failure in our onboarding processes, KYC processes and market intelligence, for instance, we may not receive updated information regarding any change in the financial condition of our merchants and customers or may receive inaccurate or incomplete information.

It therefore may be difficult to carry out a formal analysis on some of our customers based on the information that we are supplied. There can be no assurance that our risk management controls will be sufficient or that additional risk management strategies for our customers will not be required. Failure to maintain sufficient assessment policies, particularly for individuals, could adversely affect our products and services portfolio, which could have an adverse effect on our results of operations, financial condition and cash flows.

40. We have experienced growth in recent periods and our recent growth rates may not be indicative of our future growth.

We have experienced rapid growth in recent periods. Our revenue from operations have grown at a CAGR of 94.14% to ₹ 24,306.07 lakhs in Fiscal 2023 from ₹ 6,448.72 lakhs in Fiscal 2021. In future periods, we may not be able to sustain revenue growth consistent with previous periods, or at all. Further, as we operate in a new and rapidly changing industry, widespread acceptance and use of our platform is critical to our future growth and success. Our revenue growth depends on a number of factors, including, but not limited to, our ability or ability of our merchants to attract new users and customers; provide quality customer experience; maintain the security and reliability of our platform; expand usage within customers on our platform; achieve widespread acceptance and use of our platform; adequately expand our merchants network; expand features and capabilities of our platform, including through the creation and use of additional integrations; comply with existing and new applicable laws and regulations and price our service effectively so that we are able to attract and retain customers without compromising our profitability. If we are unable to accomplish any of these tasks, our business and results of operation may be adversely affected. We have also encountered in the past, and expect to encounter in the future, risks and uncertainties frequently experienced by growing companies in evolving industries. If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not address these risks successfully, our growth may be adversely impacted and our business, financial condition and results of operation would suffer.

41. 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, 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 265 and 245, respectively. Also please see section titled "*Restated Consolidated Financial Information - Note no. 40 - Related Party Disclosures*" on page 310.

42. Our contingent liabilities could materially and adversely affect our business, results of operations and financial condition.

The table below sets forth details of contingent liabilities as of the last three Fiscals:

(in ₹ lakhs)

Particulars	2023	2022	2021
Guarantees issued by the bank on behalf of the Company	2,000.00	2,000.00	2,000.00
Guarantees given to bank for providing fund-based facilities to CSP's	273.79	-	-
Total	**2,273.79**	**2,000.00**	**2,000.00**

While most of these contingent liabilities have been incurred in the normal course of business, if these were to fully materialize or materialize at a level higher than we expect, it may materially and adversely impact our business, results of operations and financial condition. For further details, please see section titled "*Restated Consolidated Financial Information – Note no. 37 - Contingent Liabilities*" on page 306. Further, we cannot assure you that we will not incur similar or increased levels of contingent liabilities in the future.

43. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the Shareholders.

We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties. For further details, please see section titled "*Restated Consolidated Financial Information - Note no. 40 - Related Party Disclosures*" on page 310.

While all such transactions have been conducted on an arm's length basis, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. The transactions we have entered into and any further transactions that we may enter into with our related parties could potentially involve conflicts of interest which may be detrimental to us. Although all related party transactions that we may enter into post-listing, will be subject to board or shareholder approval, as necessary under the Companies Act, 2013, as amended and the SEBI Listing Regulations, we cannot assure you that such transactions in the future, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

44. We may not meet the selection criteria set for certain contracts by the Government.

Selection as service provider for government projects is undertaken through a tender process, and many of the bids in which we participate are subject to the satisfaction of certain eligibility conditions and performance standards. These include reputation, experience and sufficiency of financial resources.

In addition, selection as service provider for these projects is undertaken through a tender process, and many of the bids in which we participate are subject to the satisfaction of certain eligibility conditions and performance standards. These include reputation, experience and sufficiency of financial resources, and quality accreditations and certifications associated with the services. In Fiscal 2023, our Subsidiaries, Starfin had bid for 7 tenders out of which 3 were not awarded and ZMPL had bid for 4 tenders out of which 2 were not awarded.

In addition, government conducted tender processes may be subject to change in qualification criteria, unexpected delays and uncertainties. In the event that new projects which have been announced and which we intend to bid for are not put up for bidding within the announced timeframe, or qualification criteria are modified such that we are unable to qualify, our business, prospects, financial condition, cash flows and results of operations could be materially and adversely affected. There can be no assurance that we will be awarded such projects at the end of the tender process. Further, in situations where our bids have been successful, there may be delays in award of the projects, which may result in us having to retain resources which remain unallocated, thereby adversely affecting our financial condition and results of operations.

45. Any non-compliance or delay in RoC filings may expose us to penalties from the regulators.

There have been certain discrepancies in relation to statutory filings required to be made by us with the RoC under applicable laws, as well as there are certain other non-compliances by our Company under the Companies Act. In the recent past, form PAS-3 filed with RoC in respect of allotment of sweat equity shares, was not in compliance the applicable provisions of Companies Act, 2013. However, the same has been re-filed with the RoC along with appropriate fees. Although, no regulatory action or penalty has been taken/ levied on the Company for such delays/ defaults, however, it cannot be assured that no such regulatory action or penalty will be taken/ levied in the future. Further, we cannot assure you that such non-compliances will not occur in the future. Therefore, if the concerned authorities impose monetary penalties on us or take certain punitive actions against our Company or its directors/ officers in relation to the same, our business and financial condition could be adversely affected.

46. Our Group Companies are authorised by their memorandum of association to engage in a similar line of business as our Company and may compete with us.

Our Group Companies, namely, BLS E-Solutions Private Limited and BLS IT Services Private Limited, are authorised by their memorandum of association to engage in the same business as that of our Company and may have common pursuits with our Company. While there is currently no active conflict between our Group Companies and our Company, we cannot assure you that there will be no conflict of interest in allocating business opportunities between us and our Group Companies going forward. We have not entered into any non-compete agreement with our Group Companies, and there can be no assurance that our Group Company will not compete with our existing business or any future business that we might undertake or that we will be able to suitably resolve any such conflict without an adverse effect on our business and financial performance. For further details, please see section titled "*Group Companies*" on page 270.

47. Our insurance coverage may not adequately protect us against all losses or the insurance cover may not be available for all the losses as per the insurance policy, which could adversely affect business, financial condition and results of operations.

Our operations are subject to various risks inherent to the industry in which we operate. While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, to the extent that we suffer loss or damage, for which we have not obtained or maintained insurance, or which is not covered by insurance, which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations and financial condition could be adversely affected. In addition, our insurance policies expire from time to time and we may not be able to renew our policies in a timely manner, or at acceptable cost or at all. In case any uninsured loss occurs, we could lose our investment in, as well as anticipated profits and cash flows from the asset. In addition, even if any such loss is insured, there may be a significant deductible on any claim for recovery prior to our insurer being obligated to reimburse us for the loss, or the amount of the loss may exceed our coverage for the loss.

We cannot assure you that, in the future, any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Further, an insurance claim once made could lead to an increase in our insurance premium, result in higher deductibles and also require us to spend towards addressing certain covenants specified by the insurance companies.

48. We depend on key management, as well as our experienced and capable employees, and any failure to attract, motivate, and retain our employees could harm our ability to maintain and grow our business.

Our future success is significantly dependent upon the continued service of our executives and other key employees. If we lose the services of any member of management or any key personnel, we may not be able to locate a suitable or qualified replacement, which could severely disrupt our business and growth. To maintain and grow our business, we will need to identify, hire, develop, motivate, and retain highly skilled employees. Identifying, recruiting, training, integrating, and retaining qualified individuals requires significant time, expense, and attention. We may need to invest significant amounts of cash and equity to attract and retain new employees and expend significant time and resources to identify, recruit, train, and integrate such employees, and we may never realize returns on these investments. If we are unable to effectively manage our hiring needs or successfully integrate and retain new hires, our efficiency, ability to meet forecasts, and employee morale, productivity, and engagement could suffer, which could adversely affect our business, financial condition, cash flows and results of operations.

In addition, from time to time, there may be changes in our management team that may be disruptive to our business. If our management team, including any new hires that we make, fails to work together effectively and to execute our plans and strategies on a timely basis, our business could be harmed. If we are unable to effectively manage our hiring needs or successfully integrate and retain new hires, our efficiency, ability to meet forecasts, and employee morale, productivity, and engagement could suffer, which could adversely affect our business, financial condition, cash flows and results of operations.

49. We face competition from organised and unorganised players and any increase in competition or access to advanced technical knowhow or process by our competitors may adversely affect our business.

The market for E-Governance and Business Correspondent services are rapidly evolving and is highly competitive. We expect that competition will continue to intensify. In our E-Governance business, we face competition from enterprise solution providing companies and in our Business Correspondent business we face comptetion from various organised and unorganised players to a certain extent who use their resources and experience in a competitive manner, including by making acquisitions and investing large amounts in R&D and pursuing aggressive marketing and sales initiatives. An entry of a new player in the future may increase competition, decrease our market share in that aspect, and impact our business, financial conditions and results of operation adversely.

The IT / ITES industry in which we operate is characterized by frequently changing customer requirements due to dynamic business environment. We expect competition to intensify further as new entrants emerge in the industry due to available growth opportunities. To remain competitive, we believe we must continue to invest significant resources in research and development, sales and marketing and customer support.

In addition, many of our competitors may have significantly greater engineering, technical, marketing and financial resources and capabilities than we have. These competitors may be able to respond more rapidly than we can to new or emerging technologies or changes in customer requirements, including introducing a greater number and variety of products than we can.

We may in the future not be able to provide similar or better technology solutions than our competitors. Should there be any significant increase in global competition or if we are unable to deal with the changing market conditions, our business and operating results could be adversely affected.

50. Certain sections of this Draft Red Herring Prospectus contain information from CRISIL Report, which has been commissioned and paid for by our Company and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.

Certain sections of this Draft Red Herring Prospectus include information based on, or derived from, the CRISIL Report or extracts of the CRISIL Report prepared by CRISIL MI&A, a division of CRISIL Limited which is not related to our Company, Directors or Promoter. We commissioned and paid for this report for the purpose of confirming our understanding of the industry in connection with the Issue. All such information in this Draft Red Herring Prospectus indicates the CRISIL Report as its source. Accordingly, any information in this Draft Red Herring Prospectus derived from, or based on, the CRISIL Report should be read taking into consideration the foregoing.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Further, the CRISIL Report is not a recommendation to invest / disinvest in any company covered in the CRISIL Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Issue pursuant to reliance on the information in this Draft Red Herring Prospectus based on, or derived from, the CRISIL Report. You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the CRISIL Report before making any investment decision regarding the Issue. Please see section titled "*Industry Overview*" on page 133. For the disclaimers associated with the CRISIL Report, please see section titled "*Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data*" on page 22.

51. Any non-compliance with law or unsatisfactory service by the merchants engaged by us could have an adverse effect on our business and results of operations.

We enter into agreement with the merchants to provide various services. We are exposed to various risks including strategic, compliance, operational, fraud, theft, embezzlement, legal and contractual risks. Any failure by merchants or other service providers to provide a specified service or a breach in security / confidentiality or non-compliance with legal and regulatory requirements, may result in financial loss or loss of reputation. There can be no assurance that there will be no disruptions in the provision of such services or that these third parties will adhere to their contractual obligation. If there is a disruption in the services or if the service providers discontinue their agreement with us, our business, financial condition, cash flows and results of operations may be adversely affected. We cannot assure you that the terms of such agreements will not be breached, and in case of any dispute, it may result in litigation costs. Such additional cost, in addition to the cost of entering into agreements with third parties in the same industry, may adversely affect our business, financial condition, results of operations and cash flows.

52. We are exposed to many types of operational risk, including the risk of fraud, misconduct and errors by our merchants.

We are exposed to many types of operational risk, including the risk of fraud misconduct, oversight and errors by our merchants. Our business depends on our merchants to process a large number of transactions, including transactions that involve significant amounts that involve the use and disclosure of personal information. We could be adversely affected if transactions were redirected, misappropriated, or otherwise improperly executed and personal information was disclosed to unintended recipients, or an operational breakdown or failure in the processing of other transactions occurred, whether as a result of human error or a fraudulent manipulation of our operations or systems. If any of our merchants convert, or misuse funds, documents, or data, or fail to follow protocol when interacting with consumers, we could be liable for damages and subject to regulatory actions and penalties. We could also be subject to civil or criminal liability. It is not always possible to identify and deter fraud, misconduct or errors by merchants, and the precautions we take to detect and prevent these activities may not be effective in controlling unknown or unmanaged risks or losses. Our resources may be insufficient to accurately detect and prevent fraud. Any of these occurrences could diminish our ability to operate our business, increase our potential liabilities to consumers and merchants, and may lead to an inability to attract future consumer, cause reputational damage, attract regulatory intervention, and cause financial harm, any or all of which could negatively impact our business, results of operations, cash flows, financial condition, and prospects.

53. We have included certain financial and operational performance indicators, non-GAAP measures and certain other industry measures related to our operations and financial performance. These operational metrics, non-GAAP measures and industry measures may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other peer companies.

We have included certain financial and operational performance indicators, including revenue from operations, total revenue, EBITDA, EBITDA margin, profit after tax, profit after tax margin, return on equity, debt to equity ratio, interest coverage ratio, return on capital employed, current ratio, net capital turnover ratio (collectively, the "**Key Performance Indicators**" or "**KPI**") and non-GAAP metrics such as EBITDA, adjusted EBITDA, adjusted EBITDA margin ("**Non-GAAP measures**") in this Draft Red Herring Prospectus. The KPI and Non-GAAP measures are supplemental measures of our operations and financial performance and are not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or U.S. GAAP, and are prepared with internal systems and tools that are not independently verified by any third party and which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies, or the assumptions on which we rely. Our internal systems have a number of limitations and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. If the internal systems we use to track these metrics under count or over count performance or contain algorithmic or other technical errors, the data we report may not be accurate. While these numbers are based on what we believe to be reasonable estimates of our measures for the applicable period of measurement. Limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business and financial operations. Also, please see section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators and Non-GAAP Financial Measures*" and "*Basis for Issue Price – Key Performance Indicators*" on pages 336 and 122.

Further, the KPI and Non-GAAP measures are not a measurement of our operations and financial performance under Ind AS or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS or IFRS, as reported in our Restated Consolidated Financial Information. Although such metrics are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. The KPI and Non-GAAP measures may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies and has limited usefulness as a comparative measure.

54. As on the date of this Draft Red Herring Prospectus, we have not identified any specific targets with whom we have entered into any definitive agreements.

While our Company will, from time to time, continue to seek opportunities for investments, acquisitions and strategic alliances that will fit well with our strategic business objectives and growth strategies. As on the date of this Draft Red Herring Prospectus, we do not have any identified specific targets with whom we have entered into any definitive agreements. The amount of Net Proceeds to be used for acquisitions may not be the total value or cost of such acquisitions or investments, thereby resulting in a shortfall in raising requisite capital from the Net Proceeds towards such acquisitions or investments. Consequently, we may be required to explore a range of options to raise requisite capital, including utilising our internal accruals and/or seeking debt, including from third party lenders or institutions.

55. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and are based on management estimates.

Our funding requirements set out in the section titled '*Objects of the Issue'* on page 101 are based on management estimates and have not been appraised by any bank or financial institution or any other independent agency. Our funding requirements are based on our current business plan and may vary based on various factors including macro-economic and other changes. In view of the dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time and, consequently, the funding requirement and the utilisation of proceeds from the Issue may also change. This may also include rescheduling the proposed utilisation of Net Proceeds at the discretion of our management. Moreover, we have also not entered into definitive agreements to utilise the proceeds from the Issue for certain objects of the Issue. We may make necessary changes to utilisation of Net Proceeds in compliance with the provisions of the Companies Act. In the event of any variation in actual utilisation of the Net Proceeds, any increased fund deployment for a particular activity may be met from funds earmarked from any other activity and/or from our internal accruals. Further, any such revision in the estimates may require us to revise our projected expenditure which may have a bearing on our profitability.

56. 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 101. 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 would 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.

57. The costs of setting up and the risk of unanticipated delays in implementation and cost overruns related to the said upgradation may be higher than expected and could have a material adverse effect on our financial condition, results of operations and growth prospects.

We are in the process of setting up design, development, implementation & support of common service portal and mobile application; (ii) setting up of data centre & disaster recovery site in relation to common service portal and mobile application; and (iii) funding initiatives for organic growth by setting up of BLS Stores (collectively "**Proposed Set-up**"). The completion of the setting up of the Proposed Set-up is dependent on our ability to arrange finance through Net Proceeds or otherwise, the performance of external agencies which are responsible for inter alia civil and interior works, furniture, fixtures, electrical works and electronic items. We cannot assure you that we will be able to arrange for such finance on time. Further, we cannot assure you that the performance of external agencies will meet the required specifications or performance parameters. We may not be able to identify suitable replacement external agencies in a timely manner. If the performance of these agencies is inadequate in terms of the requirements, this may result in incremental cost and time overruns.

If the actual capital expenditures on setting up the Proposed Set-up significantly exceed our budgets, we may not be able to achieve the intended economic benefits of the Proposed Set-up, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. There can be no assurance that we will be able to complete the aforementioned objects in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

58. We appoint contract labour for carrying out certain of our operations, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations, cash flows and financial condition.

In order to maintain operational efficiencies, we appoint independent contractors who in turn engage contract labour for performance of certain of our operations. As on June 30, 2023, we engage more than 2,413 contract employees for various functions. Although we do not engage these labourers directly, we may be held responsible for any wage payments in terms of the applicable laws and the Code on Wages, 2019, to be made to such labourers in the event of default by such independent contractor, as the case may be. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations, cash flows and financial condition. Please see section titled "*Our Business – Employees*" on page 230.

59. Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by the Promoter may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors shareholdings in our Company.

Any future equity issuances by us or sales of our Equity Shares by the Promoter may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. We cannot assure you that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

60. The requirements of being a publicly listed company may strain our resources.

We are not a publicly listed company and have not, historically, been subjected to the compliance requirement or the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the SEBI Listing Regulations, which will require us to file audited annual and limited reviewed quarterly reports with respect to our business and financial condition, in addition to various other compliances which will entail incurring costs. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies.

Further, as a publicly listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, results of operations and financial condition. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

61. We cannot assure payment of dividends on the Equity Shares in the future. Our ability to pay dividends in the future will depend upon our earnings, financial condition, cash flows and capital requirements.

Our ability to pay dividends depends on our earnings, financial condition, cash flows, capital requirements, applicable Indian legal restrictions and other factors. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We may, in the future, be restricted by the terms of our loan agreements, from making any dividend payments, unless otherwise agreed upon by our lenders. We cannot assure you that we will be able to pay dividends in the future. For further details on our dividend policy and dividends paid, please see section titled "*Dividend Policy*" on page 272. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

62. The average cost of acquisition of Equity Shares held by our Promoter may be less than the Issue Price.

The average cost of acquisition per Equity Share held by our Promoter, BLS International Services Limited, is ₹ 5.41. Since the average cost of acquisition by our Promoter may be lesser than the Issue Price, investors who purchase the Equity Shares may do so at a cost that is higher than the average cost of acquisition of the Equity Shares of our Promoter.

63. We have issued Equity Shares during the preceding twelve months at a price which may be below the Issue Price.

We have issued Equity Shares in the last 12 months at a price which may be lower than the Issue Price, as set out in the table below:

Date of Allotment	No of Equity Shares Allotted	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of Allotment
October 4, 2022	25,00,000	10.00	100.00	Cash	Rights Issue
October 31, 2022	7,41,297	10.00	111.60	Other than Cash	Equity Share Swap on rights basis*
December 21, 2022	20,94,000	10.00	123.00	Cash	Private Placement

December 21, 2022	20,00,000	10.00	123.00**	Cash (₹ 110 per Equity Share) and other than cash (₹ 13 per Equity Share)	Sweat Equity

**The Board of Directors of our Company at their meeting held on October 31, 2022, accorded their consent vide share swap agreement dated October 27, 2022, entered into between BLS International Services Limited and our Company and BLS Kendras Private Limited, to allot 7,41,297 Equity Shares to BLS International Services Limited for a consideration other than cash amounting to ₹ 8,27,29,734. For further details, please see section titled "History and Corporate Structure of the Issuer" on page 236.*

***The valuation of the value addition made by Diwakar Aggarwal and Shikhar Aggarwal was determined as ₹ 2,200.00 lakhs (the sweat equity shares had a fair market value of ₹ 123 per share) by M/s Corporate Professionals Capital Private Limited, an Independent Valuer, vide its valuation report dated December 3, 2022.*

The price at which Equity Shares have been issued by our Company in the last 12 months is not indicative of the price at which they will be issued or traded. For further details, please see section titled "*Capital Structure*" on page 89.

64. We will continue to be controlled by our Promoter after the completion of the Issue.

As on date of this Draft Red Herring Prospectus, our Promoter holds 69.32% of our Equity Share capital, and will hold [●]% of our Equity Share capital after the completion of the Issue. After this Issue, our Promoter will continue to exercise significant control or exert significant influence over our business policies and affairs and all matters requiring Shareholders' approval, including composition of our Board, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures and the policies for dividends, lending, investments and capital expenditures. Accordingly, the interests of our Promoter in capacity as Shareholder of the Company may conflict with the interests of other Shareholders of the Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

65. The loss of certificates, keys and passwords may result in a loss of access to our servers which may result in a loss of data, which could have a material adverse effect on our business, results of operations, cash flows and financial condition.

Due to security considerations, access to our servers is controlled by multifactor authentication, which include certificates, keys and passwords. These certificates, keys and passwords are typically stored on our employee's and merchant's computers. The loss of these certificates, keys and passwords may result in a loss of access to our servers, which may result in a loss of data, which could have a material adverse effect on our business, results of operations, cash flows and financial condition.

66. Negative publicity could damage our reputation and adversely impact business and financial results.

Negative public opinion about the Company, our operating segments, or the industries in which we serve could adversely affect our ability to retain and attract merchants, customers and employees and expose us to litigation and regulatory actions. Negative public opinion can result from our actual or alleged conduct in any number of activities, including but not limited to cybersecurity breaches, failures to safeguard personal information, corporate governance, sales and marketing practices, regulatory compliance, mergers and acquisitions, and actions taken by government regulators and community organizations in response to that conduct. Any actual or alleged conduct by one business that we operate can result in negative public opinion about other businesses that we operate. Although we take steps to minimize reputational risk in dealing with merchants and end-customers, we are inherently exposed to this risk. The proliferation of social media may increase the likelihood that negative public opinion from any of the events discussed above will impact our reputation and business.

External Risks

Risks Relating to India

67. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.

The Indian economy and its capital markets are influenced by economic, political and market conditions in India and globally including the volatility in the securities markets in other countries. We are dependent on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. Further, the following external risks may have an adverse impact on our business and results of operations, should any of them materialize:

- increase in interest rates may adversely affect our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- political instability, resulting from a change in governmental or economic and fiscal policies, may adversely affect economic conditions in India. In recent years, India has implemented various economic and political reforms. Reforms in relation to land acquisition policies and trade barriers have led to increased incidents of social unrest in India over which we have no control;
- civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war including in India's various neighbouring countries; India has experienced epidemics and natural calamities such as earthquakes, tsunamis, floods, and drought in recent years;
- any act of God and its consequent impact on public and economy;
- occurrence of natural or man-made disasters (such as typhoons, flooding, earthquakes and fires) which may cause us to suspend our operations;
- prevailing regional or global economic conditions, including in India's principal export markets;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- other significant regulatory or economic developments in or affecting India or its consumption sector;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- logistical and communications challenges;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms or on a timely basis;
- international business practices that may conflict with other customs or legal requirements to which we are subject to, including anti-bribery and anti-corruption laws; being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so; and
- contagious diseases such as the COVID-19 pandemic, the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine, and any other diseases. A worsening of the current COVID-19 pandemic or any similar future outbreaks of COVID-19, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares. Our performance and the growth of our business depends on the overall performance of the Indian economy as well as the economies of the regional markets in which we operate.

68. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate, labour and tax laws, may adversely affect our business, results of operations and prospects.

The regulatory environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations that could affect our industry, which could lead to new compliance requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Any adverse regulatory change in this regard could lead to fluctuation of prices of raw materials and thereby increase our operational cost. Additionally, our loans are subject to specific conditions imposed by the Ministry of Commerce and Industry, GoI and the RBI. In the event of any adverse regulatory development or in the event that we are otherwise not able to secure such loans, we may not be able to benefit from such low interest rates or the ability to fix the price within the specified time frame at the same price at which we sell our products to our customers.

The Taxation Laws (Amendment) Act, 2021, also prescribes certain changes to the income tax rate applicable to companies in India. Further, as GST is implemented, there can be no assurance that we will not be required to comply with additional procedures or obtain additional approvals and licenses from the government and other regulatory bodies or that they will not impose onerous requirements and conditions on our operations. With the implementation of GST, we are obligated to pass on any benefits accruing to us as result of the transition to GST to the consumer thereby limiting our benefits. In order for us to utilise input credit under GST, the entire value chain has to be GST compliant, including us. While we are and will continue to adhere to the GST rules and regulations, there can be no assurance that our suppliers and dealers will do so. Any such failure may result in increased cost on account of non-compliance with the GST and may adversely affect our business and results of operations.

The Competition Act, 2002, as amended ("**Competition Act**") prohibits any anti-competition agreement or arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India. The Competition Act also prohibits abuse of a dominant position by any enterprise. The combination regulation (merger control) provisions under the Competition Act require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the Competition Commission of India, or CCI. Any breach of the provisions of Competition Act, may attract substantial monetary penalties. The Competition Act aims to, among other things, prohibit all agreements and transactions, which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. We are not currently party to any outstanding proceedings, nor have we ever received any notice in relation to noncompliance with the Competition Act. Any enforcement proceedings initiated by the CCI in future, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI may affect our business, financial condition and results of operations.

The Government of India has announced the union budget for the Fiscal 2023, pursuant to which the Finance Bill, 2023 has proposed various amendments. The Finance Bill, 2023 has received assent from the President of India on March 31, 2023, and has been enacted as the Finance Act, 2023.We have not fully determined the impact of these recent and proposed laws and regulations on our business. There is no certainty on the impact that the Finance Act, 2023 may have on our business and operations or on the industry in which we operate. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

In addition, many laws and regulations relating to privacy and the collection, storing, sharing, use, disclosure, and protection of certain types of data are subject to varying degrees of enforcement and new and changing interpretations by courts or regulators. Several jurisdictions have implemented new data protection regulations and others are considering imposing additional restrictions or regulations. The Indian Government has been mooting a legislation governing non-personal data. On November 18, 2022, the Ministry of Electronics & Information Technology ("**MeitY**") issued the draft Digital Personal Data Protection Bill, 2022 ("**DPDB**"), which was open for public consultation till December 17, 2022. Earlier on August 4, 2022, MeitY withdrew the Data Protection Bill, 2021 on the premise that the joint committee had recommended substantial amendments to the original draft, highlighting the need for developing a "comprehensive" legal framework that is aligned with contemporary privacy laws and constantly evolving nuances of the digital ecosystem. DPDB will apply to (i) the processing of digital personal data subject to exemptions (material scope), (ii) undertaken within India, and in certain cases, those carried outside of India. Once enacted as law, DPDB is proposed to be implemented in phases. The RBI has also issued a circular on the procedure of storage of payment systems data, to ensure that data, relating to payment systems operated by us is stored only in India. Changes in laws or regulations relating to privacy, data protection, and information security, particularly any new or modified laws or regulations, or changes to the interpretation or enforcement of such laws or regulations, that require enhanced protection of certain types of data or new obligations with regard to data retention, transfer, or disclosure, could require us to modify our existing systems or invest in new technologies to ensure compliance with such applicable laws, which may require us to incur additional expenses.

Similarly, changes in other laws may require additional compliances and/or result in us incurring additional expenditure. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Further, as on June 30, 2023, we had a total of 3,071 employees (including 2,413 contract employees). Our employees are employed by us and are entitled to statutory employment benefits, such as defined benefit gratuity plan, among others. In addition to our permanent employees, we empanel agencies for our outsourcing requirements and also engage persons on a contractual basis. We are subject to various labor laws and regulations governing our relationships with our employees and contractors, including in relation to minimum wages, working hours, overtime, working conditions, hiring and terminating the contracts of employees and contractors, contract labor and work permits.

The Government of India has passed new laws relating to social security, occupational safety, industrial relations and wages namely, the Code on Social Security, 2020, the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020 and the Code on Wages, 2019, respectively which were to take effect from April 1, 2021 (collectively, the "**Labour Codes**"). The Government of India has deferred the effective date of the Labour Codes and they shall come into force from such date as may be notified by the Government. Further, the Code on Social Security, 2020 ("**Social Security Code**") will impact overall employee expenses and, in turn, could impact the profitability of our Company. Under the Social Security Code, a new concept of deemed remuneration has been introduced, such that where an employee receives more than half (or such other percentage as may be notified by the Central Government), of their total remuneration in the form of allowances and other amounts that are not included within the definition of wages under the Social Security Code, the excess amount received shall be deemed as remuneration and accordingly be added to wages for the purposes of the Social Security Code and the compulsory contribution to be made towards the employees' provident fund. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

***69. Financial instability in the global or Indian financial markets could adversely affect our results of operations and financial condition and may cause the price of our Equity Shares to decline*.**

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in the USA and Asian emerging market countries. Financial turmoil in the global economy has affected the Indian economy in the past. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy and could harm our results of operations and financial condition.

Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom's exit from the European Union ("**Brexit**"), there still remains significant uncertainty around the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets.

In addition, China is one of India's major trading partners and there are rising concerns of a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. Such developments, or the perception that they could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

70. Civil disturbances, regional conflicts and other acts of violence in India and abroad may disrupt or otherwise adversely affect the Indian economy.

Certain events that are beyond the control of our Company, such as violence, civil unrest, or geo-political unrest, including those involving India, Russia, Ukraine, the United Kingdom, USA, China or other countries, may adversely affect worldwide financial markets and could potentially lead to a severe economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy. Southern Asia has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighbouring countries. Political tensions could create a perception that there is a risk of disruption of services provided by India-based companies, which could have an adverse effect on our business, future financial performance and the price of the Equity Shares. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that are protracted or involve the threat or use of nuclear weapons, the Indian economy and consequently Company's operations might be significantly affected. India has from time to time experienced social and civil unrest and hostilities, including riots, regional conflicts and other acts of violence. Events of this nature in the future could have an adverse effect on our business, results of operations and financial condition.

71. If inflation rises in India, increased costs may result in a decline in profits.

India has experienced high inflation in the recent past. Increasing inflation in India could cause a rise in the costs of rent, wages, raw materials and other expenses. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients, whether entirely or in part, and may adversely affect our business and financial condition. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows. Further, the GoI and RBI have previously initiated economic measures to combat high inflation rates, and it is unclear how such measures will impact our business as well as the business of our customers. There can be no assurance that Indian inflation levels will not worsen in the future.

72. Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

73. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI or in the alternate, the pricing is in compliance with the extant provisions of the SEBI Regulations. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred above, then the prior approval of the RBI will be required. Additionally, Shareholders who seek to convert the Rupee proceeds from sale of shares in India into foreign currency and repatriate that foreign currency from India may require a no objection or a tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Government agency can be obtained in a timely manner or at all.

In terms of Press Note 3 of 2020, dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade ("**DPIIT**"), the foreign direct investment policy has been recently amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the GoI. Further, in the event of a transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the GoI. Furthermore, on April 22, 2020, the Ministry of Finance, GoI has also made a similar amendment to the FEMA Rules. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

74. There is no existing market for the Equity Shares, and we do not know if one will develop. The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.

Prior to the Issue, there has been no public market for our Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Issue. The Issue Price of the Equity Shares has been determined by our Company in consultation with the BRLM and in accordance with the Book Building Process and is based on numerous factors. For further details, please see section titled "*Basis for the Issue Price*" on page 120. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The Issue Price is not indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. There can be no assurances that Bidders who are Allotted Equity Shares through the Issue will be able to re-sell their Equity Shares at or above the Issue Price.

75. A slowdown in economic growth in India could cause our business to suffer.

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. In particular, the COVID-19 pandemic caused an economic downturn in India and globally. Any downturn in the macroeconomic environment in India could also adversely affect our business, financial condition, results of operations and prospects.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, financial condition, results of operations and prospects.

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or manmade disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India or its financial services sectors.

76. An investment in the Equity Shares is subject to general risks related to investments in Indian companies.

We are incorporated in India and our assets and employees are located in India. Consequently, our business, results of operations, financial condition and the market price of the Equity Shares will be affected by changes in interest rates in India, policies of the Government of India, including taxation policies along with policies relating to industry, political, social and economic developments affecting India.

77. Any downgrading of India's debt rating by an international rating agency could have an adverse impact on our business.

Any adverse change in India's credit ratings by international rating agencies may adversely impact the Indian economy and consequently our ability to raise additional financing in a timely manner or at all, as well as the interest rates and other commercial terms at which such additional financing is available to us. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

78. *Significant differences exist between Ind AS and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our financial condition.*

The Restated Consolidated Financial Information included in this Draft Red Herring Prospectus has been prepared in accordance with Ind AS. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements, which are restated as per the SEBI ICDR Regulations included in this Draft Red Herring Prospectus, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

79. *Rights of Shareholders under Indian laws may differ to those under the laws of other jurisdictions.*

Indian laws and legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and Shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law, including in relation to class actions, may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as a Shareholder in an Indian company than as a Shareholder of an entity in another jurisdiction.

80. *A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.*

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Although these provisions have been formulated to ensure that interests of investors/Shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI Takeover Regulations.

Risks Relating to the Issue and the Equity Shares

81. *We cannot assure payment of dividends on the Equity Shares in the future.*

While our declaration of dividends is at the discretion of our Board and subject to Shareholder approval as set out in the section titled "*Dividend Policy*" on page 272 and the amount of future dividend payments by our Company, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. Our Company may decide to retain all of its earnings to finance the development and expansion of its business and therefore, we may not declare dividends on the Equity Shares. Additionally, we may, in the future, be restricted by the terms of our loan agreements to make any dividend payments unless otherwise agreed with our lenders. Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital and capital expenditure requirements. For further details, please see section titled "*Dividend Policy*" on page 272. We cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to the Shareholders consistent with our past practice, or at all.

82. *The Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the current market price of some securities listed pursuant to certain previous issues managed by the Book Running Lead Manager may be below their respective issue prices.*

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is proposed to be determined through a book-building process and shall be based on various factors, as described in the section titled "*Basis for the Issue Price*" on page 120. This price may not necessarily be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. You may not be able to re-sell your Equity Shares at or above the Issue Price and may as a result lose all or part of your investment.

We cannot assure you that active trading in our Equity Shares will develop after the Issue, or if such trading develops that it will continue. The Bidders may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares.

The trading price of our Equity Shares after this Issue may be subject to significant fluctuations as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Draft Red Herring Prospectus. Further, the current market price of securities listed pursuant to certain previous initial public offerings managed by the Book Running Lead Manager is below its issue price. For further details, please see section titled "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLM*" on page 378.

The market price of our Equity Shares may be influenced by many factors, some of which are beyond our control, including:

- the failure of security analysts to cover the Equity Shares after this Issue, or changes in the estimates of our performance by analysts;
- the activities of competitors and suppliers;
- future sales of the Equity Shares by our major Shareholders;
- investor perception of us and the industry in which we operate;
- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations;
- the public's reaction to our press releases and adverse media reports;
- speculative trading in the Equity Shares;
- changes in exchange rates;
- outbreaks of new pandemics and/ or epidemics; and
- general economic and market conditions.

Changes in relation to any of the factors listed above could adversely affect the market price of the Equity Shares. The market price of the Equity Shares may decline below the Issue Price and investors may not be able to re-sell Equity Shares at or above the Issue Price resulting in a loss of all or part of your investment.

83. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of the Equity Shares, independent of our operating results.

On listing, the Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. The value of the investors' investment and dividend could be adversely affected by any fluctuations in the currency rate. Any dividends in respect of the Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the US Dollar has fluctuated in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on the Equity Shares, independent of our operating results.

84. There is no guarantee that the Equity Shares will be listed on the Stock Exchanges in a timely manner or at all. Investors may not be able to immediately sell any of the Equity Shares subscribed to in this Issue on Indian Stock Exchanges.

In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the Stock Exchanges within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. Pursuant to the applicable Indian laws and practice, permission for listing of the Equity Shares will not be granted till the Equity Shares in this Issue have been issued and allotted and all relevant documents are submitted to the Stock Exchanges. Further, certain actions must be completed prior to the commencement of listing and trading of the Equity Shares such as the Investor's book entry or 'demat' accounts with the Depository Participants in India, expected to be credited within one (1) Working Day of the date on which the Basis of Allotment is finalized with the Designated Stock Exchange. In addition, the Allotment of Equity Shares in the Issue and the credit of such Equity Shares to the applicant's demat account with the Depository Participant could take approximately five (5) Working Days from the Bid/Issue Closing Date and trading in Equity Shares upon receipt of listing and trading approval from the Stock Exchanges, trading of Equity Shares is expected to commence within six (6) Working Days from Bid/ Issue Closing Date. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining the approval or otherwise to commence trading in Equity Shares would restrict your ability to dispose of your Equity Shares. We cannot assure you that the Equity Shares will be credited to investors' demat accounts or that trading in the Equity Shares will commence in a timely manner (as specified herein) or at all. We could also be required to pay interest at the applicable rates if the Allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

85. There is no assurance that the Equity Shares will remain listed on the Stock Exchange.

Although it is currently intended that the Equity Shares will be listed on the Stock Exchanges, there is no guarantee of the continued listing of the Equity Shares. Among other factors, we may not continue to satisfy the listing requirements of the Stock Exchanges. Accordingly, Shareholders will not be able to sell their Equity Shares through trading on the Stock Exchanges if the Equity Shares are no longer listed on the Stock Exchanges.

86. Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and the sale of Equity Shares by the Promoter may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth, whether organic or inorganic, through future equity offerings. Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, may lead to dilution of your shareholding in our Company. Any future equity issuances by us (including under an employee benefit scheme) or disposal of our Equity Shares by the Promoter or any of our other shareholders or any other change in our shareholding structure to comply with the minimum public shareholding norms applicable to listed companies in India or any public perception regarding such issuances or sales may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt.

Except as disclosed in section titled "*Capital Structure*" on page 89, we cannot assure you that we will not issue further Equity Shares or that our existing Shareholders including our Promoter will not dispose of further Equity Shares after the completion of the Issue (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or pledge or encumber their Equity Shares. Any future issuances could also dilute the value of Shareholder's investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the Issue Price. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

87. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.

Under the Companies Act, a public company incorporated in India must offer its equity Shareholders pre-emptive rights to subscribe and pay for a proportionate number of Equity Shares to maintain their existing ownership percentages prior to issuance of any new Equity Shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the Equity Shares voting on such resolution.

However, if the laws of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company would be diluted.

88. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("STT") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company

The Finance Act, 2020 ("**Finance Act 2020**") had stipulated that the sale, transfer and issue of certain securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act 2020 also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of certain securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of certain securities, other than debentures, on a delivery basis is currently specified under the Finance Act 2020 at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have come into effect from July 1, 2020. Under the Finance Act 2020, any dividends paid by an Indian company is subject to tax in the hands of the shareholders at applicable rates. Such taxes are to be withheld by the Indian company paying dividends. Further, the Finance Act, 2020, which followed, removed the requirement for DDT to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. The Bank may grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends subject to appropriate documentation provided by such non-resident shareholder. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

Further, the Government of India announced the Union Budget for Fiscal 2023, pursuant to which the Finance Bill 2023 has proposed various amendments. The Finance Bill 2023 has received assent from the President of India on March 31, 2023, and has been enacted as the Finance Act, 2023. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

89. Qualified Institutional Buyers and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid and the Retail Individual Bidders are not permitted to withdraw their Bids after the Bid/Issue Closing Date.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to block the Bid Amount on the submission of the Bid and not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. RIBs can revise or withdraw their Bids at any time during the Bid/Issue Period and until the Bid/Issue Closing Date, but not thereafter. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all the Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within six (6) Working Days from the Bid/Issue Closing Date or such other period as may be prescribed by SEBI, events affecting the Bidders' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

SECTION IV – INTRODUCTION

THE ISSUE

The following table summarizes details of the Issue:

Issue[(1)]^	Up to 2,41,30,000 Equity Shares for cash at price of ₹ [●] per Equity Share (including a premium of [●] per Equity Share), aggregating up to ₹ [●] lakhs
of which:	
BLS International Shareholder Reservation Portion[(2)]	Up to [●] Equity Shares
Net Issue	Up to [●] Equity Shares
Of which	
A) QIB Portion [(3)]	Not less than [●] Equity Shares
of which:	
(i) Anchor Investor Portion	Up to [●] Equity Shares
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares
(b) Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion [(4)(5)]	Not more than [●] Equity Shares
of which:	
(i) One-third of the Non-Institutional Portion available for allocation to Non-Institutional Bidders with a Bid Amount of more than ₹ 2.00 lakhs to ₹ 10.00 lakhs	[●] Equity Shares
(ii) Two-third of the Non-Institutional Portion available for allocation to Non-Institutional Bidders with a Bid Amount of more than ₹ 10.00 lakhs	[●] Equity Shares
C) Retail Portion [(6)]	Not more than [●] Equity Shares
Pre-Issue and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue (as at the date of this Draft Red Herring Prospectus)	6,67,26,485 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Net Proceeds	For further details please see section titled "*Objects of the Issue*" on page 101.

Notes:

^ *This Issue is being made in terms of Regulation 6(2) of Chapter II of the SEBI (ICDR) Regulations. For further details, please see section titled "Issue Structure" on page 389 of this Draft Red Herring Prospectus. Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement of up to 11,00,000 Equity Shares. If the Pre-IPO Placement is undertaken, the Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Issue complying with Rule 19(2)(b) of the SCRR.*

(1) The Issue has been authorized by a resolution of our Board of Directors dated July 31, 2023 and by a special resolution of our Shareholders dated August 1, 2023.

(2) The BLS International Shareholder Reservation Portion shall not exceed 10.00% of the Issue size. The unsubscribed portion, if any, in the BLS International Shareholder Reservation Portion, shall be added to the Net Issue. Bids by BLS International Shareholders in the BLS International Shareholder Reservation Portion, the Net Issue portion shall not be treated as multiple Bids subject to applicable limits. To clarify, BLS International Shareholders Bidding in the BLS International Shareholder Reservation Portion above ₹ 200,000 can Bid in the Net Issue for up to ₹ 200,000, otherwise such Bids shall be treated as multiple Bids. If a BLS International Shareholder is Bidding in the BLS International Shareholder Reservation Portion up to ₹ 200,000, application by such BLS International Shareholder in the Retail Portion or Non-Institutional Portion shall not be treated as multiple Bids. Therefore, BLS International Shareholders bidding in the BLS International Shareholder Reservation Portion (subject to the Bid Amount being up to ₹ 200,000) can also Bid under the Net Issue and such Bids shall not be treated as multiple Bids. For further details, see "Issue Structure" on page 389. Our Company in consultation with the BRLM, may offer a discount of up to [•]% to the Issue Price (equivalent of ₹ [•] per Equity Share) to BLS International Shareholders Bidding in the BLS International

Shareholder Reservation Portion, subject to necessary approvals as may be required, and which shall be announced at least two Working Days prior to the Bid / Issue Opening Date.

(3) Subject to valid bids being received our Company may in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please see section titled "Issue Procedure" on page 394.

(4) Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, as applicable, at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange subject to applicable law. In the event of under-subscription in the Issue, subject to receiving minimum subscription for 90% of the Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, the Allotment for the valid Bids will be made, in the first instance, towards subscription for 90% of the Issue. For further details, please see section titled "Issue Procedure" on page 394.

(5) The Equity Shares available for allocation to Non-Institutional Investors under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with an application size of more than ₹ 2.00 lakhs and up to ₹ 10.00 lakhs, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹ 10.00 lakhs, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Investors. The allotment to each Non-Institutional Investor shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis.

(6) Allocation to all categories, except Anchor Investors, if any, Non-Institutional Investors and Retail Individual Bidders, shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. The allocation to each Non-Institutional Bidder shall not be less than ₹ 2.00 lakhs subject to the availability of Equity Shares in Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For further details, please see section titled "Issue Procedure" on page 394.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹500,000, shall use UPI. UPI Bidders using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

For details, including in relation to grounds for rejection of Bids, please see sections titled "*Issue Structure*" and "*Issue Procedure*" on pages 389 and 394, respectively. For details of the terms of the Issue, please see section titled "*Terms of the Issue*" on page 383.

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our Restated Consolidated Financial Information.

The Restated Consolidated Financial Information has been prepared, based on financial statements for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021. The Restated Consolidated Financial Information has been prepared in accordance with Ind AS and the Companies Act, 2013, restated in accordance with the SEBI ICDR Regulations and are presented in the section titled "Restated Consolidated Financial Information" on page 273.

The summary financial information presented below may differ in certain significant respects from generally accepted accounting principles in other countries, including IFRS. The summary financial information presented below should be read in conjunction with "Financial Information", including the notes and annexures thereto, on page 273 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 332.

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RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(in ₹ lakhs, unless stated otherwise)

Particulars	**For the year ended**		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
I. ASSETS			
Non-current asset			
a. Property, plant & equipment	107.30	20.31	13.33
b. Intangible assets	2.09	1.66	0.08
c. Right to Use	492.89	634.88	-
d. Goodwill	8,148.60	800.65	800.65
e. Financial assets :			
Other financial assets	1,165.74	1,030.49	829.71
f. Deferred tax assets (Net)	267.58	280.42	250.07
g. Non current tax assets (net)	739.28	144.22	96.48
Total non- current assets	**10,923.48**	**2,912.63**	**1,990.32**
Current asset			
a. Inventories	55.63	-	-
b. Financial assets			
(i) Trade receivables	1,822.41	854.14	884.69
(ii) Cash and cash equivalents	1,570.64	604.96	749.96
(iii) Bank balance other than cash and cash equivalents	2,939.08	760.06	184.16
(iv) Loans and advances	-	-	46.83
(v) Other financial assets	129.88	208.04	137.72
c. Other current assets	505.47	253.10	65.05
Total current assets	**7,023.11**	**2,680.30**	**2,068.41**
TOTAL ASSETS	**17,946.59**	**5,592.93**	**4,058.73**
II. EQUITY & LIABILITIES			
Equity			
a. Equity share capital	6,672.65	1.00	1.00
b. Other equity	4,021.38	678.39	139.60
c. Share capital pending alotment	-	827.30	827.30
Total equity	**10,694.03**	**1,506.69**	**967.90**
Non controlling Interest	**451.18**	**-**	**-**
Liabilities			
Non current liabilities			
a. Financial liabilities :-			
(i) Borrowings	-	726.05	-
(ii) Lease Liability	387.30	552.69	-
b. Provisions	26.17	24.32	15.53
Total non-current liabilities	**413.47**	**1,303.06**	**15.53**
Current liabilities			
a. Financial liabilities:			
(i) Borrowings	-	150.00	1,101.57
(ii) Lease Liability	131.01	93.02	-
(iii) Trade payables			
Total oustanding dues of micro enterprises and small enterprises and	-	-	-
Total oustanding dues to creditors other than micro enterprises and mall enterprises	249.18	794.36	161.07
(iv) Other financial liabilities	5,336.42	1,522.98	1,682.58
b. Provisions	1.93	1.02	3.13
c. Other current liabilities	669.37	221.80	126.95
Total current liabilities	**6,387.91**	**2,783.18**	**3,075.30**
TOTAL EQUITY AND LIABILITIES	**17,946.59**	**5,592.93**	**4,058.73**

RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

(in ₹ lakhs, unless stated otherwise)

Particulars	**For the year ended**		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
I. Revenue from operations	24,306.07	9,669.82	6,448.72
II. Other income	323.20	169.74	74.63
TOTAL INCOME (I+II)	**24,629.27**	**9,839.56**	**6,523.35**
III. EXPENSES:			
Cost of services	16,156.48	6,351.60	4,194.80
Employee benefits expense	2,322.53	640.87	381.23
Finance cost	392.82	102.32	147.73
Depreciation and amortisation expense	278.21	82.01	7.33
Other expenses	2,521.29	1,985.02	1,400.04
TOTAL EXPENSES	**21,671.33**	**9,162.82**	**6,131.13**
IV. Profit before exceptional items & tax	**2,957.94**	**677.74**	**392.22**
Exceptional items	260.00	-	-
Profit before tax	2,697.94	677.74	392.22
V. Tax expense:			
a) Current tax	645.87	168.06	79.52
b) Deferred tax	89.51	(30.63)	(2.47)
c) Tax expense for earlier years	(70.62)	2.35	0.35
TOTAL TAX EXPENSE	**664.76**	**139.78**	**77.40**
VI. PROFIT FOR THE YEAR (IV-V)	**2,033.18**	**537.96**	**314.82**
VII. **OTHER COMPREHENSIVE INCOME (OCI)**			
A) Items that will not be reclassified to profit or loss			
(a) Re-measurements of defined benefit plans	19.55	1.11	3.90
(b) Tax on Re-measurements of defined benefit plans	(4.92)	(0.28)	(0.98)
B) Items that will be reclassified to profit or loss (net of tax)			
TOTAL OTHER COMPREHENSIVE INCOME/(LOSSES)	**14.63**	**0.83**	**2.92**
VII. TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**2,047.81**	**538.79**	**317.74**
IX. Earnings per equity share: basic and diluted (Rs.)	**3.02**	**0.89**	**0.52**
Profit attributable to:			
Owner of the company	1,888.02	537.96	314.82
Non-controlling interests	145.16	-	-
Profit for the year	**2,033.18**	**537.96**	**314.82**
Other Comprehensive income attributable to:			
Owner of the company	13.58	**0.83**	**2.92**
Non-controlling interests	1.05		
Other Comprehensive income for the year	**14.63**	**0.83**	**2.92**
Total Comprehensive income attributable to:			
Owner of the company	1,901.60	538.79	317.74
Non-controlling interests	146.21	-	-
Total Comprehensive income for the year	**2,047.81**	**538.79**	**317.74**

RESTATED CONSOLIDATED CASH FLOW STATEMENT

(in ₹ lakhs, unless stated otherwise)

Particulars	For the year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Cash flow from operating activities			
Profit for the period (Before tax)	2,697.94	677.74	392.22
Adjustments to reconcile net profit to net cash by operating activities			
Exceptional Items	260.00	-	-
Depreciation & amortization expense	278.21	82.01	7.33
Finance costs	392.82	102.32	147.73
Interest Income	(95.12)	(78.21)	(62.62)
Bad debts	31.03	-	-
Balance Write off	26.76	-	-
Profit on Sale of Investment	(39.21)	-	-
Profit on sale of Car	(2.75)	-	-
Operating profit before working capital change	**3,549.68**	**783.86**	**484.66**
Adjustments for:			
(Increase)/ decrease in inventories	11.64	-	-
(Increase)/ decrease in trade receivables	644.80	30.55	(0.94)
(Increase)/ decrease in other financial current assets	230.23	(29.16)	(8.61)
(Increase)/ decrease in other current assets	(9.87)	(188.07)	34.66
(Increase)/ decrease in other non-current Financial assets	(46.34)	(56.18)	(0.70)
(Increase)/ decrease in non-current loans	-	-	-
(Increase)/ decrease in other non-current assets	-	-	-
(Increase)/ decrease in provision	(0.87)	7.80	6.93
(Increase)/ decrease in other non Current liabilities	-	552.69	-
(Increase)/ decrease in trade payables	(1,723.62)	633.29	(20.51)
(Decrease)/ increase in other financial current liabilities	171.96	362.78	389.41
(Decrease)/ increase in other current liabilities	447.56	94.84	41.88
Cash from/(used in) operations	**3,275.17**	**2,192.40**	**926.78**
Direct taxes paid	(387.86)	(218.15)	(62.73)
Net cash flow from/(used in) operating activities	**2,887.31**	**1,974.25**	**864.05**
Cash flow from investing activities			
Purchase of property, plant and equipment and Intangible assets	(86.23)	(21.72)	(7.60)
Loan to parent company	-	-	-
Purchase of intangible assets	(2.51)	(703.72)	-
Investment in subsidiary company	(7,663.15)	-	-
Proceeds from investments	3,170.00	-	-
Proceeds from Car	3.69	-	-
Investments in term deposits	(2,172.00)	(664.98)	(72.29)
Interest incomes	186.97	28.37	22.73
Net cash flow used in investing activities	**(6,563.23)**	**(1,362.05)**	**(57.16)**
Cash flow from financing activities			
Proceeds from non-current borrowings	-	726.05	-
Repayment of current borrowing (Net)	(1,268.62)	(951.57)	(431.65)
Proceeds/ (Repayment) of Short Term Borrowings (net)	(726.05)	-	-
Proceeds from Issue of share	7,275.62	-	-
Repayment of lease liabilities	(257.93)	-	-
Interest paid	(381.42)	(531.68)	(49.25)
Net cash Flow (used in)/from financing activities	**4,641.60**	**(757.20)**	**(480.90)**
Net increase /(decrease) in cash and cash equivalent (A+B+C)	965.68	(145.00)	325.99

Particulars	For the year ended		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
Cash and cash equivalent at the beginning of the year	604.96	749.96	423.97
Cash and cash equivalent at the end of the year	**1,570.64**	**604.96**	**749.96**
Cash on hand	46.65	74.18	50.41
With Bank - on current account	1,523.99	530.78	699.55
Total cash and cash equivalent	**1,570.64**	**604.96**	**749.96**

Notes:

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows

(b) Figures in bracket represents cash outflow.

GENERAL INFORMATION

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. Subsequently, our Company was converted from a private limited company to a public limited company, pursuant to the 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 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 - Changes in the Registered Office of our Company"* on page 236.

Registered and Corporate Office of our Company

The address and certain other details of our Registered and Corporate Office are as follows:

BLS E-Services Limited

Registered Office
G-4B-1, Extension,
Mohan Co-operative Indl. Estate Mathura Road,
South Delhi, New Delhi – 110044,
India
Telephone: +91-11-45795002
Website: www.blseservices.com

Corporate Office
Plot no. 865, Udyog Vihar,
Phase V, Gurugram, Haryana- 122016, India
Telephone: +91- 8826764069
Website: www.blseservices.com

Company Registration Number and Corporate Identity Number

The registration number and corporate identity number of our Company are set forth below:

Particulars	Number
Company Registration Number	298207
Corporate Identity Number	U74999DL2016PLC298207

The Registrar of Companies

Our Company is registered with the RoC, which is situated at the following address:

Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi
4th Floor, IFCI Tower
61 Nehru Place
New Delhi – 110 019
Delhi, India

Board of Directors

The following table sets out the brief details of our Board of Directors as on the date of this Draft Red Herring Prospectus:

Name	DIN	Designation	Address
Diwakar Aggarwal	00144645	Non-Executive Director	4, Shankaracharya Marg, Civil Lines, North Delhi, Delhi – 110054, India
Shikhar Aggarwal	06975729	Chairman and Non-Executive Director	4, Shankaracharya Marg, Civil Lines, North Delhi, Delhi – 110054, India
Rahul Sharma	06879073	Executive Director	B-68, Sharda Puri, Ramesh Nagar, West Delhi - 110015
Shivani Mishra	07221507	Independent Director	House no 8, Panchwati Colony, Opposite Pawan Cinema, Ghaziabad-201001, Uttar Pradesh, India
Ram Prakash Bajpai	07198693	Independent Director	House Number - B-10/ 7488, Vasant Kunj, South West Delhi, Delhi -110070, India
Rakesh Mohan Garg	08970794	Independent Director	H- 38, 3rd Floor, Green Park Extension, Green Park Market, South Delhi, New Delhi – 110016, India
Manoj Joshi	00036546	Independent Director	D-36, 2nd Floor, Hauz Khas Market, Hauz Khas, South Delhi, Delhi- 110016, India

For further details of our Board of Directors, please see section titled "*Our Management*" on page 245.

Company Secretary and Compliance Officer

Sanjay Kumar Rawat is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

Sanjay Kumar Rawat
G-4B-1, Extension,
Mohan Co-operative Indl. Estate Mathura Road,
South Delhi, New Delhi – 110044,
India
Telephone: +91-11-45795002
Email: cs@blseservices.com

Investor Grievances

Investors can contact the Company Secretary and Compliance Officer, the BRLM or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode.

All Issue related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than UPI Bidders using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), in case of UPI Bidders using the UPI Mechanism.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Issue- related grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the sole or first Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor.

Registrar to the Issue
KFin Technologies Limited
Selenium, Tower B, Plot No. 31- 32, Gachibowli, Financial District,
Nanakramguda, Serilingampally
Hyderabad -500 032, Telangana, India
Telephone: + 91 40 6716 2222
Email: blseservices.ipo@kfintech.com
Investor grievance email: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M. Murali Krishna
SEBI Registration No: INR000000221

Book Running Lead Manager

Unistone Capital Private Limited
305, A Wing, Dynasty Business Park, Andheri Kurla Road,
Andheri East, Mumbai- 400059, Maharashtra, India
Telephone: + 91 9820057533
Email: mb@unistonecapital.com
Investor Grievance Email: compliance@unistonecapital.com
Website: www.unistonecapital.com
Contact Person: Brijesh Parekh
SEBI Registration No: INM000012449

Syndicate Members

[●]

Statement of responsibilities

Since Unistone Capital Private Limited is the sole BRLM to the Issue and all the responsibilities relating to the co-ordination and other activities in relation to the Issue shall be performed by them and hence, a statement of inter se allocation of responsibilities is not applicable.

Appraising Entity

None of the objects of the Issue for which Net Proceeds will be utilised have been appraised by any agency.

Legal Counsel to the Issue

Dentons Link Legal
Aiwan-e-Ghalib Complex,
Mata Sundri Lane,
New Delhi 110 002, India
Telephone: +91 11 4651 1000

Statutory Auditor to our Company

S. S. Kothari Mehta & Company, Chartered Accountants
Plot No. 68, First Floor, Okhla Industrial Area,
Phase III, New Delhi - 110020
Email: delhi@sskmin.com
Telephone: +91 11 46708888
Firm registration number: 000756N

Peer review certificate number: 014441

Changes in the auditors

There has been no change in our statutory auditors in the three years preceding the date of this Draft Red Herring Prospectus.

Banker(s) to our Company

ICICI Bank Limited
A/01, Branch C232, Sector - 48,
Noida - 201301, Uttar Pradesh
Telephone: +91 9372509728
Email: mayank.tonk@icicibank.com
Website: www.icicibank.com
Contact Person: Mayank Tonk
CIN: L65190GJ1994PLC021012

Banker(s) to the Issue

[●]

Escrow Collection Bank(s)

[●]

Public Issue Account Bank(s)

[●]

Refund Bank(s)

[●]

Sponsor Bank(s)

[●]

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available on the SEBI website at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time.

A list of the Designated SCSB Branches with which an ASBA Bidder (other than a UPI Bidder using UPI Mechanism), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the ASBA Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time.

Self-Certified Syndicate Banks eligible as Issuer Banks and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022 and SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023, the UPI Bidders using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI. The list of SCSBs through which Bids can be submitted by UPI Bidders using the UPI Mechanism, including details such as the eligible mobile applications and UPI handle which can be used for such Bids, is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, respectively, as may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and RIBs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, which may be updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, the website is at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stockbroker network of the stock exchange, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers eligible to accept ASBA Forms from Bidders (other than UPI Bidders), including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.Aspx? and https://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.Aspx? and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.Aspx? and on the website of NSE at http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.

Credit Rating

As this is an Issue consisting only of Equity Shares, there is no requirement to obtain credit rating for the Issue.

Debenture Trustee

As this is an Issue consisting only of Equity Shares, the appointment of a debenture trustee is not required.

Monitoring Agency

Our Company shall, in compliance with Regulation 41 of the SEBI ICDR Regulations, appoint a monitoring agency for monitoring the utilisation of the proceeds from the Issue prior to filing of the Red Herring Prospectus. For details in relation to the proposed utilisation of the proceeds from the Issue, please see section titled "*Objects of the Issue*" on page 101.

Grading of the Issue

No credit agency registered with SEBI has been appointed for obtaining grading for the Issue.

Green Shoe Option

No green shoe option is contemplated under the Issue.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated August 4, 2023 from our Statutory Auditor, S S Kothari Mehta & Company, Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as our Statutory Auditor and in respect of their (i) examination report dated July 10, 2023, on our Restated Consolidated Financial Information, and (ii) report dated August 1, 2023, on the statement of special tax benefits available to our Company, and included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this DRHP. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated August 4, 2023, from MRKS and Associates, Chartered Accountants, to include their name as required under Section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the Independent Chartered Accountant, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated August 2, 2023, from Chetan Sharma & Associates, Chartered Engineer, to include their name as required under Section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the chartered engineer in respect of certification of information relating of upgradation and renovation works at BLS Stores, as included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Underwriting Agreement

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus. After the determination of the Issue Price and allocation of Equity Shares but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued in the Issue. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares pursuant to the Underwriting Agreement:

(This portion has been left blank intentionally and will be updated prior to the filing of the Prospectus with the RoC)

Name, address, telephone and email of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (in ₹ lakhs)
[●]	[●]	[●]
[●]	[●]	[●]
Total	[●]	[●]

The abovementioned underwriting commitment is indicative and will be finalized after determination of the Issue Price and Basis of Allotment and will be subject to the provisions of Regulation 40(2) of the SEBI ICDR Regulations.

In the opinion of our Board of Directors, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them.

Subject to the applicable laws and pursuant to the terms of the Underwriting Agreement, the BRLM will be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations.

Filing of the Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus has been filed electronically through the SEBI Intermediary Portal at https://sipotal.sebi.gov.in, as specified in Regulation 25(8) of the SEBI ICDR Regulations and in accordance with SEBI master circular bearing reference SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023. It will also be filed with the SEBI at the following address:

Securities and Exchange Board of India
SEBI Head Office**,** SEBI Bhavan
Plot No. C4-A, “G” Block
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051

Filing of the Red Herring Prospectus and Prospectus

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed, will be filed with the RoC in accordance with Section 32 of the Companies Act, 2013, and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, 2013, will be filed with the RoC at its office at 4th Floor, IFCI Tower 61 Nehru Place New Delhi – 110 019, Delhi**,** and through the electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do.

Book Building Process

Book building, in the context of the Issue, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms, if any, within the Price Band. The Price Band and minimum Bid Lot will be decided by our Company, in consultation with the Book Running Lead Manager, and if not disclosed in the Red Herring Prospectus, will be advertised in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper, Hindi also being the regional language of New Delhi, where our Registered Office is located, each with wide circulation, at least two Working Days prior to the Bid / Issue Opening Date, and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. The Issue Price shall be determined by our Company, in consultation with the Book Running Lead Manager, after the Bid / Issue Closing Date. For further details, please see section titled “*Issue Procedure*” on page 394.

All Bidders, other than Anchor Investors, shall only participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs. The UPI Bidders may participate through the ASBA process, either by (i) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (ii) using the UPI Mechanism. Pursuant to SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders whose application sizes are up to ₹ 500,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and BLS International Shareholders Bidding through BLS International Shareholders Reservation Portion subject to the Bid Amount being up to ₹200,000) can revise their Bids during the Bid / Issue Period and withdraw their Bids until the Bid / Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to RIBs, NIBs and the Anchor Investors, Allocation in the Issue will be on a proportionate basis while allocation to Anchor Investors will be on a discretionary basis.

The Book Building Process under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors are advised to make their own judgement about investment through this process prior to submitting a Bid in the Issue.

Bidders should note that the Issue is also subject to obtaining (i) final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

For further details on the method and procedure for Bidding, please see sections titled *"Issue Structure"* and "*Issue Procedure*" on pages 389 and 394, respectively.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and further details, please see sections titled "*Terms of the Issue*" and "*Issue Procedure*" on pages 383 and 394, respectively.

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Draft Red Herring Prospectus, is set forth below.

(in ₹, except share data)

S. No.	Particulars	Aggregate Value at face value (₹)	Aggregate Value at Issue price
A)	**AUTHORISED SHARE CAPITAL**		
	11,00,00,000 Equity Shares having face value of ₹10/- each	110,00,00,000	-
B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**		
	6,67,26,485 Equity Shares having face value of ₹10/- each	66,72,64,850	-
C)	**PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Issue of up to 2,41,30,000 Equity Shares of face value of ₹10/- each aggregating up to [●] lakhs#	[●]	[●]
	Which includes:		
	BLS International Shareholders Reservation Portion up to [●] Equity Shares	[●]	[●]
D)	**ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL AFTER THE ISSUE****		
	[●] Equity Shares of face value of ₹10/- each	[●]	[●]
E)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue (as on date of this Draft Red Herring Prospectus	22,91,26,884	
	After the Issue**	[●]	

*** Subject to finalization of Basis of Allotment*

#In the event that the Company is in need of funds for its business, a Pre-IPO Placement may be undertaken by our Company, in consultation with the BRLM, for an aggregate amount aggregating up to 11,00,000 Equity Shares. If the Pre-IPO Placement is undertaken, the Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the issue complying with Rule 19(2)(b) of the SCRR.

a) *For details in relation to changes in the authorised share capital of our Company in last 10 years, please see section titled "History and Corporate Structure of the Issuer – Amendments to our Memorandum of Association" on page 237.*

b) *The present Issue of up to 2,41,30,000 Equity Shares in terms of this Draft Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated July 31, 2023 and by a special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of the members of the Company held on August 1, 2023.*

Notes to the Capital Structure

1. ***Equity Share Capital History of our Company:***

    1. The following table sets forth the history of the Equity Share capital of our Company:

Date of Allotment	Nature of Allotment	Details of allottees/shareholders and Equity Shares allotted	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration
April 8, 2016	Initial Subscription to the Memorandum of Association	9,999 Equity Shares were allotted to BLS International Services Limited, and 1 Equity Share were allotted to Diwakar Aggarwal as a	10,000	10.00	10.00	Cash

Date of Allotment	Nature of Allotment	Details of allottees/shareholders and Equity Shares allotted	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration
		nominee shareholder of BLS International Services Limited				
October 1, 2022	Bonus Issue in the ratio of 600:1	59,99,400 Equity Shares were allotted to BLS International Services Limited and 600 Equity Shares were allotted to Diwakar Aggarwal as a nominee shareholder of BLS International Services Limited	60,00,000	10.00	NA	NA
October 4, 2022	Rights Issue	25,00,000 Equity Shares were allotted to BLS International Services Limited	25,00,000	10.00	100.00	Cash
October 31, 2022	Equity Share Swap on rights basis*	7,41,297 Equity Shares issued to BLS International Services Limited	7,41,297	10.00	111.60	Consideration other than Cash
December 21, 2022	Private Placement	7,21,000 Equity Shares were allotted to Diwakar Aggarwal, 2,71,000 Equity Shares were allotted to Shikhar Aggarwal, 2,71,000 Equity Shares were allotted to Karan Aggarwal, 2,000 Equity Shares were allotted to Gaurav Aggarwal, 2,000 Equity Shares were allotted to Nimit Aggarwal and 8,27,000 Equity Shares were allotted to Sunabh Consultancy Private Limited.	20,94,000	10.00	123.00	Cash
December 21, 2022	Sweat Equity	10,00,000 Equity Shares were allotted to Diwakar Aggarwal, and 10,00,000 Equity Shares were allotted to Shikhar Aggarwal	20,00,000	10.00	123.00**	Cash (₹ 110 per Equity Share) and other than cash (₹ 13 per Equity Share)
December 30, 2022	Bonus Issue in the ratio 4:1	3,70,05,188 Equity Shares were allotted to BLS International Services Limited, 68,84,000 Equity Shares were allotted to Diwakar Aggarwal, 50,84,000 were	5,33,81,188	10.00	NA	NA

Date of Allotment	Nature of Allotment	Details of allottees/shareholders and Equity Shares allotted	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration
		allotted to Shikhar Aggarwal, 10,84,000 Equity Shares were allotted to Karan Aggarwal, 8,000 Equity Shares were allotted to Gaurav Aggarwal, 8,000 Equity Shares were allotted to Nimit Aggarwal and 33,08,000 were allotted to Sunabh Consultancy Private Limited.				

**Our Board of Directors in their meeting dated October 31, 2022, accorded their consent vide share swap agreement dated October 27, 2022, entered into between BLS International Services Limited and our Company and BLS Kendras Private Limited, to allot 7,41,297 Equity Shares to BLS International Services Limited for a consideration other than cash amounting to ₹ 8,27,29,734. For further details, please see section titled "History and Corporate Structure of the Issuer" on page 236.*
***The valuation of the value addition made by Diwakar Aggarwal and Shikhar Aggarwal was determined as ₹ 2,200.00 lakhs (the sweat equity shares had a fair market value of ₹ 123 per share) by M/s Corporate Professionals Capital Private Limited, an Independent Valuer, vide its valuation report dated December 3, 2022.*

2. Our Company does not have any preference share capital as on the date of this Draft Red Herring Prospectus.

3. ***Shares issued for consideration other than cash or by way of bonus issue***

Except as stated below, our Company has not issued any Equity Shares for consideration other than by way of cash or by way of bonus issue at any time since incorporation:

Date of Allotment	Nature of Allotment	Details of allottees/shareholders and Equity Shares allotted	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration
October 1, 2022	Bonus Issue in the ratio of 600:1	59,99,400 Equity Shares were allotted to BLS International Services Limited and 600 Equity Shares were allotted to Diwakar Aggarwal as a nominee shareholder of BLS International Services Limited	60,00,000	10.00	NA	NA
October 31, 2022	Equity Share Swap on rights basis	7,41,297 Equity Shares issued to BLS International Services Limited	7,41,297	10.00	111.60	Consideration other than Cash
December 21, 2022	Sweat Equity Shares	10,00,000 Equity Shares were allotted to Diwakar Aggarwal, and 10,00,000 Equity Shares were allotted to Shikhar Aggarwal	20,00,000	10.00	123.00*	Cash (₹ 110 per Equity Share) and other than cash (₹ 13 per Equity Share)

Date of Allotment	Nature of Allotment	Details of allottees/shareholders and Equity Shares allotted	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration
December 30, 2022	Bonus Issue in the ratio 4:1	3,70,05,188 Equity Shares were allotted to BLS International Services Limited, 68,84,000 Equity Shares were allotted to Diwakar Aggarwal, 50,84,000 were allotted to Shikhar Aggarwal, 10,84,000 Equity Shares were allotted to Karan Aggarwal, 8,000 Equity Shares were allotted to Gaurav Aggarwal, 8,000 Equity Shares were allotted to Nimit Aggarwal and 33,08,000 were allotted to Sunabh Consultancy Private Limited.	5,33,81,188	10.00	NA	NA

**The valuation of the value addition made by Diwakar Aggarwal and Shikhar Aggarwal was determined as ₹ 2,200.00 lakhs (the sweat equity shares had a fair market value of ₹ 123 per share) by M/s Corporate Professionals Capital Private Limited, an Independent Valuer, vide its valuation report dated December 3, 2022.*

4. ***Shares issued out of revaluation reserves***

Our Company has not issued any shares out of revaluation reserves since its incorporation.

5. ***Issue of Equity Shares under any scheme of arrangement***

Our Company has not allotted any Equity Shares pursuant to any scheme approved under Section 230 to 234 of the Companies Act, 2013.

6. ***Issue of Equity Shares at a price lower than the Issue Price in the preceding one year***

Except as disclosed below, our Company has not issued any equity shares at a price lower than the Issue price in the preceding one year. For further details, please see section titled "- *Notes to the Capital Structure – Equity share capital history of our Company*" on page 89.

Date of Allotment	Reason for Issue / Allotment	Details of allottees/shareholders and Equity Shares allotted	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration
October 1, 2022	Bonus Issue in the ratio of 600:1	59,99,400 Equity Shares were allotted to BLS International Services Limited (Promoter) and 600 Equity Shares were allotted to Diwakar Aggarwal (Promoter Group) as a nominee	60,00,000	10.00	NA	NA

Date of Allotment	Reason for Issue / Allotment	Details of allottees/shareholders and Equity Shares allotted	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration
		shareholder of BLS International Services Limited				
December 30, 2022	Bonus Issue in the ratio 4:1	3,70,05,188 Equity Shares were allotted to BLS International Services Limited (Promoter), 68,84,000 Equity Shares were allotted to Diwakar Aggarwal (Promoter Group), 50,84,000 were allotted to Shikhar Aggarwal (Promoter Group), 10,84,000 Equity Shares were allotted to Karan Aggarwal (Promoter Group), 8,000 Equity Shares were allotted to Gaurav Aggarwal (Promoter Group), 8,000 Equity Shares were allotted to Nimit Aggarwal (Promoter Group) and 33,08,000 were allotted to Sunabh Consultancy Private Limited	5,33,81,188	10.00	NA	NA

**The valuation of the value addition made by Diwakar Aggarwal and Shikhar Aggarwal was determined as ₹ 2,200.00 lakhs (the sweat equity shares had a fair market value of ₹ 123 per share) by M/s Corporate Professionals Capital Private Limited, an Independent Valuer, vide its valuation report dated December 3, 2022.*

7. ***History of build-up of Promoter's shareholding and lock-in of Promoters' shareholding (including Promoters' contribution)***

As on the date of this Draft Red Herring Prospectus, our Promoter hold, in aggregate, 4,62,56,485 Equity Shares, which constitute 69.32% of the issued, subscribed and paid-up Equity Share Capital of our Company. All the Equity Shares held by our Promoter is in dematerialised form. The details regarding our Promoter's shareholding are set forth below:

1. ***Build-up of Promoter's Shareholding in our Company***

Set forth below is the build-up of our Promoter's shareholding since the incorporation of our Company.

Date of allotment/transfer	Number of Equity Shares allotted/transferred	Nature of transaction	Nature of consideration	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	% of the pre-Issue Equity Share Capital	% of the post-Issue Equity Share Capital
BLS International Services Limited							

Date of allotment/transfer	Number of Equity Shares allotted/transferred	Nature of transaction	Nature of consideration	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	% of the pre-Issue Equity Share Capital	% of the post-Issue Equity Share Capital
April 8, 2016	9,999	Initial Subscription to MoA	Cash	10.00	10.00	0.01	[●]
October 1, 2022	59,99,400	Bonus Issue in the ratio 600:1	NA	10.00	NA	8.99	[●]
October 4, 2022	25,00,000	Rights Issue	Cash	10.00	100.00	3.75	[●]
October 31, 2022	7,41,297	Equity Share Swap	Consideration other than Cash	10.00	111.60	1.11	[●]
December 21, 2022	601	Transfer from Diwakar Aggarwal (nominee shareholder)	NA	10.00	0.00	0.00	[●]
December 30, 2022	3,70,05,188	Bonus Issue in the ratio of 4:1	NA	10.00	NA	55.46	[●]
Total	**4,62,56,485**	-	-	-	-	**69.32**	[●]

As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoter are pledged or are otherwise encumbered. All the Equity Shares acquired by the Promoter are fully paid-up on the respective dates of acquisition/allotment of such Equity Shares.

2. ***Shareholding of our Promoter, the members of the Promoter Group and director's of the Promoter's***

Name of Shareholder	Pre-Issue		Post-Issue	
	Number of Equity Shares	Percentage of pre-Issue Equity Share capital	Number of Equity Shares	Percentage of pre-Issue Equity Share capital
Promoter				
BLS International Services Limited	4,62,56,485	69.32%	[●]	[●]
Promoter Group				
Diwakar Aggarwal*	86,05,000	12.90%	[●]	[●]
Shikhar Aggarwal*	63,55,000	9.52%	[●]	[●]
Karan Aggarwal	13,55,000	2.03%	[●]	[●]
Gaurav Aggarwal	10,000	0.01%	[●]	[●]
Nimit Aggarwal	10,000	0.01%	[●]	[●]

** Diwakar Aggarwal and Shikhar Aggarwal are directors in our Company and are also directors in our Promoter, BLS International Services Limited.*

3. ***Details of minimum Promoter's contribution locked in for three years or any other period as may be prescribed under applicable law***

Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoter shall be considered as minimum promoters' contribution and locked-in for a period of three years or any other period as may be prescribed under applicable law, from the date of Allotment ("**Promoter's Contribution**") and the Promoter's shareholding in excess of 20% shall be locked in for a period of one year from the date of Allotment. The lock-in of the Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchanges before listing of the Equity Shares.

Our Promoter has given consent to include such number of Equity Shares held by them, in aggregate, as may constitute 20% of the fully diluted post-Issue Equity Share capital of our Company as Promoter's Contribution. Our Promoter has agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner the Promoter's Contribution from the date of this Draft Red Herring Prospectus, until the expiry of lock-in period specified above, or for such other time as required under SEBI ICDR Regulations.

Details of the Equity Shares held by our Promoter, which shall be locked-in for a period of three years as Promoter's Contribution are as provided below:

Name of the Promoter	Number of Equity Shares held	Number of Equity Shares lock-in**	Date of allotment/transfer#	Face value per Equity Share (₹)	Allotment/Acquisition price per Equity Share (₹)	Nature of Transaction	% of the post-Issue paid-up Capital	Date upto which the Equity Shares are subject to lock-in
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Note: To be updated at the Prospectus Stage.
#Equity Shares were fully paid-up on the date of allotment/acquisition.
***Subject to finalisation of Basis of Allotment.*

The Equity Shares that are being locked-in are not and will not be in-eligible for computation of Promoters' Contribution under Regulation 15 of the SEBI ICDR Regulations. In particular, these Equity Shares do not and shall not consist of:

(a) Equity Shares acquired during the three years preceding the date of this Draft Red Herring Prospectus (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets, or (b) as a result of bonus shares issued by utilization of revaluation reserves or unrealised profits or from bonus issue against Equity Shares which are otherwise in-eligible for computation of Promoters' Contribution;
(b) Equity Shares acquired during the one year preceding the date of this Draft Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being issued to the public in the Issue.
(c) Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm; and
(d) Equity Shares held by the Promoter that are subject to any pledge or any other form of encumbrance.

4. ***Details of share capital locked-in for one year or any other period as may be prescribed under applicable law***

In terms of Regulation 17 of the SEBI ICDR Regulations, except for the Promoters' Contribution which shall be locked-in as above, the entire pre-Issue Equity Share capital of our Company (including those Equity Shares held by our Promoter in excess of Promoter's Contribution), shall, unless otherwise permitted under the SEBI ICDR Regulations, be locked-in for a period of one year from the date of Allotment or any other period as may be prescribed under applicable law. Further, in terms of Regulation 17 of the SEBI ICDR Regulations, Equity Shares held by a venture capital fund or alternative investment fund of category I or category II or a foreign venture capital investor shall not be locked-in for a period of one year from the date of Allotment, provided (i) that such Equity Shares shall be locked-in for a period of at least one year from the date of purchase by the venture capital fund or alternative investment fund of category I or category II or foreign venture capital investor.

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoter which are locked-in, may be transferred to members of the Promoter Group or to any new Promoter(s), subject to continuation of lock-in in the hands of the transferees for the remaining period and compliance with provisions of the Takeover Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired. The Equity Shares held by persons other than our Promoter and locked-in for a period of one year from the date of Allotment in the Issue or any other period as may be prescribed under applicable law, may be transferred to any other person holding Equity Shares which are locked -in, subject to the continuation of the lock-in the hands of the transferee for the remaining period and compliance with the provisions of the Takeover Regulations.

In terms of Regulation 21 of the SEBI ICDR Regulations, the Equity Shares held by our Promoter which are locked-in as per Regulation 16 of the SEBI ICDR Regulations, may be pledged only with scheduled commercial banks or public financial institutions or systemically important non-banking finance companies or deposit taking housing finance companies as collateral security for loans granted by such entity, provided that such pledge of the Equity Shares is one of the terms of the sanctioned loan. However, such lock-in will continue pursuant to any invocation of the pledge and the transferee of the Equity Shares pursuant to such invocation shall not be eligible to transfer the Equity Shares until the expiry of the lock-in period stipulated above.

5. ***Lock-in of Equity Shares Allotted to Anchor Investors***

50% of the Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period 90 days from the date of Allotment and the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.

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8. **Shareholding Pattern of our Company**

Category (I)	Category of Shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of Equity Shares underlying depository receipts (VI)	Total No. of Equity Shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)				No. of Equity Shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	No. of locked-in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								No of voting rights			Total as a % of (A+B+C)			No. (a)	As a % of total Equity Shares held (b)	No. (a)	As a % of total Equity Shares held (b)	
								Class (Equity)	Class e.g.: Others	Total								
(A)	**Promoter & Promoter Group**	6	6,25,91,485	-	-	6,25,91,485	93.80	6,25,91,485	-	6,25,91,485	93.80	-	-	20,00,000	3.00		-	6,25,91,485
(B)	**Public**	1	41,35,000	-	-	41,35,000	6.20	41,35,000	-	41,35,000	6.20	-	-		-		-	41,35,000
(C)	**Non Promoter-Non Public**	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C1)	**Equity Shares underlying depository receipts**	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C2)	**Equity Shares held by employee trusts**	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
	Total	**7**	**6,67,26,485**	**-**	**-**	**6,67,26,485**	**100.00**	**6,67,26,485**	**-**	**6,67,26,485**	**100.00**	**-**	**-**	**20,00,000**	**3.00**		**-**	**6,67,26,485**

9. ***Shareholding of our Directors, Key Managerial Personnel and Senior Management Personnel in our Company***

Except as stated below, none of our Directors or Key Managerial Personnel and Senior Management Personnel hold any Equity Shares.

Name	Number of Equity Shares	% of pre-Issue Equity Share capital (%)
Diwakar Aggarwal	86,05,000	12.90
Shikhar Aggarwal	63,55,000	9.52

10. ***Details of Equity shareholding of the major Equity shareholders of our Company***

(i) As on the date of this Draft Red Herring Prospectus, our Company has 7 shareholders.

(ii) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as on the date of this Draft Red Herring Prospectus:

Name	Number of Equity Shares	% of pre-Issue Equity Share capital
BLS International Services Limited	4,62,56,485	69.32
Diwakar Aggarwal	86,05,000	12.90
Shikhar Aggarwal	63,55,000	9.52
Sunabh Consultancy Private Limited	41,35,000	6.20
Karan Aggarwal	13,55,000	2.03

(iii) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as of 10 days prior to the date of this Draft Red Herring Prospectus:

Name	Number of Equity Shares	% of pre-Issue Equity Share capital
BLS International Services Limited	4,62,56,485	69.32
Diwakar Aggarwal	86,05,000	12.90
Shikhar Aggarwal	63,55,000	9.52
Sunabh Consultancy Private Limited	41,35,000	6.20
Karan Aggarwal	13,55,000	2.03

(iv) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as of one year prior to the date of this Draft Red Herring Prospectus:

Name	Number of Equity Shares	% of pre-Issue Equity Share capital
BLS International Services Limited	10,000*	100.00

**Includes one share held by Diwakar Aggarwal as nominee shareholder*

(v) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as of two years prior to the date of this Draft Red Herring Prospectus:

Name	Number of Equity Shares	% of pre-Issue Equity Share capital
BLS International Services Limited	10,000*	100.00

**Includes one share held by Diwakar Aggarwal as nominee shareholder*

11. As on the date of this Draft Red Herring Prospectus, our Company does not have any active employee stock option scheme.

12. Except as disclosed above in "- *Notes to the Capital Structure - Equity Share Capital History of our Company*" on page 89, there have been no sales or purchases of Equity Shares or other specified securities of our Company by our Promoter, the members of our Promoter Group, our Directors and/ or directors of the Promoter and their relatives during the six months immediately preceding the date of this Draft Red Herring Prospectus.

13. There have been no financing arrangements whereby our Promoter, members of our Promoter Group, our Directors, directors of the Promoter and their relatives (as defined in Companies Act 2013) have financed the purchase by any other person of securities of our Company other than in the normal course of business of the financing entity, during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

14. The BRLM and its associates (determined as per the definition of 'associate company' under the Companies Act, and as per definition of the term 'associate' under the SEBI Merchant Bankers Regulations) do not hold any Equity Shares as on the date of this Draft Red Herring Prospectus. The BRLM and its affiliates may engage in transactions with and perform services for our Company and their respective affiliates in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company or their respective affiliates or associates, for which they may in the future receive customary compensation.

15. Our Company, the Promoter, the Directors and the BRLM have not entered into buy-back arrangement or any other similar arrangements for purchase of the Equity Shares being issued through this Issue.

16. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

17. No person connected with the Issue, including but not limited to, our Company, the BRLM, the members of the Syndicate, our Directors, Promoter, members of our Promoter Group or Group Companies, shall issue any incentive, whether direct or indirect, in any manner whatsoever, whether in cash or in kind or in services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Issue.

18. None of the Equity Shares held by our Promoter and the members of our Promoter Group are pledged or otherwise encumbered as on the date of this Draft Red Herring Prospectus.

19. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus. The Equity Shares to be issued or transferred pursuant to the Issue shall be fully paid-up at the time of Allotment.

20. There are no outstanding warrants, options or right to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares of our Company, as on the date of this Draft Red Herring Prospectus.

21. No person connected with the Issue, including, but not limited to, our Company, the members of the Syndicate, or our Directors, shall issue any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise or to any Bidder for making a Bid.

22. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of this Draft Red herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case maybe.

23. There is no proposal or intention, negotiations or consideration by our Company to alter its capital structure by way of split or consolidation of the Equity Shares or issue of Equity Shares or convertible securities on a preferential basis or issue of bonus or rights or further public offer of such securities, within a period of six months from the Bid/Issue Opening Date.

24. Our Company shall ensure that any transactions in the Equity Shares by our Promoter and our Promoter Group during the period between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Issue shall be reported to the Stock Exchanges within 24 hours of such transactions.

25. Except as disclosed in the "*Notes to capital Structure – Share capital History of our Company*", our Company has not undertaken any public issue of securities or any rights issue of any kind or class of securities since its incorporation.

26. Neither the (i) BRLM or its associate (other than mutual funds sponsored entities which are associates of the BRLM or insurance companies promoted by entities which are associates of the BRLM or AIFs sponsored by the entities which are associates of the BRLM or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLM or pension funds sponsored by entities which are associate of the BRLM); nor (ii) any person related to the Promoter or Promoter Group can apply under the Anchor Investor Portion. Although there are no associates of BRLM who are mutual funds sponsored entities or insurance companies promoted by entities which are associates of the BRLM or AIFs sponsored by the entities which are associates of the BRLM or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLM or pension funds sponsored by entities which are associate of the BRLM.

27. Any oversubscription to the extent of 1% of the Issue size can be retained for the purposes of rounding off to the nearest multiple of minimum allotment lot while finalizing the Basis of Allotment.

28. The Issue is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company, may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not more than 15% of the Issue shall be available for allocation to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹ 2.00 lakhs and up to ₹ 1.00 lakhs; and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹ 1.00 lakhs, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not more than 10% of the Issue shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders (except Anchor Investors) are mandatorily required to utilize the ASBA process providing details of their respective ASBA accounts and UPI ID in case of UPI Bidders using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount will be blocked by SCSBs) or by the Sponsor Bank(s) under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA Process. For further details, please see section titled "*Issue Procedure*" on page 394.

OBJECTS OF THE ISSUE

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

1. Strengthening our technology infrastructure to develop new capabilities and consolidating our existing platforms;
2. Funding initiatives for organic growth by setting up of BLS Stores;
3. Achieving inorganic growth through acquisitions**;** and
4. General Corporate Purposes

(collectively, referred to herein as the "**Objects**")

In addition, our Company expects to receive the benefits the listing of the Equity Shares on the Stock Exchanges, including enhancement of our Company's brand name and creation of a public market for our Equity Shares in India.

The main objects clause and the objects incidental and ancillary to the main objects clause as set out in MoA enables our Company (i) to undertake our existing business activities; and (ii) undertake the activities for which the funds are being raised by our Company in the Issue and which are proposed to be funded from the Net Proceeds.

Net Proceeds

The details of the proceeds of the Issue are summarised in the table below:

S.No.	Particulars	Amount (in ₹ lakhs)
1.	Gross Proceeds of the Issue(1)	**[●]**
2.	(Less) Estimated expenses in relation the Issue (2)(3)	[●]
	Net Proceeds (2)	[●]

(1) Our Company in consultation with the BRLM, may consider Pre-IPO Placement aggregating up to 11,00,000 Equity Shares. If the Pre-IPO Placement is undertaken, the Issue size will be reduced to the extent such Pre-IPO Placement, subject to the issue complying with Rule 19(2)(b) of the SCRR.

(2) To be finalized upon determination of the Issue Price and will be updated in the Prospectus prior to filing with the RoC.

(3) For further details, please see section titled "- Issue related expenses" on page 115.

Requirement of Funds and Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided hereunder:

Particulars	Amount (in ₹ lakhs)^
Strengthening our technology infrastructure to develop new capabilities and consolidating our existing platforms	9,758.71
Funding initiatives for organic growth by setting up of BLS Stores	7,478.30
Achieving inorganic growth through acquisitions	2,871.00
General Corporate Purpose (1)	[●]
Total(1)	[●]

^ Our Company in consultation with the BRLM, may consider Pre-IPO Placement aggregating up to 11,00,000 Equity Shares. If the Pre-IPO Placement is undertaken, the Issue size will be reduced to the extent such Pre-IPO Placement, subject to the issue complying with Rule 19(2)(b) of the SCRR.

(1) To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing of the Prospectus with the ROC. The amount to be utilised for general corporate purposes and achieving growth through acquisitions and shall not exceed 35% of the Gross Proceeds. The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Gross Proceeds.

Proposed deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds as follows:

(in ₹ lakhs)

Particulars	Total Estimated Cost	Amount to be funded from the Net Proceeds	Estimated deployment of the Net Proceeds in Fiscals	
			2024[(2)]	2025[(2)]
Strengthening our technology infrastructure to develop new capabilities and consolidating our existing platforms	9,758.71	9,758.71	2,927.61	6,831.10
Funding initiatives for organic growth by setting up of BLS Stores	7,478.30*	7,478.30	2,243.49	5,234.81
Achieving inorganic growth through acquisitions	2,871.00	2,871.00	-	2,871.00
General Corporate Purpose[(1)]	[●]	[●]	[●]	[●]
Total[(1)(2)]	[●]	[●]	[●]	[●]

(1) To be finalised upon determination of the Issue Price and updated in the Prospectus prior to the filing of the Prospectus with the RoC. The amount to be utilised for general corporate purposes and achieving inorganic growth through acquisitions shall not exceed 35% of the Gross Proceeds. The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Gross Proceeds.

(2) Our Company in consultation with the BRLM, may consider Pre-IPO Placement aggregating up to 11,00,000 Equity Shares. If the Pre-IPO Placement is undertaken, the Issue size will be reduced to the extent such Pre-IPO Placement, subject to the issue complying with Rule 19(2)(b) of the SCRR.

***** *As certified by Chetan Sharma & Associates, Chartered Engineer by way of certificate dated August 2, 2023*

The total estimated cost and deployment of funds indicated above is based on current business plan, management estimates, valid quotations received from third parties, certificates from chartered engineer, current circumstances of our business, prevailing market condition and other commercial considerations. The total estimated cost and deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. See *"Risk Factors – Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and are based on management estimates."* on page 61, depending upon such factors, we may have to reduce or extend the deployment period or the stated Objects beyond the estimated two Fiscals Years, at the discretion of our management, and in accordance with applicable laws.

The fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution. These are subject to revisions on account of changes in costs, financial condition, business strategy or external communications which may not be in our control. In case of any surplus after utilization of the Net Proceeds towards the aforementioned Objects, we may use such surplus towards general corporate purposes, provided that the total amount to be utilized towards general corporate purposes not exceeding 25% of the Gross Proceeds, in accordance with the SEBI ICDR Regulations, and in compliance with the objectives as set out under "*Objects of the Issue – Details of the Objects of the Issue – General Corporate Purpose*" below, if any, available in respect of the other Objects for which funds are being raised in this Issue. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, we may explore a range of options including utilising our internal accruals. We believe that such arrangements would be available to fund any such shortfalls.

Details of Object of the Issue

1. Strengthening our technology infrastructure to develop new capabilities and consolidating our existing platforms

We intend to integrate all our existing technology platforms to a common technology platform comprising of a common service portal and mobile application. The common service portal and the mobile application will be further supported by a data centre and disaster recovery site for the common service portal and the mobile application. Through our common technology platform we will link all channels i.e., B2B, G2C, digital stores, business correspondents, etc. We are dedicated to investing in technology to derive the growth of our business. We intend to expand our operations by broadening and deepening our service offerings. The technological upgradations need to be adapted and expanded to cater to offer services that we may launch in the future. The investments required to build these services in order to cater to changing customer preferences and requirements. The details of the estimated cost for strengthening our technology infrastructure to develop new capabilities and consolidating our existing platforms through (i) design, development, implementation & support of common service portal and mobile application; and (ii) setting up of data centre & disaster recovery site in relation to common service portal and mobile application, which are proposed to be funded by utilising a portion of the Net Proceeds are set forth below:

(in ₹ lakhs)

S.No.	Item	Total Estimated Cost
I.	Design, development, implementation & support of common service portal and mobile application	5,018.10
II.	Setting up of data centre & disaster recovery site in relation to common service portal and mobile application	4,740.61
	Total	**9,758.71**

(I) Design, development, implementation & support of common service portal and mobile application:

We propose to utilize a portion of the Net Proceeds aggregating to ₹ 5,018.10 lakhs towards designing, development, implementation & maintenance of common service portal and mobile application. We leverage technology in all areas of our business, in order to meet expectations and demands and to broaden our offering to our merchants. We aim to develop, design, and maintain a common service portal for our (i) Business Correspondents Services; (ii) Assisted E-services segments and (iii) E-Governance Services. Through our common service portal, we will provide among others, (i) G2C services of the Government and service partners such as online verifications of various certificates by multiple departments; (ii) B2B services such as domestic money transfer, AePS enabled cash services, insurance, railway ticketing services, PAN card services, bill payments for electricity, water, gas, telephone etc., for integrating various services offered by the Company. A common platform approach will provide us with a scalable, comprehensive and consistent user experience across and helps us innovate effectively. We also aim design and develop mobile application which will be available to IOS and android users. We believe that strengthening our technology will help us unlock large-scale economic, societal, and governance value in diverse contexts and sectors such as agriculture, health, skill, e-commerce, and mobility.

The development and implementation of the common service portal and the mobile application will increase our operational efficiency, facilitate scalability, and increased profitability. Some of the enhanced features which we aim to offer through our common service portal and mobile application are:

- automation and reconciliation feature for streamlining the process of reconciliation of transactions between vendors and retailers, reducing manual effort and minimizing errors;
- development of business dashboards hierarchy wise, district wise, field wise – for the Company and its retailers/distributors as well;
- field team reports and geo-tagging to generate field team reports;
- automation of our expense management tools, with document uploads and approval mechanism;
- accounting reports after reconciliation for providing accurate financial data for decision-making and tracking business performance;
- auto limit management system;
- plug in kick start for projects onboarding for various business models like G2C, B2B and Business Correspondent business;
- cash deposit automatic wallet management;
- onboarding of touchpoints with auto process for KYC verification;
- warehousing and hubs model for goods movement and touch points mapping;
- project monitoring tools with responsibility mapping;
- vendor onboarding;
- central KYC, Aadhar, PAN and GST integration;
- optimization of goods movement;
- vendor application programming interface and supply chain credit line monitoring;
- generation of retailer-wise profitability reports will provide insights into individual retailer performance, allowing the company to identify areas for improvement and optimize costs; and
- streamlining of the citizen/retailer support center with ticket management system and interactive voice response /call center support.

The total estimated cost has not been appraised by any bank or financial institution. Details of the estimated cost in relation of design, development, implementation & support of common service portal and mobile application which is proposed to be funded by utilising a portion of the Net Proceeds are set forth below:

(in ₹ lakhs)

S.No.	Item	Total Estimated Cost*
I.	**Design, Development, Implementation & Maintenance of Common Service Portal and Mobile Application (IOS & Android)**	
1.	Software Requirement Specification Phase (“**SRS**”) – Before development	61.50
2.	Development Phase – After SRS	1,755.00
3.	Testing, implementation, go-live and enhanced support	3,201.60
	Total (I)	**5,018.10**

**The quotation July 27, 2023 dated has been obtained by our Company from XtraNet Technologies Private Limited. The validity of the quotation is for a period of 180 days.*

(II) Set up of Data Centre & Disaster Recovery Site in relation to Common Service Portal and Mobile Application:

We propose to utilize a portion of the Net Proceeds aggregating to ₹ 4,740.61 lakhs towards setting up data center & disaster recovery (“**Data Centre**”) in relation to common service portal and mobile application along with 3 years enhanced support post go-live of common service portal including data center, disaster recovery site. The Data Centre will house centralized computing power required to store, process and analyze the data to decipher actionable information. This will include servers, storage, ancillary network equipment elements, security devices and corresponding management tools. Further, the disaster recovery site, will include, servers, storage, network equipment and security management systems. The total estimated cost has not been appraised by any bank or financial institution. Details of the estimated cost for setting up of Data Centre & Disaster Recovery Site in relation to Common Service Portal and Mobile Application which are proposed to be funded by utilising a portion of the Net Proceeds are set forth below:

(in ₹ lakhs)

S.No.	Particulars	Total Estimated Cost*
II.	**Set up of data centre & disaster recovery site in relation to common service portal and mobile application:**	
1.	Data Centre	1,918.00
2.	Disaster Recovery	860.50
3.	Database for Transactional Data	273.60
4.	Database for Storage	225.00
5.	Map Services for Tracking	330.00
6.	BI/AI/DSS/Analytics	375.00
7.	Connectivity	615.00
8.	Call Center Solution	143.51
	Total (II)	**4,740.61**

**The quotation July 27, 2023 dated has been obtained by our Company from XtraNet Technologies Private Limited. The validity of the quotation is for a period of 45 days.*

(a) **The detailed break-up with respect to setting up of Data Centre and Disaster Recovery in relation to the common service portal and the application are as follows:**

(i) The table below sets forth the break-up of the total estimated costs for setting up of Data Centre:

(in ₹ lakhs)

Particulars	Quantity	Cost for each item	Total Estimated Cost*
Web APP (HA)-01	1	18.50	18.50
Web APP (HA)-02	1	18.50	18.50
Middleware-1	1	18.50	18.50
Middleware-1	1	18.50	18.50
DB – 1 (HA)-01	1	15.00	15.00
DB – 1 (HA)-02	1	15.00	15.00
DB – 2 (HA)-01	1	15.00	15.00
DB – 2 (HA)-02	1	15.00	15.00
Server for Tools-01	1	15.00	15.00
Server for Tools-02	1	15.00	15.00

Particulars	Quantity	Cost for each item	Total Estimated Cost*
Backup Server -01	1	12.50	12.50
Backup Server -02	1	12.50	12.50
Mobile App Server - 01	1	12.50	12.50
Mobile App Server - 02	1	12.50	12.50
Transaction Server - 01	1	15.00	15.00
Transaction Server - 02	1	15.00	15.00
GIS Server - 01	1	18.00	18.00
GIS Server - 02	1	18.00	18.00
T&D Server - 01	1	12.50	12.50
T&D Server - 02	1	12.50	12.50
Tape Library	1	25.00	25.00
SAN Storage	1	110.00	110.00
SAN switch	2	12.50	25.00
Virtulization Software & Opreting System	32	18.00	576.00
DR Management Tool	1	150.00	150.00
NMS and Helpdesk Tool	1	40.00	40.00
Firewall	2	35.00	70.00
WAF	2	75.00	150.00
Anti DDoS	2	25.00	50.00
IPS/ IDS	2	25.00	50.00
SIEM	1	100.00	100.00
End Point/ deep Security for Servers	50	1.50	75.00
Server/ Application Load Balancer	2	35.00	70.00
Link Load Balancer	2	25.00	50.00
Layer-3 Switch	2	35.00	70.00
Layer -2 Switch	2	1.00	2.00
Total Estimated Cost for Data Centre			**1,918.00**

**The quotation July 27, 2023 dated has been obtained by our Company from XtraNet Technologies Private Limited. The validity of the quotation is for a period of 45 days.*

(ii) The table below sets forth the break-up of the total estimated costs for Disaster Recovery in relation to the common service portal and the application:

(in ₹ lakhs)

Particulars	Quantity	Cost for each item	Total Estimated Cost*
Web APP (HA)-01	1	18.50	18.50
Middleware-1	1	18.50	18.50
DB – 1 (HA)-01	1	15.00	15.00
DB – 2 (HA)-01	1	15.00	15.00
Server for Tools-01	1	15.00	15.00
Mobile App Server - 01	1	12.50	12.50
Transaction Server - 01	1	15.00	15.00
GIS Server - 01	1	18.00	18.00
SAN Storage	1	110.00	110.00
SAN switch	1	12.50	12.50
Virtulization Software & Operating System	14	18.00	252.00
WAF	1	75.00	75.00
Anti DDoS	1	25.00	25.00
IPS/ IDS	1	25.00	25.00
End Point/ deep Security for Servers	25	1.50	37.50
SIEM	1	100.00	100.00
Server/ Application Load Balancer	1	35.00	35.00
Link Load Balancer	1	25.00	25.00
Layer-3 Switch	1	35.00	35.00
Layer -2 Switch	1	1.00	1.00

Total Estimated Cost for Data Recovery			860.50

**The quotation July 27, 2023 dated has been obtained by our Company from XtraNet Technologies Private Limited. The validity of the quotation is for a period of 45 days.*

(iii) The table below sets forth the break-up of the total estimated costs for database for transactional data in relation to the common service portal and the application:

(in ₹ lakhs)

Particulars	Subscription Cost Per Year	Total Estimated Cost #*
Database - DC- PGSQL - 1	0.95	91.20
Database - DC - PGSQL - 2	0.95	91.20
Database - DR - PGSQL - 2	0.95	91.20
Total Estimated Cost for Database for Transactional Data		**273.60**

**The quotation July 27, 2023 dated has been obtained by our Company from XtraNet Technologies Private Limited. The validity of the quotation is for a period of 45 days.*
#Total Estimated Cost includes 3 years enhanced support.

(iv) The table below sets forth the break-up of the total estimated costs for database for storage in relation to the common service portal and the application:

(in ₹ lakhs)

Particulars	Subscription Cost Per Year	Total Estimated Cost#*
Database - DC- MongoDB - 1	25.00	75.00
Database - DC - MongoDB - 2	25.00	75.00
Database - DR - MongoDB - 2	25.00	75.00
Total Estimated Cost for Storage		**225.00**

**The quotation July 27, 2023 dated has been obtained by our Company from XtraNet Technologies Private Limited. The validity of the quotation is for a period of 45 days.*
#Total Estimated Cost includes 3 years enhanced support.

(v) The table below sets forth the break-up of the total estimated costs for Map services in relation to the common service portal and the application:

(in ₹ lakhs)

Particulars	Subscription Cost Per Year	Total Estimated Cost #*
Google/MapMy India/GIS Tool (as per need)	110.00	330.00
Total Estimated Cost for Database for MAP Services for Tracking		**330.00**

**The quotation July 27, 2023 dated has been obtained by our Company from XtraNet Technologies Private Limited. The validity of the quotation is for a period of 45 days.*
#Total Estimated Cost includes 3 years enhanced support.

(vi) The table below sets forth the break-up of the total estimated costs for third party tools – business intelligence/ artificial intelligence/ decision support system in relation to the common service portal and the application:

(in ₹ lakhs)

Particulars	Subscription Cost Per Year	Total Estimated Cost#*
3rd Party Tools -BI/AI/DSS/ Analytics	125.00	375.00
Total Estimated Cost for Database for BI/AI/DSS/ Analytics		**375.00**

**The quotation July 27, 2023 dated has been obtained by our Company from XtraNet Technologies Private Limited. The validity of the quotation is for a period of 45 days.*
#Total Estimated Cost includes 3 years enhanced support.

(vii) The table below sets forth the break-up of the total estimated costs for connectivity in relation to the common service portal and the application:

(in ₹ lakhs)

Particulars	Quantity	Cost for each item	Total Estimated Cost[#*]
DC/DR Co-Location Charges per rack (including space, power, cooling)	6	25.00	450.00
Internet Bandwidth (1 GBPS)	3	15.00	135.00
DC-DR Connectivity (1 GBPS)	1	10.00	30.00
Total Estimated Cost for Database for Connectivity			**615.00**

**The quotation July 27, 2023 dated has been obtained by our Company from XtraNet Technologies Private Limited. The validity of the quotation is for a period of 45 days.*
[#]Total Estimated Cost includes 3 years enhanced support.

(viii) The table below sets forth the break-up of the total estimated costs for call center solution with extended support in relation to the common service portal and the application:

(in ₹ lakhs)

Particulars	Quantity	Cost for each item	Total Estimated Cost *
Neox Advance appliance for Call Centre & IP PBX Solution in redundancy	2	4.41	8.82
Neox IP PBX and Call Centre Base Platform license(1 DC +1 DR)	2	5.95	11.90
Neox IP-PBX User License (Up-to 40)	1	1.05	1.05
Neox IP-PBX & Call Centre HA (High availability Redundancy) License (DC)	1	4.90	4.90
Neox ACD & IVRS License(DC+DR)	2	3.15	6.30
Neox Call Centre Agent License (DC:30)	30	0.41	12.39
IP Phone for office intercom/Helpdesk operation	50	0.10	5.39
Headset	10	0.03	0.35
VoIP PRI Gateway (DC:1+DR:1)	2	4.74	9.49
ASR and TTS -40 Concurrent(English and Hindi)(DC+DR)	2	13.60	27.21
OMNI Channel base platform (DC+DR)	2	7.70	15.40
Soft Client	10	0.07	0.70
PRI (2 DC + 2 DR) (@20000 per month)	4	2.40	9.60
Lease Line (1DC + 1 DR) (1 GBPS)	2	15.00	30.00
Total Estimated Cost with extended support			**143.51**

**The quotation July 27, 2023 dated has been obtained by our Company from XtraNet Technologies Private Limited. The validity of the quotation is for a period of 45 days.*

We have not entered into any definitive agreements with any vendors from whom we have received quotations for setting up of Data Center & Disaster Recovery as mentioned above and there can be no assurance that the same vendors would be engaged to eventually set up Data Centre & Disaster Recovery or at the same costs. The quotations mentioned above do not include cost of freight, insurance, transportation and /or any other applicable government taxes as these can be determined only at the time of placing of orders. The cost involved for the setting up of Data Center & Disaster Recovery and related costs to be funded will be based on the actual requirements and management estimates. We do not intend to purchase any second-hand machinery or equipment. In case of any increase in the costs of equipment or incidental costs, the additional costs shall be paid by our Company from its internal accruals.

Our Promoter, Directors, Key Managerial Personnel and Senior Management do not have any interest in the entities from whom we have obtained quotations in relation to setting up of Data Centre & Disaster Recovery as mentioned above.

2. Funding initiatives for organic growth by setting up of BLS Stores

As a part of our growth strategy, to capitalize our existing network of touchpoints for various cross selling opportunities and generate extra revenue for our Company and for our merchants in the same setup we intend to upgrade our existing touchpoints which provide a variety of assisted e-services such as PoS services, banking correspondent services, ticketing services, assisted e-commerce services etc. Our customers would get an easy access to wide array of products and services through our BLS Stores leading to better customer experience and convenience for the customer. Our BLS Stores also provides an opportunity for consumers to touch and feel the product before buying. This would also help our merchant grow their business by availing solutions that allow them to acquire and retain consumers by offering various goods and services from the same location and improve their business operations.

We intend to utilise ₹ 7,478.30 lakhs from the Net Proceeds towards expenditure for carrying upgradation and renovation works of our existing 1,576 BLS Touchpoints which are spread across 22 states in India for converting them to BLS Stores. Through the BLS Stores we intend to provide various products and services to our customer in an integrated manner. These BLS Stores would enable assisted e-commerce where our customers would be able to touch and feel the products before procuring them through our Company.

Selection of these BLS Touchpoints, is based on the past relationships of such BLS Touchpoints with us, strategic location of these BLS Touchpoints or revenue generated by them. Considering the abovementioned factors, we have decided to upgrade and renovate 1,576 BLS Touchpoints to BLS Stores.

Further, we have divided these 1,576 BLS Touchpoints into three categories, BLS Stores having areas of (i) 100 Square Feet to 250 Square Feet; (ii) 251 Square Feet to 499 Square Feet; and (iii) 500 Square Feet to 1,000 Square Feet. We have also provided bifurcation state wise and district wise of these 1,576 BLS Touchpoints:

Sr. No.	State	District	No. of Stores	Total Square Feet
1	Andhra Pradesh	8	22	3,300
2	Assam	12	51	11,648
3	Bihar	19	163	26,174
4	Chhattisgarh	8	17	2,100
5	Delhi	1	1	100
6	Gujrat	19	67	17,070
7	Haryana	9	29	8,320
8	Himachal Pradesh	5	10	1,810
9	Jammu And Kashmir	3	3	920
10	Jharkhand	14	51	8,390
11	Karnataka	16	110	63,900
12	Kerala	2	4	2,000
13	Madhya Pradesh	14	59	12,223
14	Maharashtra	25	125	17,570
15	Orissa	25	152	39,128
16	Punjab	13	53	17,849
17	Rajasthan	26	148	48,562
18	Tamil Nadu	21	53	23,780
19	Telangana	11	51	13,780
20	Uttar Pradesh	43	248	73,515
21	Uttarakhand	1	2	200
22	West Bengal	14	157	39,439
Grand Total		**309**	**1,576**	**4,31,778**

We intend to increase our consumer base and to continue leveraging our relationships with BLS Touchpoints, accordingly we plan to upgrade and renovate existing touchpoints with the focus to provide services consistently and efficiently at such assisted e-services stores. Accordingly, as on the date of this Draft Red Herring Prospectus, the Company has entered into letter of intent with 1,107 BLS Touchpoints for undertaking upgradation and renovation. Further, we are in the process of entering into letter of intent with remaining BLS Touchpoints.

The Company's objective is to invest in civil & interior works, infrastructure, furniture, fixtures and electrical items for BLS Stores to establish a cohesive and consistent BLS branded store experience. Through this approach the Company aims to create uniformity across all BLS Stores, enabling the Company to deliver a standardized service and experience to its consumers. The Company intends to uphold and strengthen the recognition and reputation of the BLS brand in India. The planned expenditure on civil & interior works and the installation of furniture, fixtures, and electrical items is aimed at ensuring that all stores operate in accordance with the Company's required standards, thereby upholding its image and reputation.

Details of expenditure for upgradation and renovation of existing BLS Stores

The expenditure for upgradation and renovation of existing BLS Stores primarily comprises of the following:

1. Civil and interior works; and

2. Furniture, fixtures, electrical works and electronic items

Methodology for computation of estimated costs

The size of our BLS Stores typically ranges from 100 square feet to 1,000 square feet depending on certain factors including locations, localities, demographics etc. Our estimate of costs mentioned below are based on: (i) quotations received from vendors and management estimates; (ii) certification by the chartered engineer; (iii) average areas of BLS Stores; and (iv) our internal estimates for specifications and item requirements based on the requirements of our business. While we have obtained the quotations from a few vendors in relation to such expenditure, most of these quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors.

Our Company wants to undertake (i) Civil and interior works; and (ii) Installation of Furniture, fixtures, electrical works and electronic items at 1,576 BLS Touchpoints. For these purposes the Company has divided these 1,576 BLS Touchpoints into three categories, BLS Stores having areas of (i) 100 Square Feet to 250 Square Feet; (ii) 251 Square Feet to 499 Square Feet; and (iii) 500 Square Feet to 1,000 Square Feet. The table below sets forth the total estimated costs for upgradation and renovation of BLS Stores having areas of (i) 100 Square Feet to 250 Square Feet; (ii) 251 Square Feet to 499 Square Feet; and (iii) 500 Square Feet to 1,000 Square Feet:

Store Range	**100 to 250 Square Feet**			**251 Square Feet to 499 Square Feet**			**500 Square Feet and1,000 Square Feet**		
Head of Expenses	**Expenses Per Store (in ₹ lakhs)**	**No. of Stores**	**Total amount (in ₹ lakhs)**	**Expenses Per Store (in ₹ lakhs)**	**No. of Stores**	**Total amount (in ₹ lakhs)**	**Expenses Per Store (in ₹ lakhs)**	**No. of Stores**	**Total amount (in ₹ lakhs)**
Construction, Renovation, and Repairs	0.98	1,010	987.28	1.72	115	197.87	3.04	451	1373.16
Doors & iron mongery	0.32	1,010	323.20	0.37	115	42.55	0.37	451	166.89
Painting	0.18	1,010	181.80	0.47	115	54.05	0.60	451	270.60
Signage	0.10	1,010	101.00	0.1	115	11.50	0.10	451	45.10
Furniture	0.47	1,010	478.74	0.80	115	91.43	1.28	451	577.73
Electrical work	0.24	1,010	242.40	0.58	115	66.70	0.96	451	432.96
Electronic items	1.04	1,010	1045.35	1.11	115	127.08	1.26	451	570.51
Other related equipment	0.04	1,010	35.35	0.07	115	8.05	0.10	451	47.02
Total	**3.36**	**1,010**	**3395.11**	**5.21**	**115**	**599.22**	**7.72**	**451**	**3483.97**
Total number of store									**1,576**
Total Cost of BLS store upgradation									**7478.30**

(a) *Civil and interior works:* These costs would include, *inter alia*, the costs in relation to (a) construction, renovation, and repairs; (b) interior works including wooden works and carpentry, glass works, painting; and (c) signage costs.

(b) *Furniture, fixtures electrical works and electronic items:* These costs would include, *inter alia*, the costs in relation to furniture including shelves, chairs, storage units and electronics including air conditioners, lights, fans, televisions and other related equipment. The estimated costs for Furniture, fixtures electrical works and electronic items are set out below.

The table below sets forth the basis of our estimation for the civil and interior costs for BLS Stores having 100 Square Feet to 250 Square Feet:

S.No.	Item Description(1)(2)	Unit	Quantity	Cost per unit (in ₹)	Total Estimated Cost (in ₹ lakhs)
I.	**Civil and Interior Works**				
A.	**Construction, Renovation and Repairs:**				
1.	Cement Sand Plaster	Sqft	120	80	0.10
2.	Rough Plaster	Sqft	120	75	0.09
3.	Tiles	Sqft	50	180	0.09
4.	Waterproofing	Sqft	30	125	0.04
5.	Plain cement concrete on the floor upto 1½'' Thickness	Sqft	250	40	0.10
6.	Malba Filling	Sqft	30	30	0.01
7.	Malba Removal	Sqft	2	1,000	0.02
8.	Labour for site cleaning	Per day	5	700	0.04
9.	Rolling Shutter for the office, manual 12 feet (W) 10 feet (H)	Nos	1	38,000	0.38
10.	False Ceiling	Lumpsum	1	12,000	0.12
	Total (A)				**0.98**
B.	**Interiors:**				
	Doors & Ironmongery				**0.32**
1.	Wooden Flush Door	Nos	1	12,000	0.12
2.	Toughened Glass-10mm	Nos	1	20,000	0.20
	Painting				**0.18**
1.	Wall and Ceiling Painting	Sqft	450	40	0.18
1.	***Signage***	Per piece	1	10,000	**0.10**
	Total (B)				**0.60**
	Total (I = A+B)				**1.58**
II.	**Furniture, Fixtures Electrical Works and Electronic Items**				
A.	**Furniture:**				
1.	Linear Workstation Table Top 25MM thick under structure made up of design metal leg with cable tray and cable riser pedestal 3-drawer size per seat 1050*600*750/1050MM HT	Nos	1	15,000	0.15
2.	Storage unit in prelam 16" Deep, x 750MM HT	Sqft	20	1,000	0.20
3.	Modular Chair	Per piece	2	3,500	0.07
4.	Plastic Chairs for waiting	Nos	3	1,800	0.05
	Total (A)				**0.47**
B.	**Electrical Work** - Lights and wiring	Lumpsum	1	24,000	**0.24**
C.	**Electronic Items**				
1.	Supply and Installation of Television 32"	Nos	1	26,500	0.27
2.	Air Conditioning – 1 Ton	Nos	1	38,000	0.38

3.	Supply and Installation of 5 channel network video recorder	Nos	1	8,500	0.09
4.	Supply and Installation of 2 MP Dome Camera	Nos	3	3,000	0.09
5.	Supply and Installation of 4TB Hard Disk	Nos	1	8,500	0.09
6.	Bar Code Scanners	Nos	1	3,000	0.03
7.	Printers	Nos	1	10,000	0.10
	Total (C)				**1.04**
D.	**Other Related Equipment -** Supply & Fixing of fire extinguisher of 4 kilogram multipurpose Indian standards institution mark	Nos	1	3,500	**0.04**
	Total (II = A+B+C+D)				**1.78**
	Total cost for civil and interior works, furniture fixture, electrical works and electronic items for bls store in the range of 100 to 250 sq ft. (I+II)				**3.36**

(1) The quotation dated July 28, 2023 has been obtained by our Company from HomeLane. The validity of the quotation is for a period of six months.

(2) Based on the certificate from chartered engineer Chetan Sharma & Associates dated August 2, 2023.

The table below sets forth the basis of our estimation for the civil and interior costs for BLS Stores having 251 Square Feet to 499 Square Feet:

S.No.	**Item Description(1)(2)**	**Unit**	**Quantity**	**Cost per unit (in ₹)**	**Total Estimated Cost (in ₹ lakhs)**
I.	**Civil and Interior Works**				
A.	**Construction, Renovation and Repairs:**				
1.	Cement Sand Plaster	Sqft	120	80	0.10
2.	Rough Plaster	Sqft	**120**	75	0.09
3.	Tiles	Sqft	389	90	0.35
4.	Waterproofing	Sqft	30	125	0.04
5.	Plain cement concrete on the floor upto 1½'' Thickness	Sqft	500	65	0.33
6.	Malba Filling	Sqft	30	30	0.01
7.	Malba Removal	Sqft	3	1,000	0.03
8.	Labour for site cleaning	Per day	5	700	0.04
9.	Fixing of Lintel	Sqft	4	450	0.02
10.	Rolling Shutter for the office - manual	Nos	1	45,000	0.45
11.	False Ceiling	Lumpsum	1	28,000	0.28
	Total (A)				**1.72**
B.	**Interiors:**				
	Doors & Iron mongery				0.37
1.	Wooden Flush Door	Nos	1	12,000	0.12
2.	Toughened Glass-10mm	Nos	1	25,000	0.25
	Painting				
1.	Wall and Ceiling Painting	Sqft	1,175	40	0.47
	Signage-Vinyl branding	Pc	1	10,000	0.10
	Total (B)				**0.94**
	Total (I = A+B)				**2.66**
II.	**Furniture, Fixtures Electrical Works and Electronic Items**				**2.55**
A.	**Furniture:**				
1.	Linear Workstation Table Top 25mm thick under structure made up of design	Nos	1	15,000	0.15

	metal leg with cable tray and cable riser pedestal 3-drawer size per seat 1050*600*750/1050MM HT				
2.	Storage unit in prelam 16" Deep, x 750MM HT	Sqft	45	1,000	0.45
3.	Modular Chair	Pc	3	3,500	0.11
4.	Plastic Chairs	Nos	5	1,800	0.09
	Total (A)				**0.80**
B.	**Electrical Work** - Lights and wiring	Lumpsum	1	57,997	**0.58**
C.	**Electronic Items**				
1.	Supply and Installation of Television 32"	Nos	1	26,500	0.27
2.	Air Conditioning – 1.5 Ton	Nos	1	45,000	0.45
3.	Supply and Installation of 5 channel network video recorder	Nos	1	8,500	0.09
4.	Supply and Installation of 2 MP Dome Camera	Nos	3	3,000	0.09
5.	Supply and Installation of 4TB Hard Disk	Nos	1	8,500	0.09
6.	Bar Code Scanners	Nos	1	3,000	0.03
7.	Printers	Nos	1	10,000	0.10
	Total (C)				**1.11**
D.	**Other Related Equipment -** Supply & Fixing of fire extinguisher of 4 kilogram multipurpose Indian standards institution mark	Nos	2	3,500	**0.07**
	Total (II = A+B+C+D)				**2.55**
	Total cost for civil and interior works, furniture fixture, electrical works and electronic items for bls store in the range of 250 square feet to 499 square feet (I + II)				**5.21**

(1) The quotation dated July 28, 2023 has been obtained by our Company from HomeLane. The validity of the quotation is for a period of six months.
(2) Based on the certificate from chartered engineer Chetan Sharma & Associates dated August 2, 2023.

The table below sets forth the basis of our estimation for the civil and interior costs for BLS Stores having 500 Square Feet to 1,000 Square Feet:

S.No.	**Item Description(1)(2)**	**Unit**	**Quantity**	**Cost per unit (in ₹)**	**Total Estimated Cost (in ₹ lakhs)**
I.	**Civil and Interior Works**				
A.	**Construction, Renovation and Repairs:**				
1.	Brick Wall 4 ½'' Thickness	Sqft	75	120	0.09
2.	Cement Sand Plaster	Sqft	120	80	0.10
3.	Rough Plaster	Sqft	120	80	0.10
4.	Tiles	Sqft	948	90	0.85
5.	Waterproofing	Sqft	30	125	0.04
6.	Plain cement concrete on the floor upto 1½'' Thickness	Sqft	460	65	0.30
7.	Malba Filling	Sqft	30	30	0.01
8.	Malba Removal	Sqft	5	1,000	0.05
9.	Labour for site cleaning	Per day	8	700	0.06
10.	Fixing of Lintel	Sqft	4	450	0.02
11.	Rolling Shutter for the office, manual 12 feet (W) 10 feet (H)	Nos	1	65,000	0.65

S.No.	Item Description(1)(2)	Unit	Quantity	Cost per unit (in ₹)	Total Estimated Cost (in ₹ lakhs)
12.	False Ceiling	Lumpsum	1	79,000	0.79
	Total (A)				**3.04**
B.	**Interiors:**				
	Doors & Ironmongery				**0.37**
1.	Wooden Flush Door	Nos	1	12,005	0.12
2.	Toughened Glass-10mm	Nos	1	25,000	0.25
	Painting				**0.60**
1.	Wall and Ceiling Painting	Sqft	1,500	40	0.60
	Signage	Per piece	1	10,000	**0.10**
	Total (B)				**1.07**
	Total (I = A+B)				**4.11**
II.	**Furniture, Fixtures Electrical Works and Electronic Items**				
A.	**Furniture:**				
1.	Linear Workstation Table Top 25MM thick under structure made up of design metal leg with cable tray and cable riser pedestal 3-drawer size per seat 1050*600*750/1050MM HT	Nos	1	15,000	0.15
2.	Storage unit in prelam 16" Deep, x 750 MM HT	Sqft	55	1,000	0.55
3.	Modular Chair	Pc	5	3,500	0.18
4.	Plastic Chairs	Nos	7	1,800	0.13
5.	Free standing Cabin Table W1800XD750XH750 made up of prelam particle board supported on 25m m gable End with modesty along with side return table W1050XD450XH750	Nos	1	16,000	0.16
6.	Low Height Back Storage unit for cabin W 2250XD450XH750	Nos	1	12,000	0.12
	Total (A)				**1.28**
B.	**Electrical Work**- Lights and wiring	Lumpsum	1	96,000	**0.96**
C.	**Electronic Items**				
1.	Supply and Installation of Television 32”	Nos	1	26,499	0.26
2.	Air Conditioning – 2 Ton	Nos	1	55,000	0.55
3.	Supply and Installation of 5 channel network video recorder	Nos	1	8,500	0.09
4.	Supply and Installation of 2 MP Dome Camera	Nos	5	3,000	0.15
5.	Supply and Installation of 4TB Hard Disk	Nos	1	8,500	0.09
6.	Bar Code Scanners	Nos	1	3,000	0.03
7.	Printers	Nos	1	10,000	0.10
	Total (C)				**1.26**
D.	**Other related equipment -** Supply & Fixing of fire extinguisher of 4 kilogram multipurpose Indian standards institution mark	Nos	3	3,475	**0.10**
	Total (II = A+B+C+D)				**3.61**

S.No.	Item Description[(1)(2)]	Unit	Quantity	Cost per unit (in ₹)	Total Estimated Cost (in ₹ lakhs)
	Total cost for Civil and Interior works, Furniture Fixture, electrical works and electronic items for BLS Store in the range of 500 to 1,000 Sq ft. (I+II)				**7.72**

(1) The quotation dated July 28, 2023 has been obtained by our Company from HomeLane. The validity of the quotation is for a period of six months.
(2) Based on the certificate from chartered engineer Chetan Sharma & Associates dated August 2, 2023.

All quotations specified above are excluding the applicable taxes and are valid as on date of this Draft Red Herring Prospectus. Our Company may not have entered into any definitive agreements with any or all of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the materials. In the event of expiry of the existing quotations, our Company may engage vendors other than the ones from whom we have obtained valid quotations. Accordingly, the costs quoted by such vendors may differ from the current estimates. None of our Promoter, Directors or KMPs or Senior Management have any interest in the proposed procurements, as stated above.

3. Achieving inorganic growth through acquisitions

We intend to utilise ₹ 2,871.00 lakhs from the Net Proceeds towards such potential acquisitions. Such acquisitions will be based on our management's decision and amounts from such Net Proceeds may not be the total value or cost of any such acquisitions but is expected to provide us with sufficient financial leverage to pursue such acquisitions.

The table below summarizes the key acquisitions/ strategic investments that we have undertaken in the past:

Sr. no.	Name of entity	Nature of consideration	Consideration	Fiscal Year of investment	Investment rationale
1.	Starfin India Private Limited	Acquisition by our Company of 100% of the issued and paid-up share capital (on a fully diluted basis) of Starfin	₹ 1,236.41 lakhs	2019	Strategically acquired to diversify existing business portfolio.
2.	Zero Mass Private Limited	Acquisition by our Company of 90.94% of the issued and paid-up share capital (on a fully diluted basis) of Starfin	₹ 11,010.29 lakhs	2023	To strengthen and consolidate our presence in the Business Correspondents vertical.
3.	BLS Kendras Private Limited	Acquisition by Equity Swap Agreement	7,41,297 Equity Shares to BLS International (valued at ₹ 111.60 per equity Share)	2023	Strategic acquisition aimed at optimizing and unifying the diverse digital businesses, fostering synergies and enhanced efficiency under a single cohesive entity.

For further details, please see section titled "*Our Business*" beginning on page 214 and "*History and Corporate Structure of the Issuer"* beginning on page 236.

We continue to selectively pursue opportunities for evaluation potential targets for strategic investments, acquisitions, and partnerships, that complement our service offerings, strengthen or establish our presence in the markets.

The actual deployment of funds will depend on a number of factors, including the timing, nature, size and number of acquisitions to be undertaken, as well as general factors affecting our results of operation and financial condition. These factors will also determine the form of investment for these potential acquisitions, *i.e.*, whether they will be directly done by our Company or through our Subsidiaries (including mode of such investment) or whether these will be in the nature of asset or technology acquisitions or joint ventures. Acquisitions and inorganic growth initiatives may be undertaken as cash transactions, or be undertaken as share-based transactions, including share swaps, or a combination thereof.

Process for Acquisition

The framework followed by our Company for acquisitions involves: (a) expertise in the domain we operate in or wish to expand into; (b) strategic fit to our existing business(es); (c) new consumers that we can serve with our existing capabilities; (d) new capabilities to serve existing consumers; (e) newer technology infrastructure, service/product offerings, including ones which plug-in gaps in our existing ecosystem/value chain; (f) enhance our geographical reach; (g) strengthen market share in existing markets; and (h) strong management team. We also enter into requisite non-disclosure agreements and undertake due diligence of the target. On satisfactory conclusion of the due diligence exercise, we into definitive agreements to acquire the target based on the approval of our Board and the shareholders, if required.

As on the date of this Draft Red Herring Prospectus, we have not entered into any definitive agreements towards any future strategic investments or acquisitions for which we intend to utilize Net Proceeds of the Issue.

4. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] lakhs towards general corporate purposes, subject to such amount not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, but are not restricted to funding growth opportunities, strengthening marketing capabilities and brand building exercises, expenditure, , including towards development/refurbishment/renovation of our assets, meeting ongoing general corporate contingencies, expenses incurred in ordinary course of business, meeting our working capital and business requirements, payment of lease liabilities, payment of commission and/or fees to consultants, acquisition of fixed assets, business development initiatives, any of the other Objects, other expenses including salaries, administration, insurance, repairs and maintenance, payment of taxes and duties and any other purpose, as may be approved by our Board or a duly constituted committee thereof from time to time, subject to compliance with applicable law, including provisions of the Companies Act.

Further, this portion of the Net Proceeds may also be utilised to meet the shortfall in the Net Proceeds for the Objects set out above. The allocation or quantum of utilisation of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of the Board, shall have the flexibility in utilising surplus amounts, if any. In the event we are unable to utilise the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilise such unutilised amount in the next Fiscal.

Means of Finance

We propose to fund the requirements of the Objects detailed above from the Net Proceeds. Accordingly, we confirm that there is no requirement to make firm arrangements of finance to be made through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue and existing identifiable internal accruals.

Issue related expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] lakhs. The expenses of the Issue include, among others, listing fees, underwriting fees, selling commission, fees payable to the BRLM, fees payable to legal counsel, fees payable to the Registrar to the Issue, Escrow Collection Bank to the Issue and Sponsor Bank(s), including processing ASBA Forms, brokerage and selling commission payable to Registered Brokers, collecting RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

The break-up for the estimated Issue expenses is as follows:

Activity	**Estimated expenses(1) (in ₹ lakhs)**	**As a % total estimated Issue expenses(1)**	**As a % of the total Issue size(1)**
BRLM fees and commissions (including any underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank(s), Bankers to the Issue, underwriting commission and selling commission and bidding charges for members of the Syndicate, Registered Brokers, RTAs and CDPs. (2)(3)(4)(5)(6)(7)(8)(9)	[●]	[●]	[●]
Others			
Listing, SEBI filing fees, upload BSE and NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
Printing and stationery	[●]	[●]	[●]
Fee payable to legal counsel	[●]	[●]	[●]
Advertising and marketing	[●]	[●]	[●]
Miscellaneous	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

(1) Issue expenses include applicable taxes, where applicable. Issue expenses will be finalised on determination of Issue Price and incorporated at the time of filing of Prospectus. Issue expenses are estimated and are subject to change.

(2) Selling commission payable to the SCSBs on the portion for the RIBs, Non-Institutional Bidders and BLS International Shareholders Bidding in the BLS International Shareholders Reservation which are directly procured by the SCSBs, would be as follows:

*Portion for RIBs**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted (plus applicable taxes)*
*BLS International Shareholders Reservation Portion**	*[●]% of the Amount Allotted (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.*

(3) Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

*Portion for Retail Individual Bidders**	*₹ [●] per valid application (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*₹ [●] per valid application (plus applicable taxes)*
*Portion for BLS International Shareholders**	*₹ [●] per valid application (plus applicable taxes)*

** For each valid application*

(4) Selling commission on the portion for Retail Individual Bidders, BLS International Shareholders, Non-Institutional Bidder which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs or for using 3-in-1 type accounts-linked online trading, demat and bank account provided by some of the brokers which are members of the Syndicate (including their Sub-Syndicate Members) would be as follows:

Portion for Retail Individual Bidders	*[●]% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*[●]% of the Amount Allotted* (plus applicable taxes)*
Portion of BLS International Shareholders	*[●]% of the Amount Allotted* (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price*

(5) The Selling Commission payable to the Syndicate / sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate /

sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / sub-Syndicate Member.

(6) *Uploading Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts, would be as follows: ₹ [●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.*

(7) *Bidding Charges payable to the Registered Brokers, CRTAs/CDPs on the portion for RIBs procured through UPI Mechanism, BLS International Shareholders Non Institutional Bidders which are directly procured by the Registered Broker, CRTAs/CDPs and submitted to SCSB for processing, would be as follows:*

*Portion for RIBs**	*₹ [●] per valid application (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹ [●] per valid application (plus applicable taxes)*
*Portion for BLS International Shareholders**	*₹ [●] per valid application (plus applicable taxes)*

**Based on valid applications*

(8) *Processing fees for applications made by UPI Bidders using the UPI Mechanism would be as under:*

Members of the Syndicate / RTAs / CDPs (uploading charges)	*₹ [●] per valid application (plus applicable taxes)*
Sponsor Bank(s) (Processing fee)	*Sponsor Bank(s) will be entitled to processing fee of ₹ [●] per valid ASBA Form for Bids made by UPI Bidders using the UPI Mechanism. The Sponsor Bank(s) shall be responsible for making payments to third parties such as the remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, amendments, the Syndicate Agreement and other applicable laws.*

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and the Cash Escrow and Sponsor Bank Agreement.

(9) *Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Syndicate / Sub-Syndicate Members shall not be able to accept Bid Cum Application Form above ₹ 500,000 and the same Bid Cum Application Form needs to be submitted to SCSBs for blocking of fund and uploading on the exchange bidding platform. To identify bids submitted by Syndicate / Sub-Syndicate Members to SCSB, a special Bid Cum Application Form with a heading / watermark, 'Syndicate ASBA' may be used by Syndicate / Sub-Syndicate Member along with SM code and Broker code mentioned on the Bid Cum Application Form to be eligible for brokerage on Allotment. However, such special forms, if used for RIB Bids and NIB Bids up to ₹ 500,000 will not be eligible for brokerage.*

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

Interim use of Net Proceeds

Our Company, in accordance with the policies established by the Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company will temporarily deposit the Net Proceeds in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, for the duration as may be approved by our Board.

In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the equity shares of any other listed company or for any investment in equity markets.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Appraising Entity

None of the Objects for which the Net Proceeds will be utilised have been appraised by any bank/ financial institution or any other independent agency.

Monitoring of Utilization of Funds

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company shall appoint [●] as a Monitoring Agency for monitoring the utilization of Net Proceeds prior to the filing of the Red Herring Prospectus, for monitoring the utilisation of Net Proceeds. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds and the Monitoring Agency shall submit the report required under Regulation 41(2) of the SEBI ICDR Regulation. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay.

Our Company will disclose and continue to disclose, the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such fiscals as required under applicable law, clearly specifying the purposes for which the Net Proceeds have been utilised, till the time any part of the Net Proceeds remains unutilised. Our Company will also, in its balance sheet for the applicable fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds. Further, our Company, on a quarterly basis, shall include the deployment of Net Proceeds under various heads, as applicable, in the notes to our quarterly consolidated results. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32(3) and Part C of Schedule II, of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our directors report, after placing the same before the Audit Committee. This information will also be uploaded onto our website.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules and Schedule XX of the SEBI ICDR Regulations, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to our Shareholders in relation to the passing of such special resolution ("Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the regional language of the jurisdiction where our Registered Office and Corporate Office is located. In accordance with the Companies Act, our Promoter will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association, the Companies Act and the SEBI ICDR Regulations.

Other Confirmations

None of our Promoter, Directors, Group Companies, Key Managerial Personnel or members of our Promoter Group will receive any portion of the Net Proceeds. Our Company has not entered into or is not planning to enter into any arrangement/ agreements with the Promoter, the Directors, the Group Companies, the Key Managerial Personnel or members of the Promoter Group in relation to the utilisation of the Net Proceeds of the Issue. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the objects of the Issue as set out above.

Further, pursuant to the Issue, the Net Proceeds received by our Company shall only be utilised for objects identified by our Company and for general corporate purposes.

BASIS FOR THE ISSUE PRICE

The Price Band, Floor Price and Issue Price will be determined by our Company in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is [●] times the Floor Price and [●] times the Cap Price of the Price Band. The financial information included herein is derived from our Restated Consolidated Financial Information.

Investors should read the below mentioned information along with the sections titled "*Our Business*", "*Risk Factors*", "*Financial Information*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Other Financial Information"* on pages 214, 39, 273, 332 and 329, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Issue price are as follows:

1. Asset light business model.
2. We enable social and financial inclusion in India.
3. Multiple cross-selling and up-selling opportunities, network effect and wide reach for customer acquisition.
4. Business model with diverse sources of revenue and negligible customer acquisition and retention costs.
5. Successful track record of our acquisitions.
6. Experienced senior management, skilled employees, and strong parentage of our Promoter "BLS International Services Limited"

For further details, please see section titled "*Our Business – Our Strengths*" on page 217.

Quantitative Factors

Certain information presented in this chapter is derived from the Restated Consolidated Financial Information. For further details, please see sections titled "*Restated Consolidated Financial Information*" and "*Other Financial Information"* on pages 273 and 329, respectively.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. Basic and Diluted Earnings per Share:

As derived from the Restated Consolidated Financial Information:

Fiscal year ended	Basic Earnings per Share (₹)	Diluted Earnings per Share (₹)	Weight
March 31, 2023	3.02	3.02	3
March 31, 2022	0.89	0.89	2
March 31, 2021	0.52	0.52	1
Weighted Average	**1.89**	**1.89**	**-**

Notes:
1. *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights, i.e. (EPS x weight) for each year divided by the total of weights.*
2. *Basic and diluted EPS are based on the Restated Consolidated Financial Information.*
3. *The face value of each Equity Share is ₹10.*
4. *Earnings per Share (₹) = Profit after tax excluding exceptional items before other comprehensive income attributable to equity shareholders for the year/period divided by the weighted average no. of equity shares. The weighted average number of Equity Shares outstanding during the year is adjusted for bonus issue of Equity Shares.*
5. *Basic EPS and diluted EPS calculations are in accordance with Indian Accounting Standard 33 'Earnings per Share'.*

6. *The above statement should be read with significant accounting policies and the notes to the Restated Consolidated Financial Information*.

2. Price/Earning ("P/E") Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at Floor Price (no. of times)*	P/E at Cap Price (no. of times)*
Based on basic EPS of ₹ [●] as per the Restated Consolidated Financial Information for the year ended March 31, 2023	[●]	[●]
Based on diluted EPS of ₹ [●] as per the Restated Consolidated Financial Information for the year ended March 31, 2023	[●]	[●]

** To be updated at Prospectus Stage.*

3. Industry Peer Group P / E ratio

Particulars	Industry P / E (number of times)
EMudhra Limited	62.50

Notes: P/E ratio has been computed based on the closing market price of equity shares on BSE as on July 24, 2023, divided by the diluted EPS for the year ended March 31, 2023.

4. Average Return on Net Worth ("RoNW")

As derived from the Restated Consolidated Financial Information:

Fiscal year ended	RoNW* (%)	Weight
March 31, 2023	16.46%	3
March 31, 2022	36.93%	2
March 31, 2021	34.30%	1
Weighted Average	**26.26%**	

Notes:

1) *Net worth means the aggregate of paid-up equity share capital and other equity (all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account) as per the Restated Financial Information*
2) *Return on Net Worth (%) = Restated Profit for the year attributable to equity shareholders of the Company divided by Net Worth of the Company.*
3) *Weighted average = Aggregate of year-wise weighted Return on Net worth divided by the aggregate of weights i.e. (Return on Net worth x Weight) for each year / Total of weights.*

5. Net Asset Value per Equity Share ("NAV")

As derived from the Restated Consolidated Financial Information:

Net Asset Value per Equity Share	(₹)
As on March 31, 2023	18.76
After the Issue	
-At the Floor Price	[●]
-At the Cap Price	[●]
Issue Price*	[●]

**Issue Price per Equity Share will be determined on conclusion of the Book Building Process, and this is not derived from Restated Consolidated Financial Information.*

Notes:

(1) Net asset value per equity share is calculated as net worth as of the end of relevant year divided by the weighted average number of equities shares outstanding at the end of the year. Net worth represents the aggregate value of equity share capital, instruments entirely equity in nature and other equity and are based on Restated Financial Information

6. Comparison of accounting ratios with listed industry peers

Name of the company	Consolidated / Standalone	Face value (₹ per share)	Closing price on July 24, 2023 (₹)	Total Revenue (in ₹ lakhs)	EPS (₹)		NAV (₹ per share)	P / E	RoNW (%)
					Basic	Diluted			
BLS E-Services Limited	Consolidated	10	[•]	24,629.27	3.02	3.02	18.76	[•]	16.46%
PEER GROUP									
EMudhra Limited	Consolidated	5	500.60	24,875.70	8.35	8.01	53.02	62.50	15.75%

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis as available sourced from the financial Reports of the peer company uploaded on the BSE website for the year ended March 31, 2023

Notes:

1. *P/E Ratio has been computed based on the closing market price of equity shares on the BSE website on July 24, 2023, divided by the Diluted EPS.*
2. *Restated Profit for the year attributable to equity shareholders of the Company divided by Net Worth of the Company.*
3. *Net asset value per equity share is calculated as net worth as of the end of relevant year divided by the weighted average number of equities shares outstanding at the end of the year.*

7. Key Financial Performance Indicators

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals in comparison to our peers.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated August 4, 2023, and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this DRHP. Further, the KPIs herein have been certified by MRKS and Associates, Independent Chartered Accountants, by their certificate dated August 4, 2023.

The KPIs of our Company have been disclosed in the sections titled "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators and Non-GAAP Financial Measures – Key Performance Indicators*" on pages 214 and 336, respectively. We have described and defined the KPIs, as applicable, in the section titled "*Definitions and Abbreviations*" on page 5.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of Directors of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Issue as per the disclosure made in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

Financial KPIs of our Company

(in ₹ lakhs, except percentages and ratios)

Key Financial Performance	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue From operations	24,306.07	9,669.82	6,448.72
Total revenue	24,629.27	9,839.56	6,523.35
EBITDA	3,628.96	862.07	547.29
EBITDA Margin (%)	14.73	8.76	8.39
Profit after tax	2,033.18	537.96	314.82
PAT Margin (%)	8.36	5.56	4.88
Return on Equity (ROE) (%)	33.33	43.48	38.91
Debt To Equity Ratio	0.05	1.01	1.14
Interest Coverage Ratio	8.53	7.62	3.65
Return on Capital Employed (ROCE) (%)	30.62	28.39	29.68
Current Ratio	1.10	0.96	0.67
Net Capital Turnover Ratio (%)	91.32	(17.43)	(5.94)

Notes:

1) *Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.*
2) *EBITDA =EBITDA is calculated as Restated profit before exceptional items and tax plus finance cost and depreciation & amortization.*
3) *EBITDA Margin = EBITDA margin (%) is calculated as EBITDA divided by Total revenue*
4) *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.*
5) *Return on equity (RoE) is equal to profit for the year divided by the average total equity and is expressed as a percentage.*
6) *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).*
7) *Interest Coverage Ratio measures our ability to make interest payments from available earnings and is calculated by dividing EBIT by finance cost.*
8) *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.*
9) *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.*

Explanation for KPI metrics

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

S. no.	KPI	Explanation
1	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 sizeof our business.
2	Total Revenue (₹ lakhs)	Total Revenue is used to tack the total revenue generated by the business including other income.
3	EBITDA	EBITDA provides a comprehensive view of our financial health as it considers all sources of our income.
4	EBITDA Margin	EBITDA margin (%) is financial ratio that measures our profitability as a percentage of its total revenue.
5	Profit After Tax (₹ lakhs)	Profit after tax provides information regarding the overall profitability of the business.
6	PAT Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of ourbusiness.
7	RoE (%)	RoE provides how efficiently the Company generates profits from shareholders' funds.
8	Debt To Equity Ratio	Debt-to-equity (D/E) ratio is used to evaluate the company's financial leverage.

S. no.	KPI	Explanation
9	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.
10	Return on Capital Employed (%)	ROCE provides how efficiently the Company generates earnings from the capital employed in the business.
11	Current Ratio	It tells management how business can maximize the current assets on its balance sheet to satisfy its current debt and other payables.
12	Net Capital Turnover Ratio (%)	This metric enables us to track the how effectively company is utilizing its working capital to generate revenue.

8. Set forth are the details of comparison of key performance indicators with our listed industry peers:

(in ₹ lakhs, except percentages and ratios)

Metrics	BLS E-Services Limited			EMudhra Limited
	Fiscal			Fiscal
	2023	2022	2021	2023
Revenue From operations	24,306.07	9,669.82	6,448.72	24,875.70
Total revenue	24,629.27	9,839.56	6,523.35	25,405.60
EBITDA	3,628.96	862.07	547.29	9,260.90
EBITDA Margin (%)	14.73	8.76	8.39	36.40
Profit after tax	2,033.18	537.96	314.82	6,119.80
PAT Margin (%)	8.36	5.56	4.88	24.09
Return on Equity (ROE) (%)	33.33	43.48	38.91	15.63
Debt To Equity Ratio	0.05	1.01	1.14	0.06
Interest Coverage Ratio	8.53	7.62	3.65	22.68
Return on Capital Employed (ROCE) (%)	30.62	28.39	29.68	16.71
Current Ratio	1.10	0.96	0.67	4.43
Net Capital Turnover Ratio (%)	91.32	(17.43)	(5.94)	1.29

9. Details of KPIs pertaining to our Company that have been disclosed to its investors at any point of time during the three years preceding the date of this Draft Red Herring Prospectus:

(in ₹ lakhs)

Sr No.	KPI	Fiscal 2023	Fiscal 2022	Fiscal 2021
1.	Total Income	24,629.27	9,839.56	6,523.35
2.	Total expense (excluding exceptional items)	21,671.33	9,161.82	6,131.13
3.	Profit before tax ("**PBT**") (after exceptional items)	2,697.94	677.74	392.22
4.	Tax expense	664.76	139.78	77.40
5.	Profit after tax ("**PAT**")	2,033.18	537.96	314.82
6.	Earnings Per Share: (basic and diluted)	3.02	0.89	0.52
7.	Share Capital	6,672.65	1.00	1.00
8.	Reserve & Surplus	4,021.38	678.39	139.60
9.	Share pending allotment	-	827.30	827.30
10.	Non-controlling interest	451.18	-	-
11.	Non- Current liabilities	413.47	1,303.06	15.53
12.	Current Liabilities	6,837.91	2,783.18	3,075.30
	TOTAL (7+8+9+10+11+12)	**17,946.59**	**5,592.93**	**4,058.73**
13.	Non-current assets	10,923.48	2,912.63	1,990.32
14.	Current Assets	7,023.11	2,680.30	2,068.41
	TOTAL (13+14)	**17,946.59**	**5,592.93**	**4,058.73**

Notes:

1. *Total income consists of revenue from operations and other income as stated in restated consolidated financial statements of the Company.*
2. *Total expenses consist of expenses in relation to cost of services, Employee benefit expenses, finance cost, depreciation including amortisation and other expenses as stated in restated consolidated financial statements of the Company.*
3. *Profit before Tax (PBT) after exceptional items is derived after deducting Total expenses including exceptional items from Total income.*
4. *Profit after Tax (PAT) is derived after deducting Tax expenses for current year and earlier years and deferred tax expenses from PBT.*
5. *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.*

10. Weighted average cost of acquisition

a) The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities)

Except as disclosed below, there has been no issuance of Equity Shares or convertible securities, during the 18 months preceding the date of this DRHP, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Issue capital before such transaction(s), in a single transaction or multiple transactions combined together over a span of 30 days.

Date of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of allotment	Nature of consideration	Total Consideration (in ₹ lakhs)
October 1, 2022	60,00,000	10	0.00	Bonus Issue	Other than Cash	Nil
October 4, 2022	25,00,000	10	100.00	Right Issue	Cash	2,500.00
October 31, 2022	7,41,297	10	0.00	Swap Transaction	Other than Cash	Nil
December 21, 2022	20,94,000	10	123.00	Private Placement	Cash	2,575.62
December 21, 2022	20,00,000	10	110.00	Sweat Equity	Cash (Rs 110 per Equity Share) and other than cash (Rs 13 per Equity Share)	2,200.00
December 30, 2022	5,33,81,188	10	0.00	Bonus Issue	Other than Cash Share)	Nil
Total	**6,67,16,485**					**7,275.62**
Weighted average cost of acquisition (WACA)						**10.91**

b) The price per share of our Company based on the secondary sale / acquisition of shares (equity / convertible securities)

There have been no secondary sale / acquisitions of Equity Shares or any convertible securities, where the promoter, members of the promoter group, or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-Issue capital before such transaction/s), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

c) 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. ₹ [●])	Cap price* (i.e. ₹ [●])
Weighted average cost of acquisition of primary / new issue as per paragraph 10(a) above.	10.91	**[●]** times	**[●]** times
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 10(b) above.	N.A.	**[●]** times	**[●]** times

** To be included at Prospectus stage.*

Explanation for Issue Price / Cap Price being [●] price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in [●] above) along with our Company's key performance indicators and financial ratios for the Fiscals March 31, 2023, March 31, 2022 and March 31, 2021.

[●]*
**To be included at Prospectus Stage*

Explanation for Issue Price / Cap Price being [●] price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in [●] above) in view of the external factors which may have influenced the pricing of the Issue.

[●]*
**To be included at Prospectus Stage*

The Issue Price will be [●] times of the face value of the Equity Shares. The Issue Price of ₹ [●] has been determined by our Company in consultation with the BRLM, on the basis of the demand from investors for the Equity Shares through the Book Building Process. Our Company in consultation with the BRLM, is justified of the Issue Price in view of the above qualitative and quantitative parameters. The trading price of the Equity Shares could decline due to the factors mentioned in the section titled "*Risk Factors*" on page 39 or any other factors that may arise in the future and you may lose all or part of your investments. Investors should read the above-mentioned information along with "*Risk Factors*", "*Our Business*", *Management's Discussion and Analysis of Financial Position and Results of Operations*" and "*Financial Information*" on pages 39, 214, 332 and 273, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" on page 39 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

To,

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

Subject : Statement of possible special tax benefits ("the Statement") available to BLS E-Services Limited (formerly known as BLS E-Services Private Limited) ("the Company") and its shareholders prepared in accordance with the requirement under Schedule VI – Part A – Clause (9) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("the ICDR Regulations")

1. This report is issued in accordance with the terms of our agreement dated June 30, 2023.

2. We hereby report that the enclosed **Annexure II** prepared by the Company, initialed by us for identification purpose, states the possible special tax benefits available to the Company, its shareholders and its material subsidiary, which is defined in **Annexure I (List of Material Subsidiary considered as part of the Statement)**, under

   a) the Income-tax Act, 1961 (the "Act") as amended by the Finance Act, 2023 applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, presently in force in India;

   b) the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and the applicable State / Union Territory Goods and Services Tax Act, 2017 ("GST Acts"), as amended from time to time, the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended from time to time, Foreign Trade Policy 2015-20 as extended till 31.03.2023 vide Notification No 37/2015-20 dated 29.09.2022. The Foreign Trade Policy, 2023 has been notified Vide Notification No 01/2023 and shall come into force from 01 April 2023.

3. These possible special tax benefits are dependent on the Company, its shareholders and its material subsidiary fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and its shareholders may or may not choose to fulfill.

4. The benefits discussed in the enclosed Annexure II cover the possible special tax benefits available to the Company, its shareholders and its material subsidiary and do not cover any general tax benefits available to the Company and its shareholders. These benefits are dependent on the Company or its material subsidiaries or the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company or its material subsidiaries or the shareholders of the Company to derive the special tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or its material subsidiaries or the shareholders of the Company may or may not choose to fulfill. The Statement is to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offer of equity shares of the Company **(the "Proposed Issue")** particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

5. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. 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.

7. We do not express any opinion or provide any assurance as to whether:

   a) the Company and its shareholders will continue to obtain these possible special tax benefits in future; or
   b) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

8. The contents of the enclosed Annexures are based on the information, explanation and representations obtained from the Company, and on the basis of our understanding of the business activities and operations of the Company.

9. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

10. We hereby give consent to include this Statement in the Draft Red Herring Prospectus, and in any other material used in connection with the Proposed Issue, and it is not to be used, referred to or distributed for any other purpose without our prior written consent.

For S. S. KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No: 000756N

AMIT GOEL
Partner
Membership No: 500607

Place: New Delhi
Date: August 1, 2023
UDIN: 23500607BGURNR5157

LIST OF MATERIAL SUBSIDIARIES CONSIDERED AS PART OF THE STATEMENT
("Annexure I")

1. BLS Kendra Private Limited
2. Zero Mass Private Limited

Note 1: Material subsidiaries identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, includes a subsidiary whose income or net worth in the immediately preceding accounting year (i.e. 31 March 2023) exceeds 10% of the consolidated income or consolidated net worth respectively, of the holding company and its subsidiaries in the immediate preceding year.

For BLS E - Services Limited

RAHUL SHARMA
(Chief Financial Officer)

For S. S. KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No: 000756N

AMIT GOEL
Partner

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS AND ITS MATERIAL SUBSIDIARIES ("Annexure II")

A. SPECIAL TAX BENEFITS TO THE COMPANY AND ITS MATERIAL SUBSIDIARIES UNDER THE INCOME TAX ACT, 1961 (THE "ACT")

The statement of tax benefits outlined below is as per the Act read with Income Tax Rules, circulars, notifications ("Income Tax Law"), as amended from time to time and applicable for as on date of issuance of this statement. These special tax benefits are dependent on the Company fulfilling the conditions prescribed under the Income Tax Law. Hence, the ability of the Company to derive the special tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfil.

1. Lower corporate tax rate under Section 115BAA of the Act:

A new section 115BAA has been inserted in the Act by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. from FY 2019-20 relevant to AY 2020-21. Section 115BAA grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%) and the option once exercised shall apply to subsequent assessment years. In such a case, the Company may not be allowed to claim any of the following deductions/exemptions:

(i) Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
(ii) Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)
(iii) Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
(iv) Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
(v) Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
(vi) Deduction under section 35CCD (Expenditure on skill development)
(vii) Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or Section 80M
(viii) No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause (i) to (vii) above,
(ix) No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause (i) to (vii) above.

Further, it was clarified by CBDT vide Circular No. 29/ 2019 dated 2 October 2019 that if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Further, such Company will not be entitled to claim tax credit relating to MAT.

In this regard, the Company and its material subsidiaries has opted to be covered under the provisions of Section 115BAA of the Act and would be eligible for a reduced tax rate of 22% (25.168% along with surcharge and health and education cess) from AY 2020-21.

B. Special tax benefits available to the Shareholders of the Company

1. Dividend Taxation:

With respect to a resident corporate shareholder, deduction under section 80M of the Act is available to the extent of dividend received or distributed by the shareholder, whichever is lower from the shareholder's gross total income computed in accordance with the provisions of the Act.

With respect to non-resident shareholder, the provision of the Agreement for Avoidance of Double Taxation (tax treaty) entered by the Government of India with the country of residence of the non-resident shareholder will be applicable to the extent more beneficial to the non-resident. Accordingly, non-resident shareholder may, subject to conditions, be subject to tax at a concessional rate for divided income, if any, provided under the relevant tax treaty.

2. **Shareholders may be subject to India taxes on the capital gains arising out of the sale of Right Shares and Right Entitlements ('REs')**

   As per section 112A of the Act, long-term capital gains (exceeding Rs. 1 lakhs) from sale of equity shares of a company listed on a recognized stock exchange is taxable at the rate of 10% (plus surcharge and cess) provided securities transaction tax ('STT') is paid on acquisition as well as transfer, while continuing to exempt the unrealized capital gains earned upto 31 January 2018. Long term capital gains to be taxed at aforesaid 10% without indexation benefit and without foreign currency fluctuation benefit. Further, as per section 111A of the Act, short term capital gain (i.e. where the period of holding of shares is 12 months or less) on sale of aforesaid shares is taxable at the rate of 15%. STT will be levied on and collected by a recognized stock exchange on which such equity shares are transacted.

   In case of transfer of shares where capital gains are not covered under section 112A and 111A above, long term capital gain is taxable at the rate of 20% with indexation (inflation adjustment) or 10% without indexation whichever is more beneficial. The aforesaid exemption of INR 1 lakhs shall not be available in such case. Short term capital gain arising in case of transfer of shares which are not chargeable to STT is taxable at applicable slab rates to individuals and in case of corporate shareholder at the applicable corporate tax rate.

   In respect of REs, it is possible for the shareholders to either sell such REs, exercise REs or let the REs relapse. Therefore, REs being a separate 'security' traded on a stock exchange may be subject to short term capital gains on transfer.

   As per section 115E of the Act, long term capital gains arising to non-resident Indian from transfer of shares in an Indian company which the shareholder has acquired in convertible foreign exchange shall be taxed at the rate of 10% subject to fulfilment of prescribed conditions under the Act.

   As per section 115A of the Act, dividend income earned by a non-resident (not being a company) or by a foreign company, shall be taxed at the rate of 20% subject to fulfilment of prescribed conditions under the Act.

Notes:

1. This Annexure is as per the Income-tax Act, 1961 as amended by the Finance Act, 2023 read with relevant rules, circulars and notifications applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India.

2. The ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

3. The Statement has been prepared on the basis that the shares of the Company will be listed on a recognized stock exchange in India.

4. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.

5. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

6. No assurance is provided that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

C. SPECIAL TAX BENEFITS TO THE COMPANY AND ITS MATERIAL SUBSIDIARIES UNDER INDIRECT TAX LAWS

1. Special tax benefits available to the Company and its material subsidiaries

There are no special indirect tax benefits available to the Company or its material subsidiaries.

2. Special tax benefits available to the Shareholders of the Company

There are no special indirect tax benefits available to the shareholders of the Company.

Notes:

1. The above is as per the current Tax Laws.

2. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.

3. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

For BLS E - Services Limited

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AMIT GOEL
Partner

SECTION V- ABOUT OUR COMPANY

INDUSTRY OVERVIEW

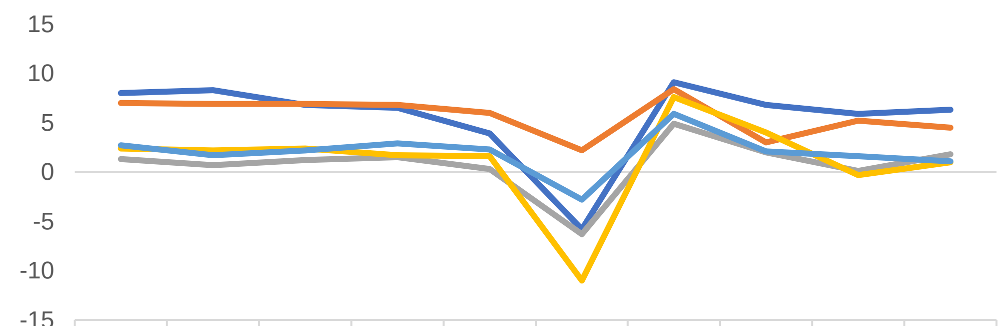
1. Macroeconomic Scenario

1.1. World economy fighting inflation surge with Indian economy facing volatile commodity prices and tightening of liquidity.

The global economy is witnessing tightening monetary conditions in most regions. According to IMF, we are facing a broad based and sharper than expected slowdown with high inflation across the globe. As per the IMF (*World Economic Outlook Update – April 2023*), global growth prospects are estimated to fall from 3.4% in CY2022 to 2.8% in CY2023 and then see an increase in CY2024 to 3.0%, impact of which is expected to be witnessed in Indian economy as well. Global trade had reached a record level of ~US$32 trillion for CY2022, but its growth had turned negative during the second half of 2022. The trade outlook for CY2023 is expected to be negatively impacted as a result of geopolitical frictions, persisting inflation and lower global demand.

1.2. India expected to remain one of the fastest growing economies

India is expected to be the fastest-growing major economy (GDP growth, % year-on-year)



	2015	2016	2017	2018	2019	2020	2021	2022	2023P	2024P
India	8.0	8.3	6.8	6.5	3.9	-5.8	9.1	6.8	5.9	6.3
China	7.0	6.9	6.9	6.8	6.0	2.2	8.4	3.0	5.2	4.5
South Africa	1.3	0.7	1.2	1.5	0.3	-6.3	4.9	2.0	0.1	1.8
United Kingdom	2.4	2.2	2.4	1.7	1.6	-11.0	7.6	4.0	-0.3	1.0
United States	2.7	1.7	2.2	2.9	2.3	-2.8	5.9	2.1	1.6	1.1

Note: All forecasts refer to IMF forecasts. GDP growth is based on constant prices, ASEAN-5 countries (Indonesia, Malaysia, Philippines, Singapore, Thailand) is projected to slow to 4.5% in 2023 and then pick up to 4.6% in 2024, Data represented is for calendar years except India which is represented in financial year with FY 2022/23 (starting in April 2022) shown in the 2022 column, P: Projected; Source: IMF (World Economic Outlook Update – April 2023)

Macroeconomic outlook for Fiscal 2024

Macro variables	FY23	FY24E	Rationale for outlook
GDP (y-o-y)	7.2%	6.0%	Slowing global growth, with tightening global financial conditions likely to weaken India's export in fiscal 2024 and moderate domestic demand. Domestic demand could also come under pressure as Reserve Bank of India (RBI) rate hikes are transmitted to consumers
Consumer price index (CPI) inflation (y-o-y)	6.7%	5.0%	Lower commodity prices, base effect, moderation in food prices and cooling off domestic demand is likely to help in moderating inflation in fiscal 2024.

10-year Government security yield (fiscal-end)	7.4%	7.0%	A moderate increase in gross market borrowings is budgeted for fiscal 2024. This, coupled with expected lower inflation and the RBI's rate cuts, is likely to moderate yields in fiscal 2024
CAD (Current account balance)/GDP (%)	-2.5%	-2.0%	Lower crude prices and cooling of domestic demand followed by a healthy uptick in service exports (IT, business and travel services) and a rise in secondary-income surplus (largely foreign remittances) is expected to lead to moderation of trade deficit in fiscal 2024
Rs/$ (March average)	82.3	83.0	While a lower current account deficit (CAD) will support the rupee, challenging external financing conditions will continue to exert pressure in the next fiscal

Note: E – Estimated; Source: Reserve Bank of India (RBI), National Statistics Office (NSO), CRISIL

1.3. India to remain a growth outperformer globally

Despite the markdown in near-term growth, India is expected to remain a growth outperformer over the medium run. Stronger domestic demand is expected to drive India's growth premium over peers in the medium run. Investment prospects are optimistic given the government's capex push, progress of Production-linked Incentive (PLI) scheme, healthier corporate balance sheets, and a well-capitalised banking sector with low non-performing assets (NPAs). India is also likely to benefit from China-plus-one policy as global supply chains get reconfigured with shifting focus from efficiency towards resilience and friend shoring. Private consumption (~58% of GDP) will play a supportive role in raising GDP growth over the medium run.

Factors that will shape growth in fiscal 2024

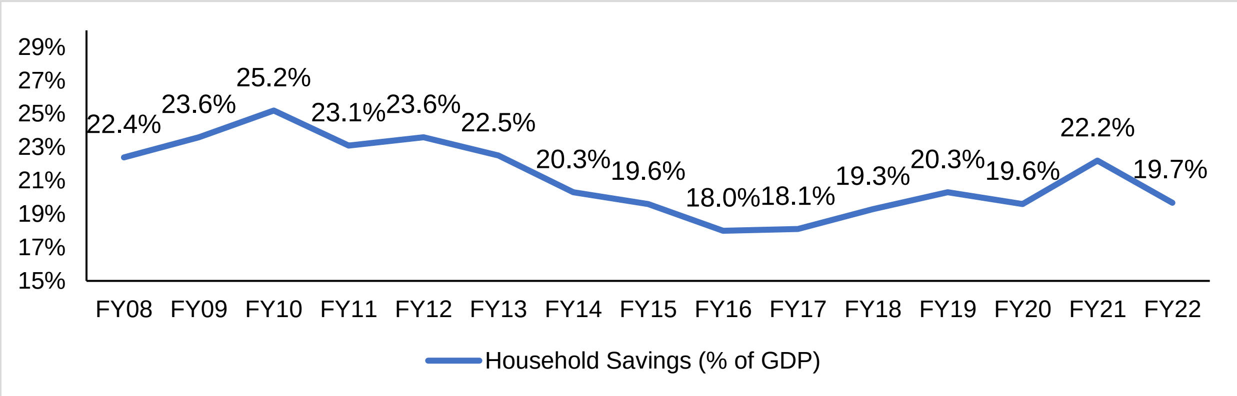
The following factors will play a prominent role:

- Some of the highlights of the Union Budget of 2023-24 are as follows

Announcement
Strong thrust towards capex seeing a 24% increase to Rs 18.6 trillion to support growth
Tax rebate for income up to Rs 7 lakhs (as per the new regime)
Simplification of the know-your-customer process through an expanded DigiLocker service and National Financial Information Registry
Setting up of three centres of excellence for realising the vision of 'Make AI in India and Make AI work for India'

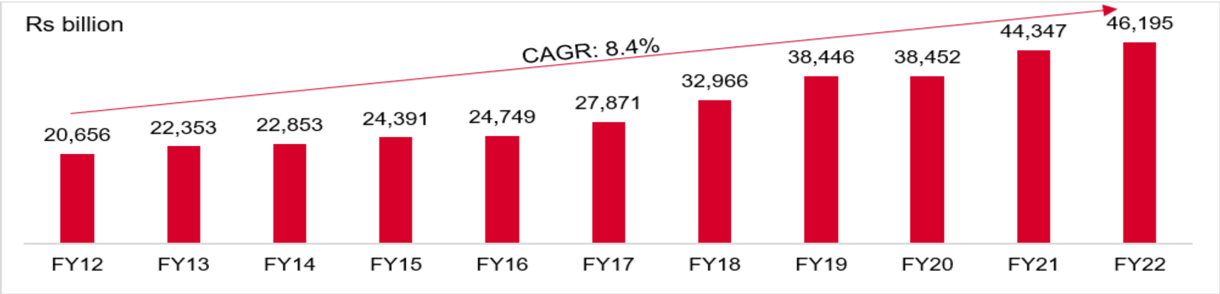
- Global slowdown to impact domestic industrial activity via the exports channel
- The one-time lift to contact-based services from domestic demand will abate next fiscal, but government capex will stay supportive
- Tightening domestic financial conditions will hurt growth next fiscal

Household savings as a percentage of GDP decreased to fiscal 2020 level in fiscal 2022



Note: E: Estimated, Source: Ministry of Statistics and Programme Implementation (MOSPI), RBI, CRISIL MI&A Research

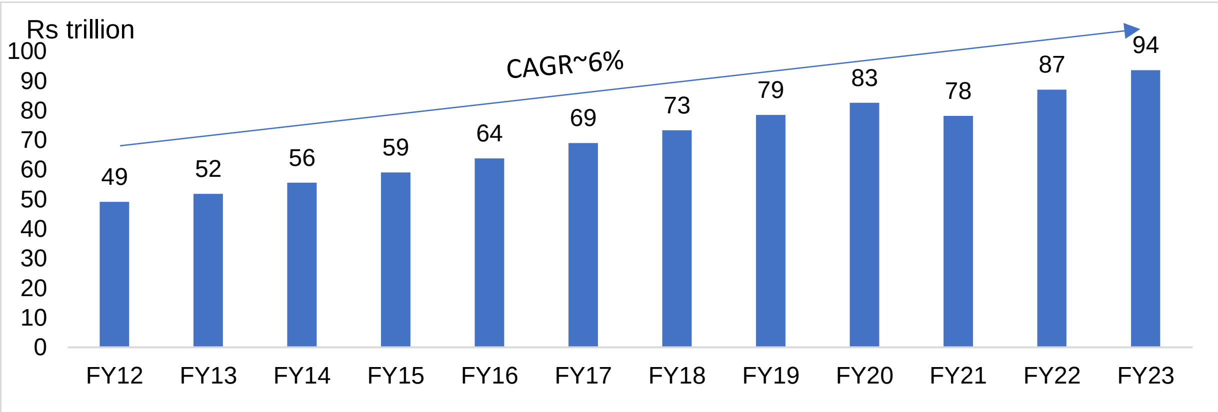
Household savings growth



Source: MOSPI, CRISIL MI&A Research

CRISIL MI&A Research expects India to continue being a high savings economy.

Private final consumption expenditure (PFCE) has grown ~6% over fiscal 2012-23



Note: Private final consumption expenditure is at constant prices (at 2011-2012 prices)

Source: MOSPI, CRISIL MI&A Research

- **Rural economy is becoming structurally far more resilient**

According to Census 2011, there are about 640,000 villages in India, which are inhabited by about 893 million people, comprising about 65% of the country's population as of CY2021. The rural economy is far more resilient today due to increased spends under MNREGA and irrigation programmes, direct benefit transfer (DBT), the PM-Kisan scheme, PM Ujwala Yojana for cooking gas, PM Awas Yojana for housing, and Ayushman Bharat scheme for healthcare. To supplement this, there has been a continuous improvement in rural infrastructure such as electricity and roads. These government initiatives have led to lesser leakages and higher incomes in the hands of the rural populace, thereby enhancing their ability and willingness to spend on discretionary products and services. The structural changes, combined with a positive macro environment, will improve rural business prospects, provide business opportunities for the banking and financial services sector and drive the long-term growth of the economy.

- **Account Aggregators framework to build a financial data ecosystem in India**

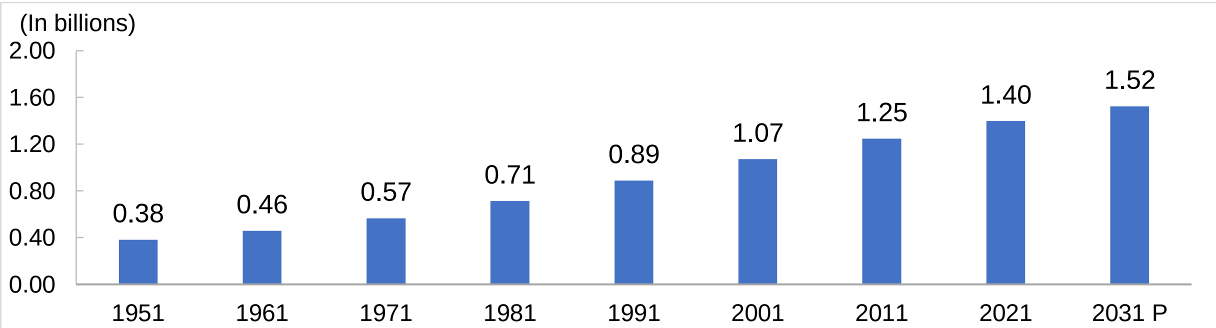
The RBI launched the account aggregator system on September 2, 2021, which has the potential to transform the MSME finance space once there is widespread adoption amongst the lending community. These account aggregators would provide granular insights to lenders into customers' financial assets and their borrowing history centrally, based on customer consent. Inclusion of additional data such as electricity bill payments and mobile recharges/bill payment data under the purview of account aggregators would further enhance its utility.

1.4. Key growth drivers

- **India has world's largest population**

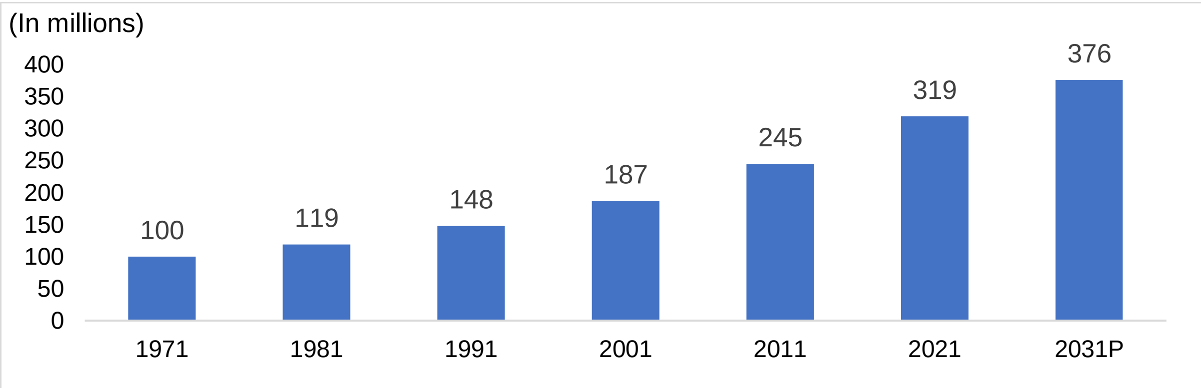
As per Census 2011, India's population was ~1.25 billion, and comprised nearly 245 million households. As of CY2022, the population is more than 1.42 billion and has surpassed China as of January 2023 as the most populous country in the world.

India's population growth trajectory



Note: P: Projected; Source: United Nations Department of Economic and Social affairs, CRISIL MI&A Research

Number of households in India

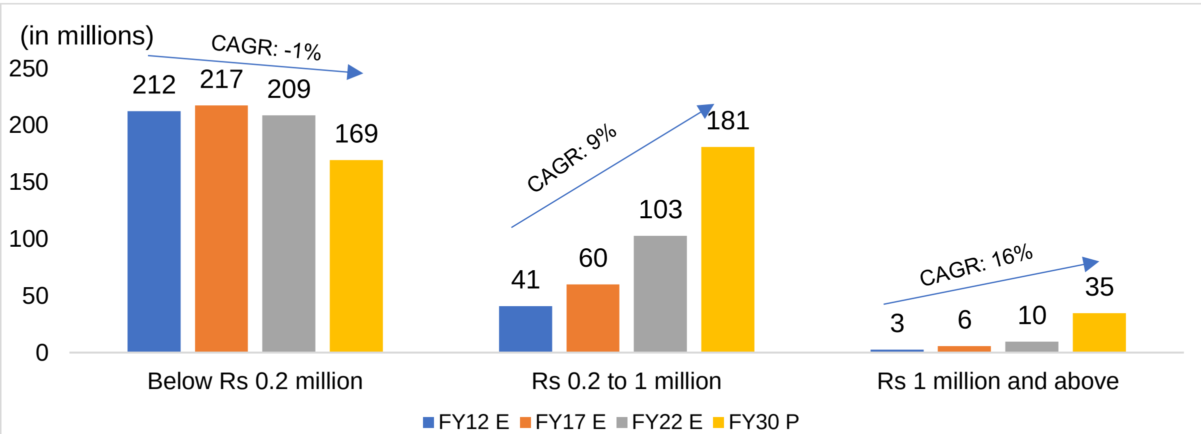


Note: P: Projected; Source: Census India, CRISIL MI&A Research

- **Rising Middle India population to help sustain growth**

Proportion of Middle India (defined as households with annual income of between Rs. 0.2 to 1 million) has been on a rise over the last decade and is expected to grow further with continuous increase in the GDP and household incomes. To illustrate, CRISIL MI&A Research estimates that there were 41 million households in India in this category as of Fiscal 2012, and by Fiscal 2030, they are projected to increase to 181 million households translating into a CAGR of 9% over this time period. This growth in the number of middle-income households is expected to lead to enhanced opportunities for retail and MSME financiers as well as consumer goods marketers. A large number of these households, which have entered the Middle-Income bracket in the last few years, are likely to be from semi-urban and rural areas. The rise in incomes in these areas is also evident when one observes the trend in share of deposits coming into banks.

iddle India households witnessed high growth over fiscal 2012 to fiscal 2022



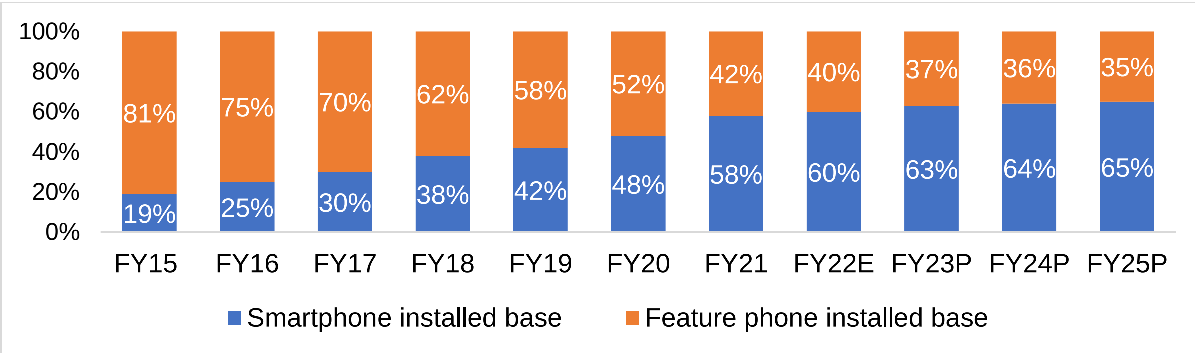
Note: E: Estimated, P: Projected; Source: CRISIL MI&A Research

1.5. Digitisation: Catalyst for the next growth cycle

Technology is expected to play a pivotal role in taking the financial sector to the next level of growth, by helping to surmount challenges stemming from India's vast geography, which makes physical footprints in smaller locations commercially unviable. Technology is conducive for India, considering its demographic structure where the median age is less than 30 years. The young population is tech savvy and at ease with using it to conduct the entire gamut of financial transactions. With increasing smartphone penetration and faster data speeds, consumers are now encouraging digitisation as they find it more convenient. Digitisation will help improve efficiency and optimise cost. Players with better mobile and digital platforms will draw more customers and emerge as winners in the long term.

In August 2020, RBI has announced a new licence for NUE (new umbrella entity) for retail payments. These NUEs will innovate and compete with NPCI in setting up and managing new payment systems in the retail space.

Mobile penetration: Higher mobile penetration, improved connectivity, and faster and cheaper data speed, supported by Aadhaar and bank account penetration have led India to shift from being a cash-dominated economy to a digital one. Data-savvy and younger users to drive adoption of smartphones

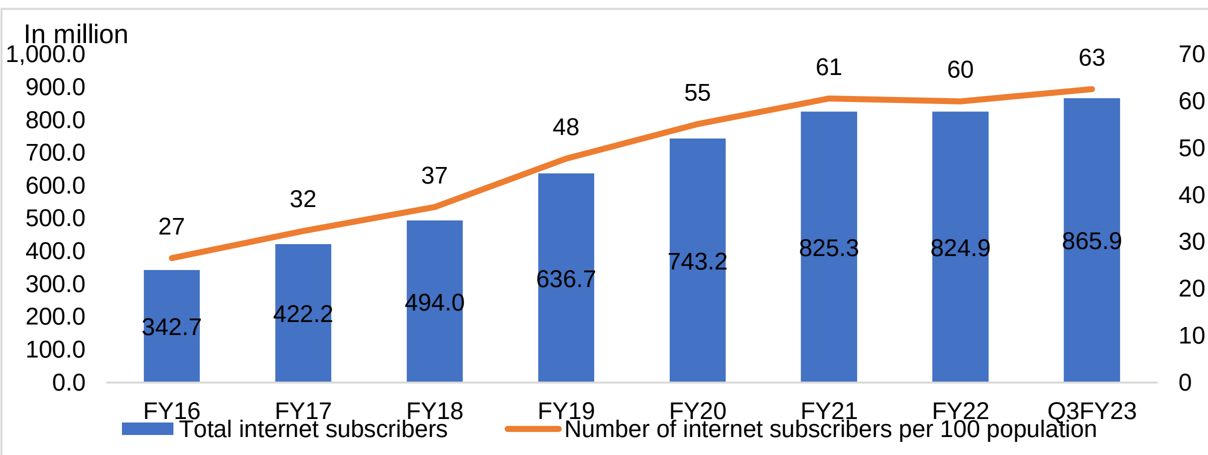


Note: E: Estimated, P: Projected; Source: CRISIL MI&A Research

- **Rise in 4G penetration and smartphone usage**

India had 1,144 million wireless subscribers as of March 2023, and the number is growing at a steady pace every year. The reach of mobile network, internet and electricity is continuously expanding the subscriber footprint to remote areas leading to rising smartphone and internet penetration in the country. Internet subscribers have risen sharply in India from 422 million subscribers in fiscal 2017 to 866 million subscribers as of December 2022. In terms of number of internet subscribers per 100 population, number has almost doubled from 33 in fiscal 2017 to 63 in December 2022. Average wireless data usage per month per subscriber has seen an increasing trend over the last eight years. Per subscriber per month data usage was 0.1 GB in FY15 which has increased to 17 GB in December 2022. This is due to increasing internet data penetration in the country.

Trend in internet subscribers in India



Source: TRAI, CRISIL MI&A Research

2. E-Governance services in India

- **Initiatives taken by Indian government to further penetrate usage of e-governance**

The "e" in e-Governance stands for 'electronic'. E-Governance provides a platform to integrate solutions and services between Government to Government (G2G), Government to Citizens (G2C), Business to Business (B2B) and Government to Employees (G2E). E-Governance refers to the use by government agencies of information technologies that possess ability to transform their relations with citizens, businesses, and various arms of government resulting in better delivery of government services to citizens, improved interactions with business and industry, citizen empowerment through access to information, or more efficient government management. The resultant benefits are increased transparency, less corruption, greater convenience, revenue growth, and cost reductions.

The reason why countries around the world are increasingly opting for e-Governance is that governance has become more complex and varied in the last few decades and more importantly, citizens' expectations from government have increased multiple times. Information and Communications Technology (ICT) facilitates efficient storing and retrieval of data, instantaneous transmission of information, processing information and data faster than the earlier manual systems, speeding up governmental processes, taking decisions expeditiously and judiciously, increasing transparency and enforcing accountability. It also helps in increasing the reach of government – both geographically and demographically. Use of ICT in governance has reached a critical point. It is no supporting tool, nor does it represent a cure for government deficiencies or inefficiencies; it should be seen as an integral aspect of the physical functioning of public institutions and services delivery.

Mathematically, the E-Government Development Index (EGDI) is the weighted average of normalised scores on the three most important dimensions of e-Government, namely:

- The Scope and quality of online services as online Service Index (OSI)
- The Status of the development of telecommunication infrastructure or the Telecommunication Infrastructure Index (TII)
- The inherent human capital or the Human Capital Index (HCI).

The Ministry of Electronics and Information Technology is working as a nodal Ministry for Monitoring of E-Government Development Index.

India's rank as per United Nations e-Government Survey

Year	Rank	EGDI Composite Score
2022	105th	0.5883
2020	100th	0.5964
2018	96th	0.5669
2016	107th	0.4637
2014	118th	0.3834

Source: Department of Economic and Social Affairs, United Nations E-Government Survey 2022

E-governance initiatives in India took a broader dimension in the mid-1990s for wider sectoral applications with emphasis on citizen-centric services. The major ICT initiatives of the Government included, inter alia, some major projects, such as railway computerization, land record computerisation etc., which focused mainly on the development of information systems. Later, many states started ambitious individual e-governance projects aimed at providing electronic services to citizens.

Though these e-governance projects were citizen-centric, they could make less than the desired impact due to their limited features. The isolated and less interactive systems revealed major gaps that were thwarting the successful adoption of e-governance along the entire spectrum of governance. They clearly pointed towards the need for a more comprehensive planning and implementation for the infrastructure required to be put in place, interoperability issues to be addressed etc., to establish a more connected government. The national level e-governance programme called National e-Governance Plan (NeGP) was initiated in 2006. There were 31 Mission Mode Projects under National e-Governance Plan covering a wide range of domains viz. agriculture, land records, health, education, passports, police, courts, municipalities, commercial taxes, and treasuries etc. 24 Mission Mode Projects have been implemented and started delivering either full or partial range of envisaged services.

Considering the shortcomings in National e-Governance Plan that included lack of integration amongst Government applications and databases, low degree of government process re-engineering, scope for leveraging emerging technologies like mobile and cloud etc., the Government of India conceptualized 'eKranti' or NeGP 2.0. All new and ongoing e-governance projects as well as the existing projects, which are being revamped, are in accordance with the key principles of e-Kranti namely 'Transformation and not Translation', 'Integrated Services and not Individual Services', 'Government Process Reengineering (GPR) to be mandatory in every MMP', 'ICT Infrastructure on Demand', 'Cloud by Default', 'Mobile First', 'Fast Tracking Approvals', 'Mandating Standards and Protocols', 'Language Localization', 'National GIS (Geo-Spatial Information System)', 'Security and Electronic Data Preservation'. The portfolio of Mission Mode Projects has increased from 31 to 44 MMPs. Many new social sector projects namely Women and Child Development, Social Benefits, Financial Inclusion, Urban Governance eBhasha etc., have been added as new MMPs under e-Kranti.

- **Major trends in global e-governance space**

Governments all over the globe are making efforts towards the full digitalization of government services, giving users the ability to complete virtually all types of transactions entirely online. At global level, e-governance development has seen an uptick which is largely attributable to the progress made in strengthening telecommunications infrastructure and developing human capital. Countries in Africa have made significant improvements in their telecommunications infrastructure, building a robust foundation for accelerating the transition to digital government. Challenges remain, however, as the cost of mobile broadband subscriptions as a percentage of per capita gross national income remains significantly higher in Africa than in other parts of the world.

While advancement in e-government development remains strongly correlated with national income, there are some notable exceptions which indicates that income level of the country matters but is not the sole factor determining the level of e-government development. High-income countries have already reached a relatively high level of services provision, whereas low-income and lower-middle-income countries lack sufficient resources for investment in the development of online services. Low-income countries struggle with investing in human capital development which restricts the overall penetration of e-governance.

Most countries have taken effort to build "one-stop-shop" portals for the online provision of different government services. Business-related services such as registration, licensing and filing company taxes are among the five government services offered most frequently. The next most offered online services include applying for government vacancies and business licences, requesting birth, death, and marriage certificates, and paying utility bills. The number of countries providing information and services through smartphone applications, SMS and/or mobile browsers has been rapidly increasing. The health sector saw the most significant increase, largely owing the widespread adoption of digital solutions in response to the Covid-19 pandemic, but growth was also evident for the justice sector, the education sector, and the social protection sector. To summarise, progress is being made in e-government development by the countries globally at a mild pace. The Covid-19 pandemic has heightened the importance of digital transformation, not least because Governments must be able to deliver public services despite restrictions on physical interaction and to reach remote, marginalized, vulnerable and other underserved populations so that no one is left behind. Countries that are already at a more advanced stage of e-government development tend to perform better in public services delivery than those with resource limitations or underdeveloped telecommunications infrastructure and human capital development.

- **Performance of countries provisioning government services online**

Mathematically, the E-Government Development Index (EGDI) is the weighted average of normalised scores on the three most important dimensions of e-Government, namely:

- The Scope and quality of online services as Online Service Index (OSI)
- The Status of the development of telecommunication infrastructure or the Telecommunication Infrastructure Index (TII)
- The inherent human capital or the Human Capital Index (HCI).

The composite value of each component index is normalized to fall within the range of 0 to 1, and the overall EGDI is derived from taking the arithmetic average of the three component indices with 1 corresponding to the highest-rated member state in respective component and 0 to the lowest. The OSI is further aligned with Local Online Service Index (LOSI) by categorizing the assessment questions into 5 discrete thematic areas forming 5 subindices: services provision (SP), e-participation (EPI), institutional framework (IF), content provision (CP), and technology (TEC)- with the OSI calculated based on the normalized values for each subindex. The weight of each thematic area is 45%, 35%, 10%, 5% and 5% respectively.

Online service provision standardized score of countries as per EGDI survey 2022

Year	**EGDI**	**OSI**
Afghanistan	0.2710	0.2770
Bangladesh	0.5630	0.6521
Brazil	0.7910	0.8964
China	0.8119	0.8876
India	0.5883	0.7934

Myanmar	0.4994	0.3073
Nepal	0.5117	0.4592
Pakistan	0.4238	0.5658
Russia	0.8162	0.7368
South Africa	0.7357	0.7487
Sri Lanka	0.6285	0.5644

Source: Department of Economic and Social Affairs, United Nations E-Government Survey 2022

The neighbouring countries- Afghanistan, Myanmar, Nepal, and Pakistan show a low standardised online service provision score as per United Nations E-Government Survey 2022 suggesting room for improvement. Sri Lanka and Bangladesh too didn't score high in online service provisioning advocating potential for betterment.

- **NeSDA**

Department of Administrative Reforms & Public Grievances (DARPG) had formulated the National e-Governance Service Delivery Assessment (NeSDA) in 2019 as part of its mandate to boost the e-governance endeavours and drive digital government excellence. The biennial study assesses States, Union Territories (UTs), and focus Central Ministries on the effectiveness of e-governance service delivery. NeSDA helps the respective governments improve their delivery of citizen centric services and shares best practices across the country for all States, UTs and Central Ministries to emulate.

In 2021, the NeSDA framework covered G2C and G2B services across seven sectors, viz., Finance, Labour & Employment, Education, Local Governance & Utility Services, Social Welfare (including Health, Agriculture & Home Security), Environment (including Fire) and Tourism sectors. A total of 56 mandatory services were assessed for every State & UT and 27 services were assessed for Central Ministries. NeSDA 2021 assessed 1400 services across all States and UTs as compared to 872 in 2019 and reported an increase of over 60% e-services. 69% of all possible mandatory e-Services were delivered by States and UTs, up from 48% in NeSDA 2019. 74% respondents of the nation-wide citizen survey conducted during the study had stated that they are satisfied with the e-services provided by the States and UTs. The e-services of Finance and Local Governance & Utility Services sectors were the most widely used by citizens. The rising trend of e-services delivery shifting from single silo departmental portals to integrated / unified portals has resulted in higher citizen satisfaction.While NeSDA 2021 report provided encouraging findings for the journey of e-services excellence across India, there continues to be room for improvement in digital service delivery. Going forward, the report also delivers recommendations to improve assessment parameters, incorporate learnings from global digital government trends practices and evolve NeSDA framework.

The improvement of the country's e-Governance landscape was summarized into following key takeaways:

- Increase in number of e-Services delivered across all States and UTs
- Rise in use of Integrated / Unified Portals for delivery of e-Services
- Improvement in scores of all seven assessment parameters of NeSDA framework

Improved scores across all parameters reflects the work done towards adoption of standards for uniformity in governance.

Status of e-services in states and UTs

DARPG monitors the implementation of recommendations given in the NeSDA 2021 report through monthly review meetings and e-governance conferences in which all States/UTs/Central Governments participate. Monthly report institutionalizes the nation's endeavors for improved delivery of e-services. Total services present the total number of services which are being offered by departments across states and E-services presents the total number of services which are being offered online. The states are moving towards providing a greater number of e-services.

States/UTs	Total e-services	Total services
Madhya Pradesh	936	1,174
Karnataka	866	1,178
Haryana	768	768

Kerala	730	1,218
Uttar Pradesh	685	685
Andhra Pradesh	583	583
Assam	579	616
Odisha	566	566
Uttarakhand	566	651
Delhi	463	469
Maharashtra	454	511
Jammu & Kashmir	445	482
Meghalaya	421	433
Telangana	362	414
Himachal Pradesh	356	600
Tamil Nadu	343	434
Punjab	328	433
Jharkhand	312	363
West Bengal	276	276
Arunachal Pradesh	267	267
A&N Islands	247	247
Goa	240	240
Tripura	235	268
Puducherry	233	289
Chandigarh	231	257
Rajasthan	222	222
Gujarat	181	312
Chhattisgarh	172	347
Bihar	153	667
Mizoram	104	273
DNHDD	78	146
Nagaland	51	51
Lakshadweep	32	32
Ladakh	31	31
Sikkim	23	76
Manipur	22	22
Total	**15,601**	**12,561**

Source: NeSDA report - March, CRISIL MI&A Research

As per NeSDA report for States/UTs (March 2023)[1]:

- Departments across States/UTs provide 15,601 services
- 12,561 out of 15,601 services are provided online, i.e., 12,561 e-services are provided across States/UTs
- 80.5% of the services are digitized across States/UTs;
- 1,400 out of 2,016 mandatory e-services are available, making saturation at 69.4%.

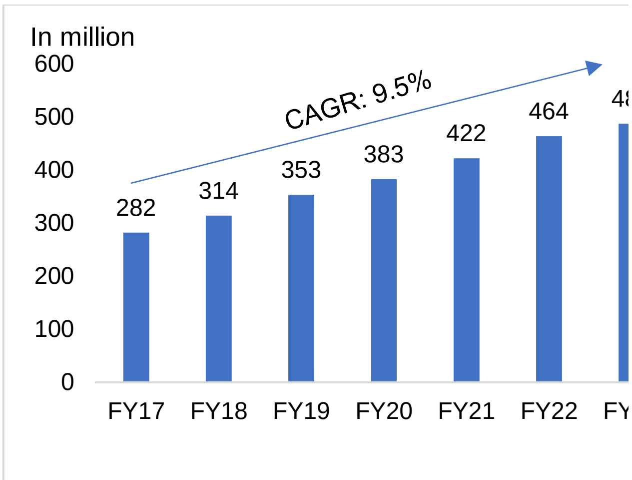
3. Financial Inclusion

3.1. Financial Inclusion on a fast path in India

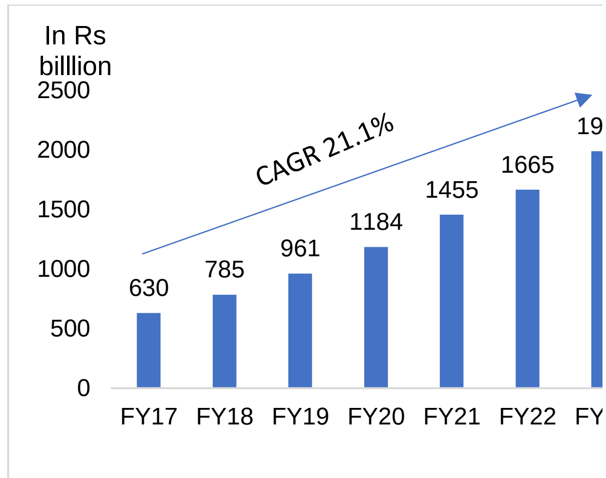
The two key initiatives launched by the Government to promote financial inclusion are the Pradhan Mantri Jan Dhan Yojana (“**PMJDY”**) and Pradhan Mantri Jeevan Jyoti Bima Yojana (**“PMJJBY”**). Under the PMJDY, the Government’s aim is to ensure that every household in India has a bank account which they can access from anywhere and avail of all financial services such as savings and deposit accounts, remittances, credit and insurance affordably. PMJJBY is a one-year life insurance scheme that offers a life cover of Rs. 0.2 million at a premium of Rs. 330 per annum per member, which can be renewed every year. The Government has also launched the Pradhan Mantri Suraksha Bima Yojana (PMSBY), an accident insurance policy that offers an accidental death and full disability cover of Rs. 0.2 million at a premium of Rs. 12 annually. As per the Government, more than 100 million people have registered for these two social security schemes.

PMJDY launched in August 2014, aims to extend banking facilities to all within a reasonable distance in each sub-service area (consisting of 1,000-1,500 households) across India. As on March 29, 2023, nearly 487 million PMJDY accounts had been opened, of which, 67% were in rural and semi-urban areas, with total deposits of Rs. 1,988 billion.

Number of PMJDY Accounts



Total Balance in PMJDY Accounts

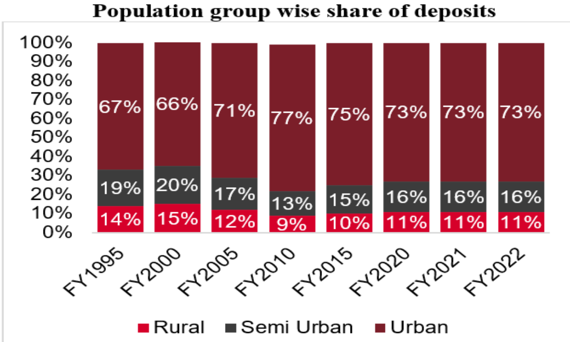


- **Rural India accounts only about 8% of total credit and 11% of total deposits**

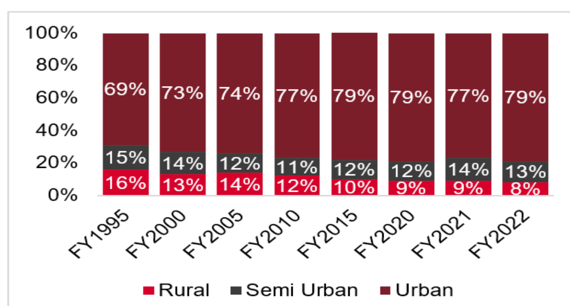
The share of total credit outstanding is about 8% in rural areas and 92% in urban areas as of March 31, 2022. The massive divergence in the rural areas' share of India's GDP and banking credit services compared with urban areas is an indicator of the extremely low penetration of banks in rural areas. The chart below shows the share of deposits and credit outstanding in rural and urban areas**:**

Low share of banking credit and deposit indicates lower penetration in rural areas

Population group wise share of deposits



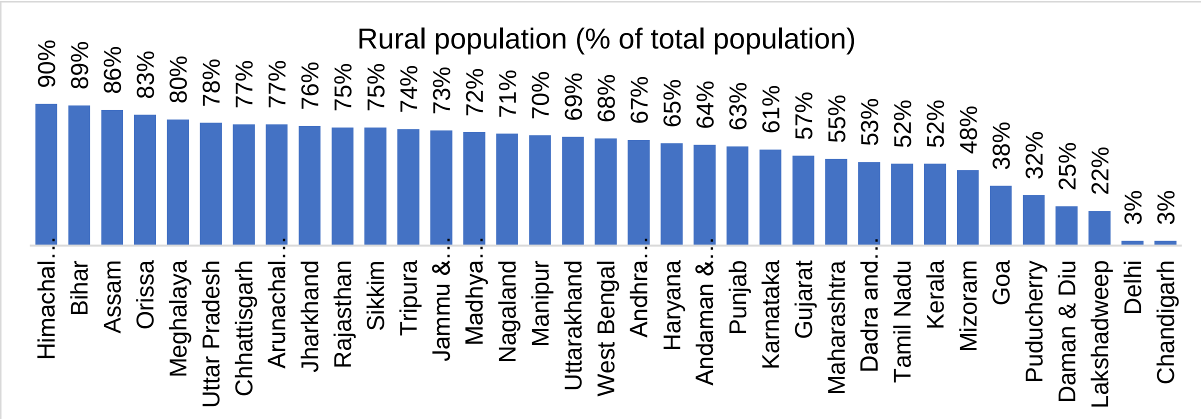
Population group wise share of credit



Source: RBI, CRISIL MI&A Research

Although the majority of Indian households are located in the rural region, the banking infrastructure in these regions is relatively inferior and, thus, there is a gap in the supply and demand of financial services in the backward regions of the country, which is a pocket of opportunity for the financial services sector. With increasing financial penetration and access to financial services in the rural and semi-urban areas, the share of deposits in these areas have also increased over the last ten years. While the share of urban areas in the deposits distribution has reduced over the last decade, share of semi-urban and rural areas have seen an increase in share of deposits. With a high proportion of population in the rural areas across the country, the financial institutions have less competition for banking services here compared with urban areas. Also, since the level of financial inclusion is lower, it presents a significant opportunity for these entities to penetrate these regions.

State-wise share of rural population (CY 2011)



Note: Sequence of states are arranged in descending order of the proportion of rural population; Source: Census 2011, CRISIL MI&A Research

3.2. State wise credit and deposit account penetration

Maharashtra and Tamil Nadu have registered highest credit account penetration in FY22

States like Andhra Pradesh, Karnataka and Uttar Pradesh have huge headroom for growth given the credit penetration and economic growth. Similarly, In the West, states like Maharashtra and Gujarat have showcased good growth in terms of GDP and Gujarat has a relatively lower credit penetration, which provides a huge potential to be addressed.

State-wise GDP and GDP growth (FY 2022)

States	GSDP - Constant Prices FY22 In Rs. Billion	Y-o-Y growth	CAGR (FY17-FY22)	Credit Account Penetration as on FY22	Deposit Account Penetration as on FY22	Branch Penetration as on FY22	ATM Penetration as on FY22	CRISIL Inclusix Score (FY2016)
Maharashtra	20,280	9.1%	2.3%	43%	176%	106	213	62.7
Gujarat	13,825	10.8%	7.1%	9%	157%	128	186	62.4
Tamil Nadu	13,451	8.0%	5.3%	14%	184%	144	337	77.2
Karnataka	12,297	11.0%	5.5%	10%	183%	151	259	82.1
Uttar Pradesh	11,814	9.6%	3.2%	2%	127%	77	100	44.1
West Bengal	7,878	10.8%	3.8%	4%	160%	91	123	53.7
Rajasthan	7,389	11.4%	4.4%	4%	135%	103	140	50.9
Andhra Pradesh	7,049	11.2%	5.5%	6%	156%	122	191	78.4
Telangana	6,607	10.6%	5.4%	15%	203%	158	318	72.8
Madhya Pradesh	6,007	10.4%	5.0%	4%	142%	90	132	48.7
Delhi	5,978	9.1%	3.2%	26%	292%	192	400	86.1

Haryana	5,681	11.3%	4.5%	11%	202%	177	235	67.7
Kerala	5,736	12.0%	3.4%	10%	211%	175	278	90.9
Bihar	4,281	11.0%	6.1%	1%	123%	62	73	38.5
Odisha	4,217	11.5%	4.6%	4%	149%	112	163	63
Punjab	4,234	6.3%	3.7%	10%	215%	212	239	70.9
Assam	2,625	8.1%	5.4%	4%	141%	84	120	47.9
Chhattisgarh	2,677	8.5%	4.6%	4%	145%	98	134	45.7
Jharkhand	2,368	8.2%	4.2%	3%	145%	90	106	48.2
Himachal Pradesh	1,244	8.4%	3.8%	5%	189%	213	268	72.3
Jammu &Kashmir	1,239	6.2%	NA	8%	157%	126	182	47.8
Uttarakhand	1,934	8.2%	2.9%	9%	284%	289	378	69.0
Tripura	405	8.7%	5.8%	43%	141%	140	129	66.2
Meghalaya	257	8.2%	3.4%	9%	96%	111	129	34.6

Note:

1. Credit account penetration is calculated as total number of retail bank credit accounts/population of the state; 2. Deposit account penetration is calculated as total number of bank deposit accounts/ population of the state; 3. Branch penetration is calculated as Number of bank branches per million people; 4. ATM penetration is calculated as Number of ATMs per million people; 5. For Credit and Deposit account penetration, this does not represent unique borrowers or depositors, total number of accounts have been considered; 6. CRISIL Inclusix, India's first financial inclusion index, was launched in 2013 with the objective of creating a dependable yardstick that would become a policy input to further the cause of inclusion. CRISIL Inclusix weighs three service providers (banks, insurers and microfinance institutions) on four dimensions (branch, credit, deposit and insurance). Source: RBI, MOSPI, CRISIL MI&A Research

3.3. Key steps taken by the government to boost financial inclusion

To improve financial inclusion, especially in rural areas, the government is focusing on improving the overall rural infrastructure for penetration of financial services as well as empowering the development of parallel supporting institutions. This has provided an opportunity for NBFCs and other financial institutions to cater to the unserved population or act as a channel between the larger financial institutions and other service providers to better serve the underserved customers. Considerable progress has been made over the past 5-7 years to bring unbanked individuals into the formal banking system. The RBI and the government have taken several measures, such as:

- ***Small Finance Banks (SFBs)***

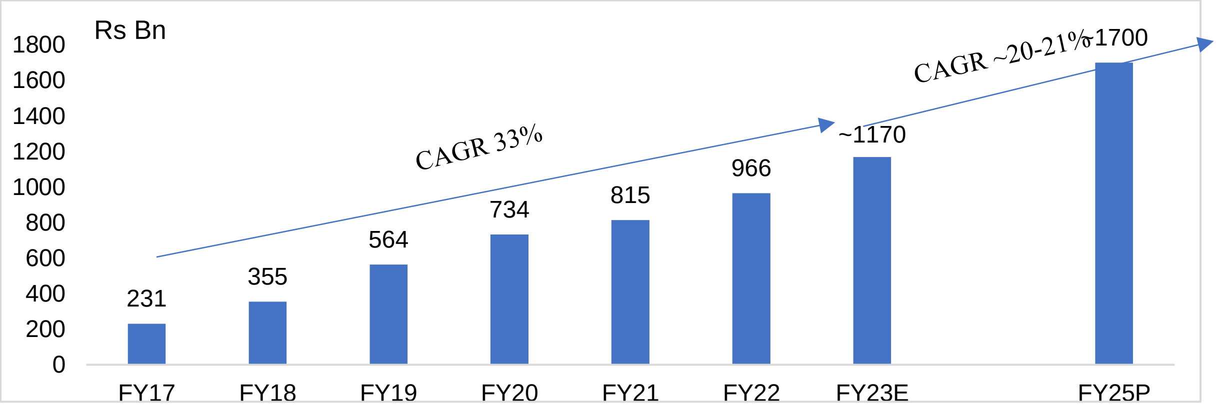
As of May 2023, there are 12 SFBs which aim to service the underserved customers through savings instruments, and supplying credit to small business units, small and marginal farmers, micro and small industries, and other unorganised sector/lending through informal channels. SFBs are also required to dedicate 75% of their Adjusted Net Bank Credit (ANBC) towards priority sector. For the SFBs, nearly 19% of their deposits arise from the rural and semi-urban areas, whereas the credit view shows a geographic skew with 39% of the advances in rural and semi-urban areas as of March 2022. This has led to increasing credit penetration in the rural areas, thereby ensuring financial inclusion.

- ***Microfinance Institutions***

Microfinance institutions (MFIs) and non-banking financial companies (NBFCs) are generally present in areas where commercial banks are not able to service customers. MFIs provide door to door service and strong engagement with borrowers, which makes their networks strong and help them open branches in underserved areas. The operating costs is relatively higher for MFIs given the expansive coverage required for financial inclusion in rural parts. Currently, MFIs charge a higher rate of interest to the customers, as most of their loan portfolio is unsecured or given to slightly risky customers. NBFCs rely on strong tailor-made products by continually introducing customised and flexible offerings for the underserved or untapped market after learning about the needs of the locals. MFIs have a significant role to play in furthering financial inclusion. As of December 31, 2022, 39% of microfinance is held by NBFC-MFIs with a total gross loan portfolio of Rs 1,150 billion.

According to the Microfinance Institutions Network (MFIN), NBFC-MFI had a borrower base of 37 million clients as of December 31, 2022. NBFC-MFIs had an average loan ticket size of Rs 42,687.

NBFC-MFIs GLP to grow at ~20%-21% CAGR between FY22-FY25



Note: E: Estimated, P: Projected; Source: MFIN, CRISIL MI&A Research

- ***Payment banks***

Another step taken towards financial inclusion was the RBI granting in-principle approval on August 19, 2015 to 11 players to launch payment banks, however, currently only 4 payments banks are operating in the country. The objective of a payments banks is to widen the spread of payment services and deposit products to small businesses, low-income households, migrant workers and other unorganized entities by enabling high volume low value transactions in deposits and payments/remittance services in a secured technology-driven environment. Payment banks can accept deposits, subject to a cap of Rs. 100,000 per customer, and provide payment and remittance services through channels, such as the internet, branches, business correspondents (BCs) and mobile banking. However, these banks cannot offer credit facilities directly, but can choose to act as a BC of another bank for credit and other services. Along with maintaining a cash reserve ratio (CRR) with the RBI, payment banks are required to invest a minimum of 75% of their demand deposit balance in government securities eligible under the statutory liquidity ratio (SLR), with maturity of up to one year, and hold a maximum 25% in current and fixed deposits with Scheduled Commercial Banks (SCBs).

- ***Business Correspondents (BCs)***

In one of its foremost measures, the RBI introduced the BC model of banking outreach in January 2006, aimed at leveraging information and communication technology to widen access to the banking system. BCs are retail agents engaged by banks to offer banking services at locations other than a bank branch/ATM. They are authorised to perform a variety of activities including collection of small-value deposits, disbursal of small-value credit, recovery of principal, collection of interest, sale of micro insurance, mutual fund products, pension products, other third-party products, and receipt and delivery of small value remittances/other payment instruments. In July 2014, the RBI allowed NBFC-MFIs to work with banks as BCs.

- ***Aadhaar***

Adoption of Aadhaar and Aadhaar authentication in the Indian financial system is expected to transform the financial landscape. To increase financial inclusion, the Unique Identification Authority of India partnered with the RBI, National Payments Corporation of India (NPCI), Indian Banks Association (IBA) and banks to develop:

- Aadhaar Payments Bridge (APB) – The system was launched in 2011 to enable a smooth transfer of all government welfare scheme payments to a beneficiary's Aadhaar Enabled Bank Account (AEBA)

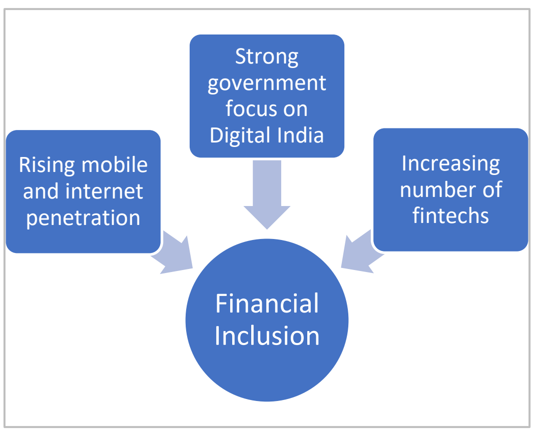
- Aadhaar enabled payment system (AEPS) – A system that leverages Aadhaar online authentication and enables AEBAs to be operated in anytime-anywhere banking mode by the marginalised and financially excluded via micro-ATMs

Also, Aadhaar-enabled micropayments have many features, including elimination of the need for individual KYC requirements by banks for no-frills or basic accounts, and reductions in the direct and indirect KYC cost of financial institutions on account of the UIDAI's 'know your residence' standards being sufficient for authentication. Aadhaar-enabled payments with clear authentication and verification process allow financial institutions to network with village-based BCs. Thus, customers will be able to withdraw money and make deposits at the local BC. UIDAI's authentication will help banks verify residents both in person and remotely. The electronic transfer, backed by UIDAI's authentication, will help residents transact electronically, reducing the cost of transactions. Also, it has helped reduce the KYC approval turnaround time from the previous 10-15 days, when the customer had to submit various documents for identity and address proof, to almost-instant KYC approval.

- ***Digital India***

An umbrella programme to transform India into a knowledge economy has supported the financial inclusion initiative. Some of the initiatives under this programme include development of digital infrastructure, delivery of government services digitally and improvement in digital literacy, especially in rural India. Some of the initiatives are Direct benefits transfer, Common service centers 2.0 and BharatNet.

3.4. Technology to aid financial inclusion in India



In India, technology has significantly improved the accessibility and affordability of financial services that were previously inaccessible to the unbanked or underbanked masses. In the past nine years, our country has accelerated the pace of financial inclusion. From 40% of Indian adults with a bank account in 2011, this number has consistently increased to 80% in 2018 according to the Global Findex Data. However, lower levels of financial literacy and lack of awareness, especially in rural India has led to only 48% of these accounts being active. Conventional banking models are not feasible for low ticket size of transactions, deposits, loans, etc. in rural or remote areas and brick and mortar businesses are proving to be an uneconomical proposition for banks. Improving mobile and smartphone penetration, robust infrastructure laid down by the government to enable digitisation and rising number of fintechs in India will help in overcoming the challenges faced by the traditional banking model and lead to higher financial inclusion. Fintech companies have been at the forefront of the growth in digital payments in India. These include payment companies that facilitate P2P and retail payments through mobile wallets or UPI as well as technology companies which provide hardware and POS devices for digital payments. The foundational digital infrastructure laid by Aadhaar and the India Stack has created the business case for many of these growing fintechs. New smartphone users and people exploring digital payments for the first time can be signed up at minimal costs based on their digital identities. For a number of fintechs, access to the India Stack is fundamental to their business models. Evolving business models of these fintechs and strong focus of government on digitisation from granting licenses to building the infrastructure for digital payments landscape will lead to improving financial inclusion by tapping the underbanked population of India.

Neo-Banking

The banking sector has been increasing their focus on adopting digital methods of business and for that the traditional banks and NBFCs are tying up with various types of fintechs to provide several services through digital mode. Neobank business model is one of such kinds in which fintechs use conventional bank's network and become customer-facing banking service providers. These fintechs do not have banking license, however, they partner with banks and offer various banking services through their partner bank's system. These fintechs help banks in on-boarding various types of customers and businesses on to digital payments. The operations of these fintechs are driven by technology to provide banking services to their customers. These fintechs are helping in furthering financial inclusion in India.

- **Digital Transactions**

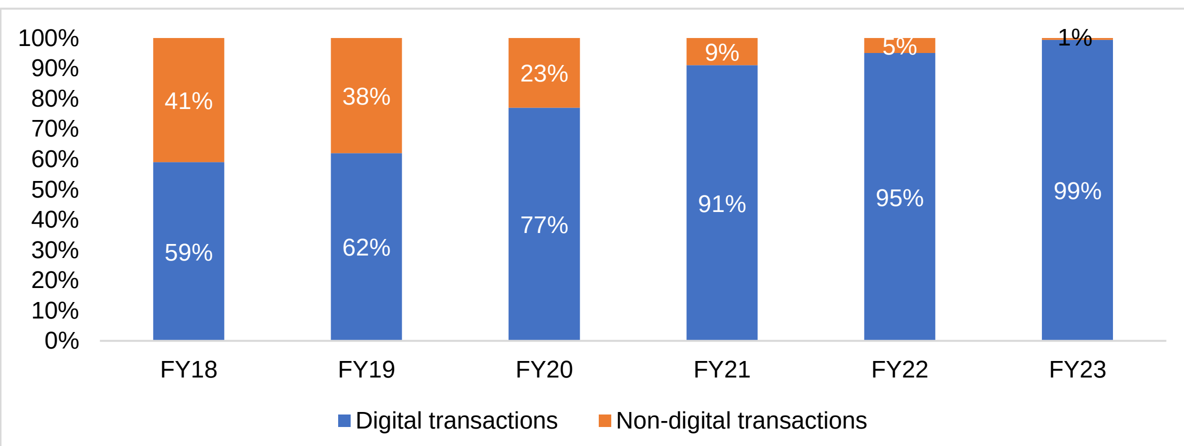
- ***Increasing share of digital channels in domestic monetary transactions***

The share of different channels in domestic money transfer has changed significantly over the past five years. Banks, for example, are witnessing a change in customer behaviour with fewer customers visiting bank branches for transactions. This change in behaviour was led by demonetisation when cash transactions slowed down, many new accounts were opened, and digital banking witnessed a surge in use and continued its growth trajectory. The preference has also shifted from cost factors to convenience and ease of performing transactions, which helps in saving time spent in queues, not disturbing the daily working hours and avoiding any potential monetary loss. Post-Covid-19, with consumers preferring to transact digitally rather than engage in physical exchange of any paper or face-to-face contact, digital transactions have received another shot in the arm.

- ***Digital payments have witnessed substantial growth***

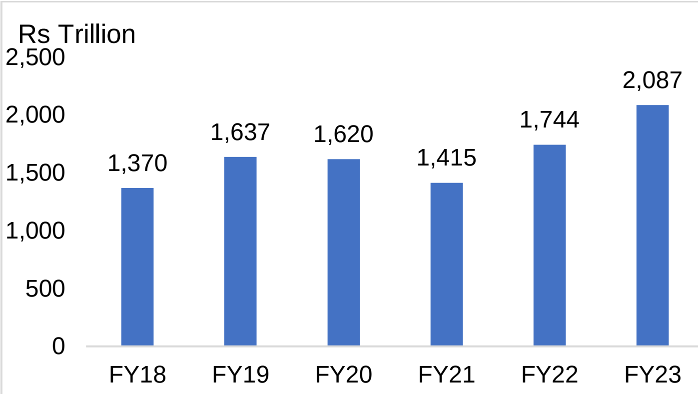
Total digital payments in India have witnessed significant growth over the past few years. Between Fiscal 2018 and 2023, the volume of digital payments transactions has increased from 14.6 billion to 113.9 billion, causing its share in overall payment transactions to increase from 59% in Fiscal 2018 to 99% in Fiscal 2023. During the same period, value of digital transactions has increased from Rs. 1,371 trillion in Fiscal 2018 to Rs 2,087 trillion in Fiscal 2023.

Trend in volume of digital payments



Note: Digital Payments includes RTGS payments, Credit transfers (AePS, APBS, ECS Cr, IMPS, NACH, NEFT, UPI), Debit Transfers (BHIM, ECS Dr, NACH Dr, NETC), Card Payments (Debit and Credit Cards) and Prepaid Payments Instruments.
Source: RBI, CRISIL MI&A Research

Trend in value of digital payments



Consumers are increasingly finding transacting through mobile convenient. CRISIL MI&A Research expects the share of mobile banking and prepaid payment instruments to increase dramatically over the coming years. In addition, CRISIL MI&A Research expects improved data connectivity, low digital payment penetration and proactive government measures to drive digitalisation in the country, transforming it into a cashless economy. The value of digital transactions as a proportion of private consumption expenditure in between fiscal 2016 and fiscal 2023 also rose from 1132% to 1265%, which shows that the usage of digital transactions for consumption has been on the rise over the past few years.

Note: Digital Payments includes RTGS payments, Credit transfers (AePS, APBS, ECS Cr, IMPS, NACH, NEFT, UPI), Debit Transfers (BHIM, ECS Dr, NACH Dr, NETC), Card Payments (Debit and Credit Cards) and Prepaid Payments Instruments.

Source: RBI, CRISIL MI&A Research

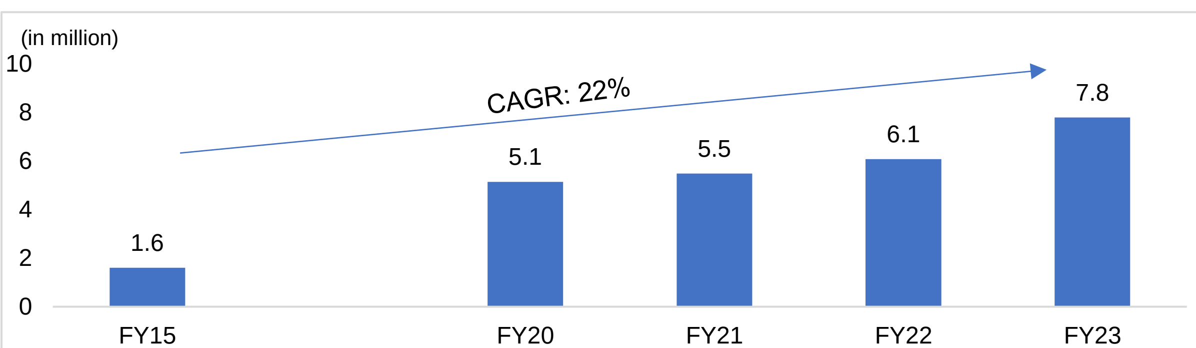
3.5. Factors behind growth in digital transactions

In India, the Central bank has been the primary enabler of digital transactions in India. Over the years, it has laid emphasis on the development of digital payment ecosystem, right from conceptualisation to execution and propelling investments in technology to enable the customer to transact in a seamless manner while addressing security concerns. This, along with rising internet penetration, increasing usage of cards, acceptance and adoption of various payments infrastructure and e-commerce platforms and changing consumer behaviour is expected to enable and drive digital transactions in the country.

- **Increase in cards and POS terminal to augment digital transactions**

Over the last decade, the usage of debit and credit cards in India has increased substantially. Between fiscal 2011 and 2023, the number of debit cards issued in the country has increased from 230 million to 961 million, while issued credit cards has increased from 20 million to 85 million. As more cards are getting issued, there has been a growth in the acceptance infrastructure as well. Between fiscal 2015 to fiscal 2023, the POS infrastructure in the country registered a 22% CAGR to reach 7.8 million terminals. CRISIL MI&A Research expects this trend to continue, resulting in an increase in digital transactions.

Deployment of POS terminals clocked a 22% CAGR between FY15 to FY23



Source: RBI, CRISIL MI&A Research

- **Products like contactless and digital cards to enable greater digital transactions**

Introduction of contactless cards has enabled users to just tap and pay for transactions under Rs 2,000 by using the card at a contactless payment machine. Payment service providers are exploring innovative payment infrastructure by leveraging host card emulation (HCE) for secure near field communication (NFC) payment transactions. This will enable customers to easily use their cards on their NFC enabled smartphones to make contactless payments. The card issuers are also innovating and have introduced digital or virtual cards in the last one year. The digital card arrives in the individual's mobile application and has features like Touch ID or Face ID for authentication, which increases the convenience of transactions on e-commerce and other platforms. Further, significant growth in users over the last decade for payment apps and wallets such as PayTM, MobiKwik, and PhonePe are also enabling digital transactions in the ecosystem.

3.6. Business opportunities available owing to financial inclusion on the asset and liability side

Factors such as lack of documents, migration of individuals for work or other purposes, lack of transaction history with financial institutions, etc., have led to low inclusion of households in the financial system. Also, the costs involved in setting up a network to serve the traditionally ignored categories, such as migrants, rural population, retailers, shop owners, and MSMEs, is high. In addition, the gap between various regions of the country, as highlighted above, is very wide. However, owing to the government's emphasis and growth of the banking facility in these regions, the gap is slowly getting plugged. This gives financial institutions an opportunity to expand their services in underserved regions.

Key business opportunities among various population categories - assets and liabilites

Migrants - ~100 million migrant workforce

- Remittance services
- Account services
- Deposit services

Retailers - ~24-25 million retail outlets

- Payments
- Loans
- Digitalisation of business functions

MSME - ~63.4 million businesses

- MSME loans
- Working capital finance
- Fee-based services

Rural population - ~ 66% of India's population

- Basic banking services
- Personal loans
- Bill payments and bookings
- Investment in mutual funds and insurance products
- Education loans
- Gold loans

Source: CRISIL MI&A Research

3.7. Impact of Digital rupee on payments ecosystem

Central Bank Digital Currency (CBDC) is a digital form of currency notes issued by a central bank (RBI). Supported by the state-of-the-art payment systems of India that are affordable, accessible, convenient, efficient, safe and secure, the digital rupee system will bolster India's digital economy, enhance financial inclusion, and make the monetary and payment systems more efficient. It is expected to have greater impact on payments system ecosystem, some of the impacts are mentioned below:

Reduction in cost associated with physical cash management

Cost of cash management in India has continued to be significant. As per the RBI, the total expenditure incurred on security printing during April 1, 2021, to March 31, 2022 was Rs. 49.85 Bn. CBDC affects the overall value of the money issuing function to the extent that it reduces operational costs e.g. costs related to printing, storage, transportation and replacement of banknotes, and costs associated with delay in reconciliation and settlement. Though, at the outset, establishing a CBDC creation/issuance may entail significant fixed infrastructure cost, but subsequent marginal operating costs shall be very low.Complementing the higher cash requirement of the country, CBDC will lead to lowering of cost as it would obviate the need of many processes associated with distribution of physical currency across the country. Further, given the geographical spread and pockets were making physical cash available is a challenge, CBDC is expected to facilitate seamless transactions.

Promote digitization

In India, the cash in economy has shot up despite rapid digitization in the payments space. The growing use of electronic medium has not yet reduction in the demand for cash. The digital revolution has resulted an array of digital payments options for the people. Consumers now have a range of options to choose from when selecting a payment method to complete a transaction. They make this selection based on the value they attribute to a payment method in a certain situation as each payment mode has its own use and purpose. The shift from cash to electronic payments increases the reliance on electronic payment systems, which has implications for the diversity and resilience of the payments landscape. CBDC could further enhance resilience in payments and provide core payment services outside of the commercial banking system. It can provide a new way to make payments and also diversify the range of payment options, particularly for e-commerce (where cash cannot be used, except for the Cash on Delivery (COD) option). The CBDC based payment system is not expected to substitute other modes of existing payment options rather it will supplement by providing another payment avenue to the larger public.

Support financial inclusion

Some of the existing challenges to financial inclusion include limited physical infrastructure - especially in remote areas, poor connectivity, non-availability of customized products, socio-cultural barriers, lack of integration of credit with livelihood activities or other financial services across insurance, pension etc. With suitable design choices, CBDC may provide the public a safe sovereign digital money for meeting various transaction needs. It shall make financial services more accessible to the unbanked and underbanked population. The offline functionality as an option will allow CBDCs to be transacted without the internet and thus enable access in regions with poor or no internet connectivity. It shall also create digital footprints of the unbanked population in the financial system, which shall facilitate the easy availability of credit to them. Universal access attributes of a CBDC including offline functionality, provision of universal access devices and compatibility across multiple devices, shall prove to be a gamechanger by improving the overall CBDC system for reasons of resilience, reach and financial inclusion.

Impact on business correspondents (BCs)

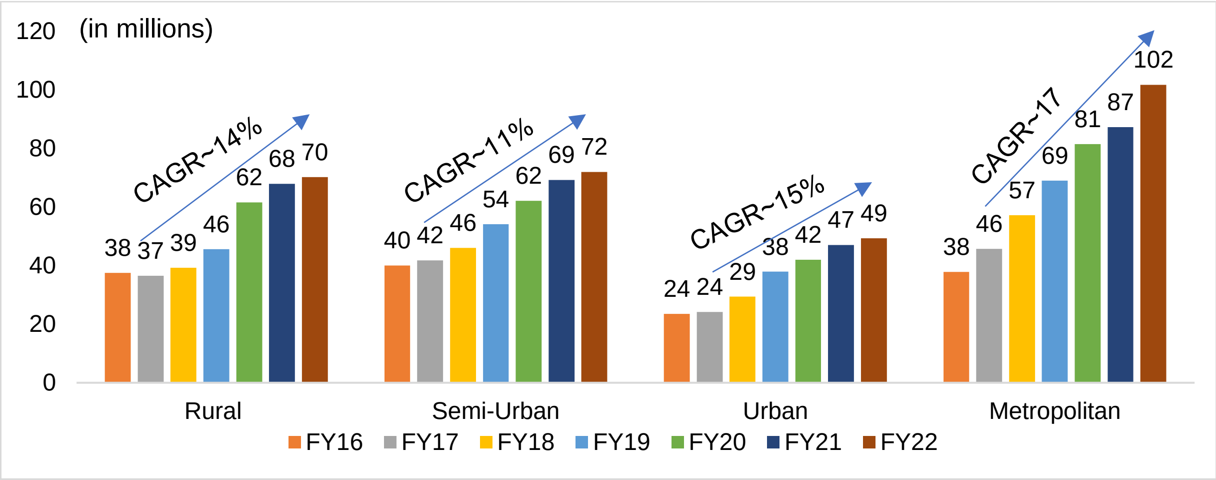
Digital rupee has the potential to create payments transfer platform that contributes to a more resilient, innovative, and competitive payment system for households, businesses and economies. It is likely to further improve efficiency in payments system by ensuring its users access safe digital money. The CBDC is freely convertible against the physical currency, which means the digital currency can be exchanged for cash equivalent to paper notes. Unlike UPI, a customer doesn’t need a bank account to transact using e-rupees. It will work like existing forms of financial transactions and offer users another alternative to making payments. Therefore, it shall provide an additional avenue for BCs to carry out payment transactions. Further innovations in structure of payments would provide BCs with additional revenue streams. Additionally, BCs face risk of theft or fraud when cash is involved. Digital rupee would reduce the risk of theft, fraud, or damage to the physical notes which are subject to wear and tear while in circulation.

4. Business correspondent industry in India

4.1. Banking deposit and credit accounts in India

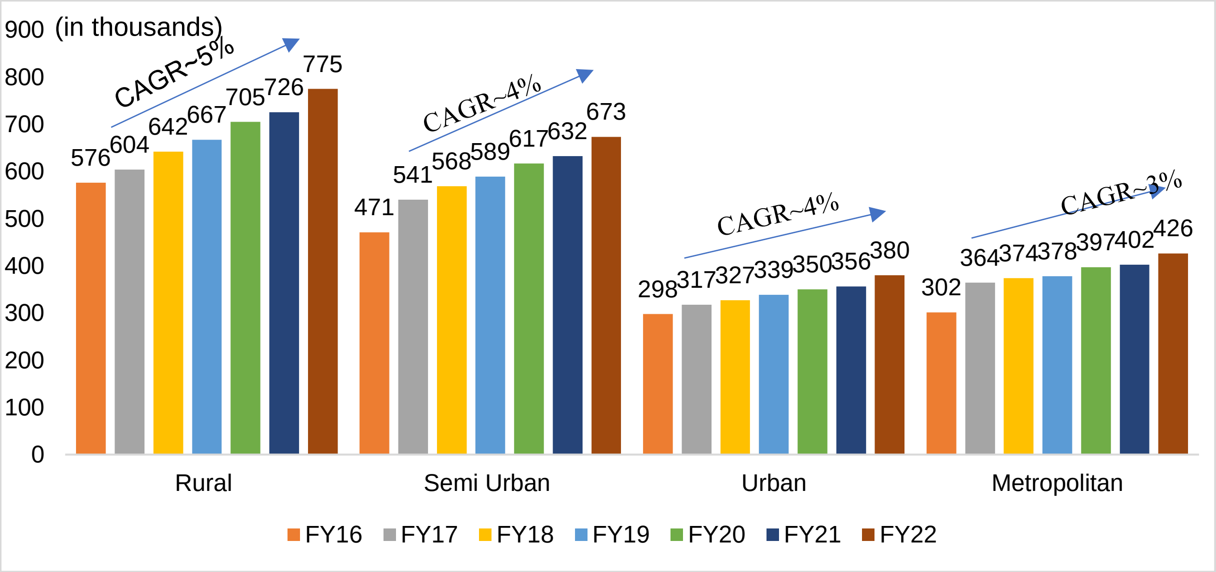
The number of bank credit accounts in rural areas grew at a 14% CAGR between fiscal 2017 and fiscal 2022; further, the number of bank deposit accounts grew at a 5% CAGR between the fiscal 2017 and fiscal 2022. Increase in banking credit and deposit accounts in rural and semi-urban areas would give a boost to the BC business as it may increase the value and volume of transactions through BCs.

Bank credit accounts in rural, semi-urban and urban areas



Note: Data represents only bank credit accounts; Source: RBI; CRISIL MI&A Research

Bank deposit accounts in rural, semi-urban and urban areas



Note: Data represents only bank deposit accounts; Source: RBI; CRISIL MI&A Research

4.2. Banking branches in India

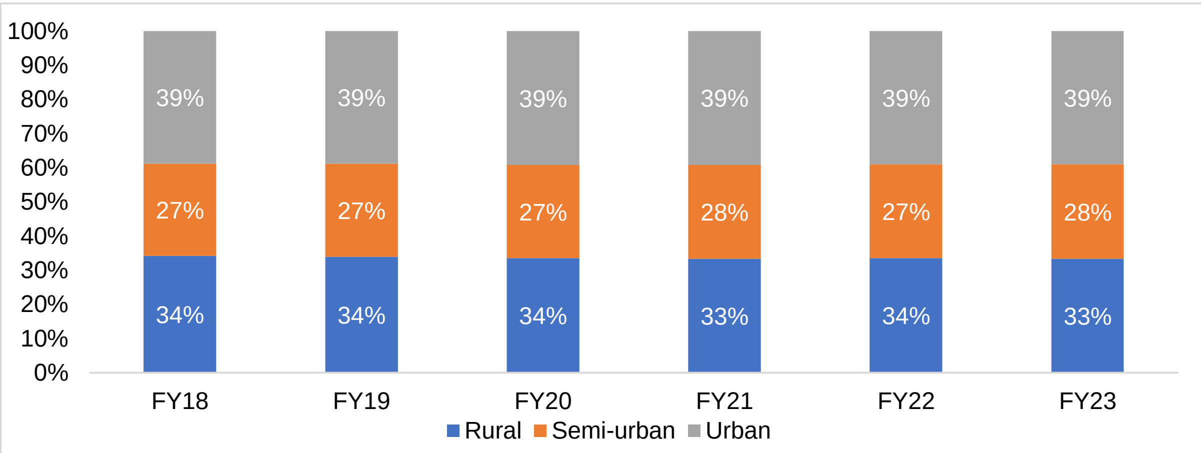
Bank group	Number of branches (March 2023)	5-year CAGR (number of branches)
Public sector banks	90,445	-1%
Private banks	42,279	7%
Foreign banks	835	17%
Regional rural banks	22,442	1%
Small Finance banks	6,688	59%

Payment banks*	741	131%
Total	163,430	

Note: Payments banks data is as of December 2022; Source: RBI; CRISIL MI&A Research

The number of public sector banks reduced from 27 in March 2017 to 12 as of March 2023. Therefore, total number of public sector bank branches have slightly reduced due to consolidation among public sector banks. The number of branches in the urban region has the highest share with 39% in fiscal 2023, followed by rural region and semi urban region with 33% and 28% share respectively. Due to lower share of banking branches in rural and semi-urban areas, it may present an opportunity for BCs to cover more such areas.

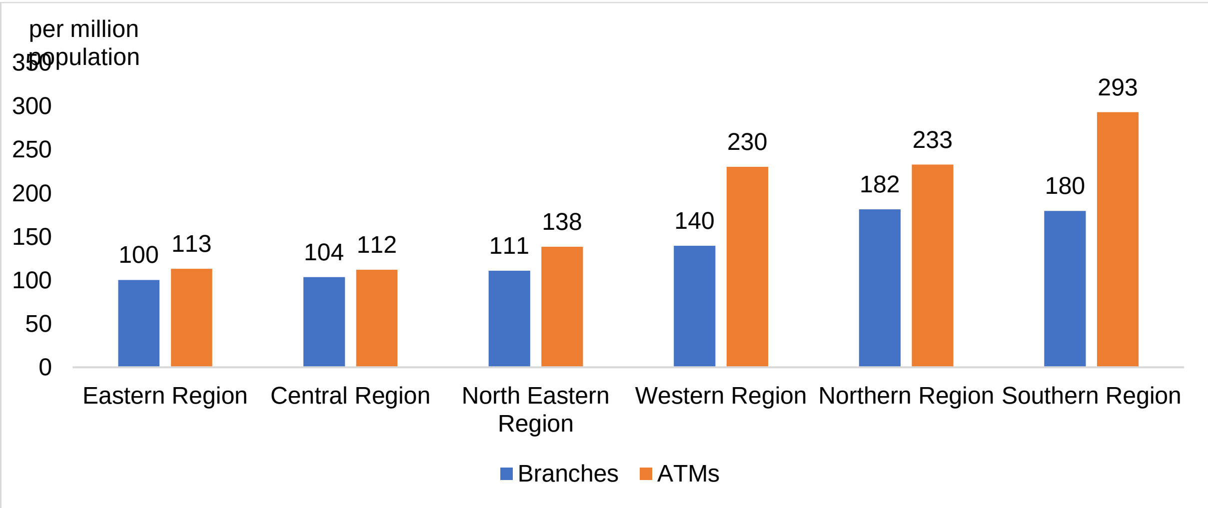
Bank branch distribution in rural, semi-urban and urban areas



Source: RBI; CRISIL MI&A Research

The number of branches and ATM facilities in the eastern regions, where credit penetration and deposit-base are low is also below those of the southern and western regions. Despite existing branch and ATM network, there remains scope for further penetration and huge opportunity in terms of expanding the financial inclusion parameters.

Region-wise presence of bank ATM and branches (as of March 2023)

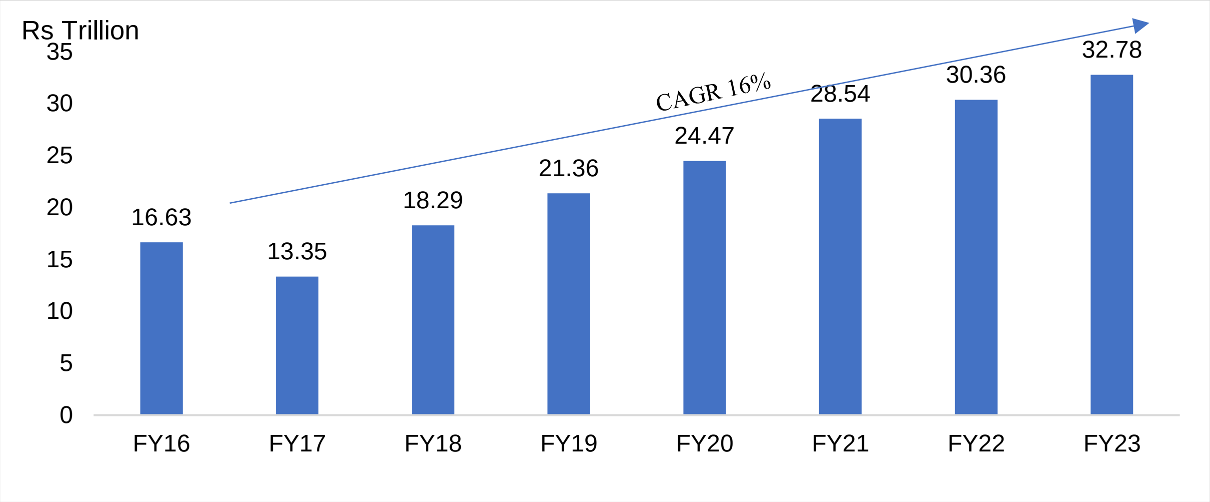


*Note: *Population is as per the census data of 2011; Source: RBI; Census India; CRISIL MI&A Research*

4.3. Assessment of cash in circulation in India

The cash in circulation (CIC) recorded strong growth of 16% (in value terms) CAGR during FY17 to FY23 even as digital payment also continued its strong growth during the period. Money supply is an important factor for economic development. CIC normally increases during times of heightened economic activity, with people requiring more money for transactions. CIC in India has been continuously growing (except during demonetization period) to reach INR 32.78 trillion in FY23.

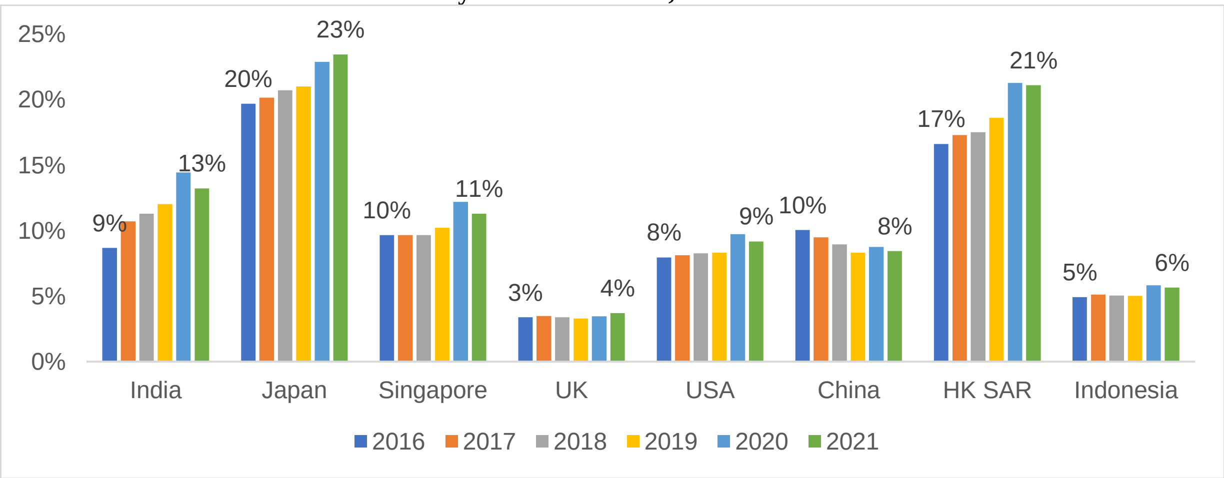
CIC grew at CAGR ~16% from FY17 to FY23



Source: RBI, CRISIL MI&A Research

Demand for currency depends upon several macro-economic factors including economic growth, interest rate level and demographic profile of the country. The ratio of CIC as percent of GDP provides an indicator of the dependence of cash in an economy. Cash is, however, used both as a means of payment and store of value.

CIC as % of GDP increased considerably for India in 2020, however decreased a bit in 2021

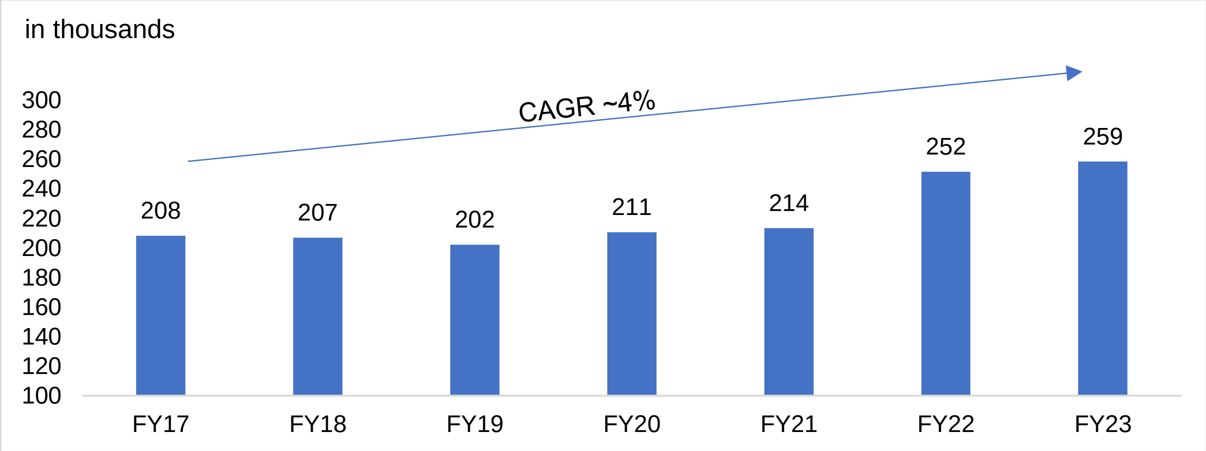


Source: RBI, Bank for International Settlements, CRISIL MI&A Research

ATMs primarily form a part of the cash infrastructure. However, ATMs are also increasingly being used to conduct other activities like deposits, bill payments, transfers between accounts, etc., obviating the need to visit a bank branch and thereby acting as a means of undertaking 'digital transactions' albeit at a restricted scale. In India, authorised non-bank entities are also permitted to deploy ATMs, known as White Label ATMs, to support proliferation of ATM infrastructure across the country. In India, account holders in rural areas often withdraw cash from PoS terminals with Business Correspondents (BCs) and merchants in their neighbourhood, which act as "micro-ATMs". These BCs use

AePS, which allows online interoperable transactions at micro-ATMs using Aadhaar based authentication. As of March 2023, there were more than 1.6 Mn micro-ATMs deployed in India along with around 7.8 Mn PoS machines.

Number of ATMs in India grew at CAGR of ~4% over FY17-23



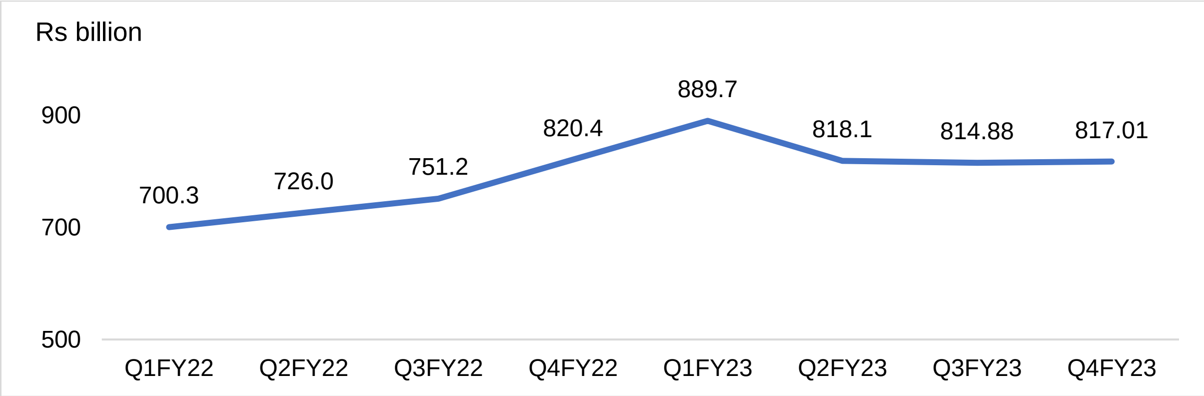
Source: RBI, CRISIL MI&A Research

The ATM per 1 lakhs adult is an important indicator representing the availability of ATMs across the country. A low number of ATMs per 1 lakh adults indicates that the existing ATM infrastructure may not be able to cater to the demands of the population. With 21 ATMs per 1 lakhs adult in India, the penetration is significantly lower than the World average and India stands at the bottom when compared with other benchmarked countries.

ATM withdrawals continue to rise

In fiscal 2023, the value of withdrawals from ATMs has reached ~Rs. 33 trillion, up by around 6% from Rs. 31 trillion in fiscal 2022. The ATM infrastructure is supplemented by micro-ATMs, which are primarily available to the rural / unbanked population and play a crucial role in facilitating financial inclusion in India. At micro-ATMs, cash withdrawal witnessed significant jump from Rs 2.2 trillion in fiscal 2021 to Rs 3.3 trillion in fiscal 2023. Therefore, the low penetration of ATM infrastructure in the country paves way for growth of micro-ATM infrastructure through BCs.

Cash withdrawal from Micro-ATMs (AePS) rising



Source: RBI, MOSPI, CRISIL MI&A Research

While digital payments are increasingly becoming popular, cash also remains a significant mode of doing day-to-day transactions, especially in semi-urban and rural areas. The lack of adequate trust and comfort with technology has restricted digital transactions and discouraged people from using these payment modes. As a result, cash is still a preferred mode of payment in rural India due to comfort in transacting through cash. Furthermore, public preference has shifted to withdrawing cash on an as-needed basis instead of making large withdrawals at storing cash at home.

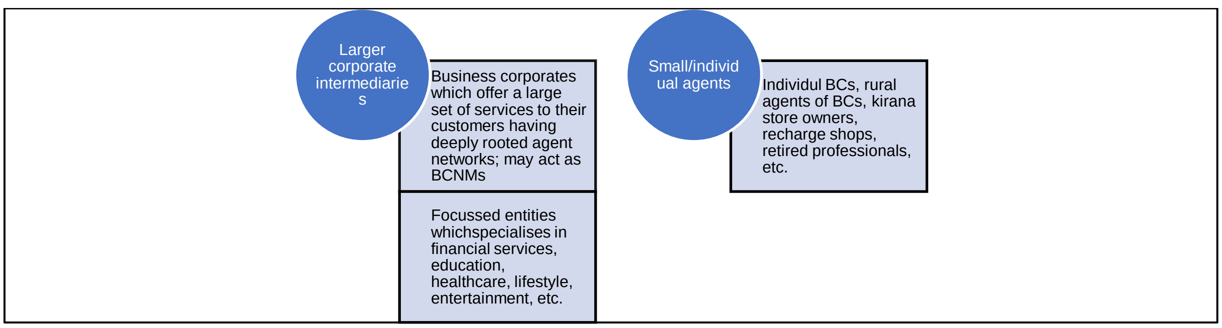
4.4. State of business correspondents

A Business correspondent (BC) is an entity which acts as a teller for the bank and carry out a full range of transactions on behalf of the bank, in return for commissions on the services rendered. It is a model that enables people in remote areas of India to access formal financial institutions. The RBI has also allowed banks to designate business facilitators, which can refer customer proposals or facilitate banking transactions, but are not allowed to carry out actual transactions. The concept of BCs is to address the needs of banks, which need to reach out to a wider section of society, as well as underprivileged people with no access to credit. With no access to credit, underprivileged people often have to invest their personal savings in health and entrepreneurial activities, leaving them highly vulnerable to adverse circumstances. Started in 2006-07, Zero Mass Private Limited (now a subsidiary of BLS E-services Limited) was the first ever business correspondent in the history of Indian banking system.

4.5. Types of BCs

Some of the intermediaries are small-time shop owners and retired workers that set up their own individual service for extra income or may work as agents to the large fintech BCs. Others are corporates that are further enabled by technology advancement and have their independent strategic approach. These corporates are either diversified service providers which offer various products and functionalities to customers all under one roof or act as BCs for banks or other such institutions or focussed entities which specialises in a specific product to enhance customer experience.Banking agents deployed by network managers have diverse business models, cost structures and revenue drivers, agent typology, products, and processes.

Types of intermediaries which provide services to the large underserved market



Source: CRISIL MI&A Research

4.6. Key players in Business Correspondents industry

Name of the players	Services provided by players
CSC E-Governance Services India Limited	E-Governance services and banking services, etc.
Vakrangee Limited	Banking, insurance and ATM services, E-commerce and logistics services, etc.
Nearby Technologies Private Limited	Banking insurance and micro-ATM services, Travel services, PAN card and tax filing services, etc.
Integra Microsystems Limited	Banking and payment system, Agent assisted services, e-governance, Biometric enabler services, other technology services
RBL Finserve Private Limited	Pan India
New Opportunity Consultancy Private Limited	BC to various banks and NBFCs and provide microfinance loan, MSME loans, Savings account, etc.
Eko India Private Limited	Banking and insurance services, other development of API services

NICT Technologies Private Limited	Banking services, E-Governance services, Ticketing services, RFID services, etc.
Zero Mass Private Limited (a subsidiary of BLS E-services Limited)	Banking services, Micro-insurance, etc.
Alankit Private Limited	Banking services, E-Governance services, Registrar and share transfer agent services, Insurance services, etc.
Fino Paytech Private Limited	Banking services, insurance services, hardware solutions, other technology solutions
Instant Pay Technologies	Banking services, insurance services, etc.
Sub-K Impact Solutions	Banking services, Microfinance, E-Governance services (Rajasthan), telemedicine, e-commerce services, etc.
FIA Technology Solutions	Banking services

4.7. Key role played by BCs and VLEs

BCs and VLEs are retail agents engaged by banks for providing banking services at locations other than a bank branch/ATM. Banks are required to take full responsibility for the acts of omission and commission of the BCs that they engage and have, therefore, to ensure thorough due diligence and additional safeguards for minimizing the agency risk. Basically, BCs enable a bank to expand its outreach and offer limited range of banking services at low cost, as setting up a brick-and-mortar branch may not be viable in all cases. BCs, thus, are an integral part of a business strategy for achieving greater financial inclusion. BCs are permitted to perform a variety of activities which include several banking activities and third-party activities.

Banking activities

Banking activities which can be provided by BCs include saving account opening, cash deposit, cash withdrawal, fund transfer, balance enquiry, mini statement, IMPS, NEFT, request new cheque book, request for SMS alert, launch and track complaints, apply for Rupay debit card, term deposit/recurring deposit opening, loan application, identification of borrowers, collection and preliminary processing of loan applications including verification of primary information/data, creating awareness about savings and other products, education and advice on managing money and debt counselling, promoting, nurturing and monitoring of Self Help Groups/ Joint Liability Groups, post-sanction monitoring, follow-up of recovery.

Third-party product distribution

Apart from banking activities, BCs can also distribute third-party products such as enrolment of PMSBY, enrolment of PMJJBY, enrolment of APY, Bharat bill payment system (BBPS) for payment of utility bills, sale of mutual fund products and other third-party products.

4.8. Evolution of regulatory framework in India

- **BC participation rises on favorable RBI regulations**

The Reserve Bank of India has taken several initiatives over the years for increasing banking outreach and ensuring greater financial inclusion. A significant step in this direction was the issue of RBI guidelines in January 2006 for engagement of Business Correspondents (BCs) by banks for providing banking and financial services. Initially, only non-governmental organisations and micro-finance institutions (MFIs) set up under the Trust Act or Section 25 companies and post offices were allowed to function as BCs. Later, in the September 2010 circular of RBI, the guidelines were expanded to include individuals, local grocery shops, and even for-profit companies (excluding NBFCs). In fact, even SHG members, called 'bank sakhis', were trained to provide a range of financial and non-financial services on behalf of the bank to their communities, as part of the Rural Financial Institutions Programme, a joint NABARD-GIZ programme launched in 2012.

However, it was not until 2014 that non-deposit taking non-banking financial companies (NBFC-NDs) were allowed to work as BCs. This opened the door for NBFC-MFIs to leverage their strong rural penetration and make the model successful, subject to the following conditions:

- There should be no co-mingling of bank funds and the funds of the NBFC-ND appointed as BC
- There should be a specific contractual arrangement between the bank and the NBFC-ND to ensure that all possible conflicts of interest are adequately taken care of
- Banks should ensure that the NBFC-ND does not adopt any restrictive practices such as offering savings or remittance functions solely to its own customers
- Forced bundling of services offered by the NBFC-ND and the bank should also not take place

Further, the distance criteria – that the distance between the place of business of a retail outlet/sub-agent of BC and the respective base branch should ordinarily not exceed 30 km in rural, semi-urban and urban areas respectively, and 5 km in metropolitan centers – was also relaxed in the 2014 circular, thereby giving corporate BCs more flexibility to expand branch networks and reduce costs. Initially, banks were not allowed to collect any charges from the customers for providing services through BC, close to the location of the customers. Subsequently, banks were allowed in November 2009 to collect reasonable service charges from customers in a transparent manner under a Board-approved policy. Considering the profile of the clientele to whom banking services are being delivered through the BC model, banks were advised to ensure that the service charges/fees collected from the customer for delivery of banking services through the BC model is not only fair and reasonable but also seen to be so. As per 2010 regulations, a BC can be a BC for more than one bank, at the point of customer interface, a retail outlet or a sub-agent of a BC shall represent and provide banking services of only one bank. However, in 2012, the RBI decided to permit interoperability at the retail outlets or sub-agents of BCs (i.e. at the point of customer interface), provided the technology available with the bank, which has appointed the BC, supports interoperability, subject to the following conditions:

a) The transactions and authentications at such retail outlets or sub-agents of BCs are carried out on-line; (b) The transactions are carried out on Core Banking Solution (CBS) platform; and c) The banks follow the standard operating procedures to be advised by the Indian Banks' Association (IBA). However, the BC or its retail outlet or sub-agent at the point of customer interface would continue to represent the bank, which has appointed the BC.

Key features of revised BC model

Applicable to	The scheduled commercial banks including regional rural banks (RRBs) and local area banks (LABs). The banks may formulate a policy for engaging BCs with board approval
Eligible individual/ entities as BC	• Individuals like retired bank employees, retired teachers, retired government employees and ex-servicemen, individual owners of *kirana*/medical/fair price shops, agents of small savings schemes of Government of India/insurance companies, authorised functionaries of well-run SHGs, etc. • NGOs/MFIs set up under Societies/Trust Acts and Sections 25 companies • Cooperative societies registered under Mutually Aided Cooperative Societies Acts • Post offices • Companies registered under the Indian Companies Act, 1956, with large and widespread retail outlets • ND-NBFCs including NBFC-MFIs

Scope of activities may include	• Identification of borrowers • Collection and preliminary processing of loan applications including verification of primary information/data • Creating awareness about savings and other products and education and advice on managing money and debt counseling • Processing and submission of applications to banks • Promoting, nurturing and monitoring of SHGs/joint liability groups/credit groups/others • Post-sanction monitoring • Follow-up for recovery • Disbursal of small value credit • Recovery of principal/collection of interest • Collection of small value deposits • Sale of micro insurance/mutual fund products/pension products/other third party products • Receipt and delivery of small value remittances/other payment instruments.
KYC norms	Ensuring compliance with KYC norms under the BC model is the responsibility of banks
Payment of commission/fee	The banks may pay reasonable commission/fee to the BC, but the BC cannot directly charge a customer any fee for services rendered on behalf of the bank The banks (and not BCs) are permitted to collect reasonable service charges from customers in a transparent manner

Source: RBI, CRISIL MI&A Research

4.9. Social impact of BCs

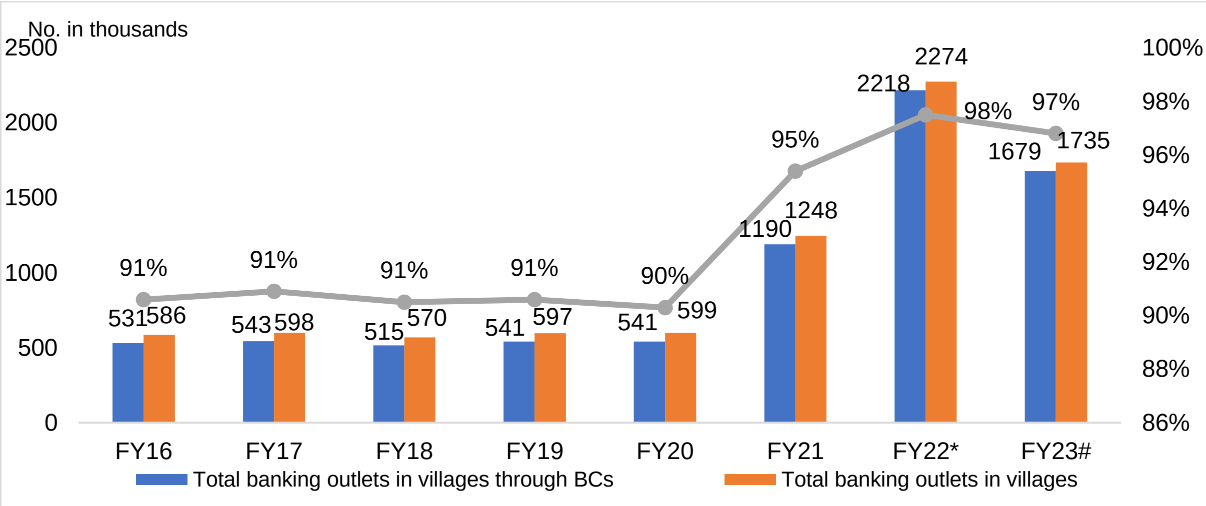
Business correspondents is one of the initiatives to increase financial inclusion and provide banking services to financially excluded people in all parts of the country, especially in the rural areas. Corporate business correspondents use intermediaries such as NGOs, cooperatives, agents, Panchayats, Shopkeepers, etc. for providing financial services. The BC model can be leveraged to change the lives of people in remotest parts of the country. It is being used effectively for community development and social empowerment. BC model is also used by people in remote areas to withdraw all government payments such as DBT payments, pensions, etc. and the model makes sure that the fund reaches to the right person. Ultimately, through BCs, country's economic growth can be shared by all individuals and reduce inequality that exist by bringing more population within the financial fold.

4.10. Business correspondents' network in India

Financial inclusion being the one of the top priorities by the government and the RBI, various steps have been taken by to increase the reach of financial services to the large unserved population of the country to unlock its growth potential. RBI guidelines also state that at least 25% of the total number of banking outlets opened during a financial year should be opened in unbanked rural centres. As per the RBI, a 'Banking Outlet' for a bank is a fixed-point service delivery unit, manned by either bank's staff or its Business Correspondent where services of acceptance of deposits, encashment of cheques/ cash withdrawal or lending of money are provided. As opening of banking branches in rural areas is not operationally viable for banks, banks turn to BCs to provide banking services in rural and semi-urban areas. Therefore, it has gained traction in solving the last mile problem and reaching to the grassroot level at a faster pace and lower cost than traditional brick and mortar branches.

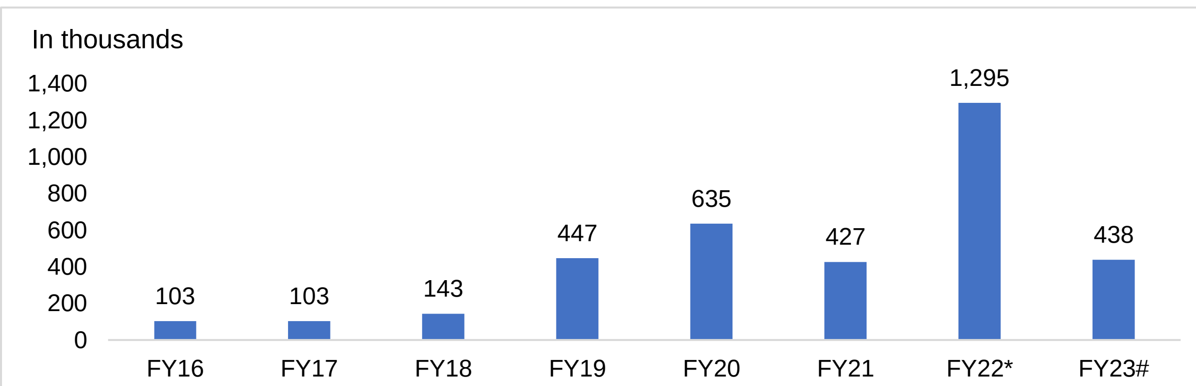
Therefore, the BCs' network in India has grown rapidly in villages in past two years and a greater number of banks have established their presence in villages through BCs. In the last year, total banking outlets in villages through BCs has increased from 1.19 million in FY21 to 2.21 million in FY22. Banking outlets in villages grew at a CAGR of 33% between FY17-FY22. At end of fiscal 2022, almost 98% of banking outlets in villages are through business correspondents.

Presence of banking outlets in villages



*Note: *FY22 – provisional data by the RBI, there is a significant increase in data reported by few private sector banks for FY22. #FY23 – Data till December 2022.Source: RBI, CRISIL MI&A Research*

Urban location covered through BCs



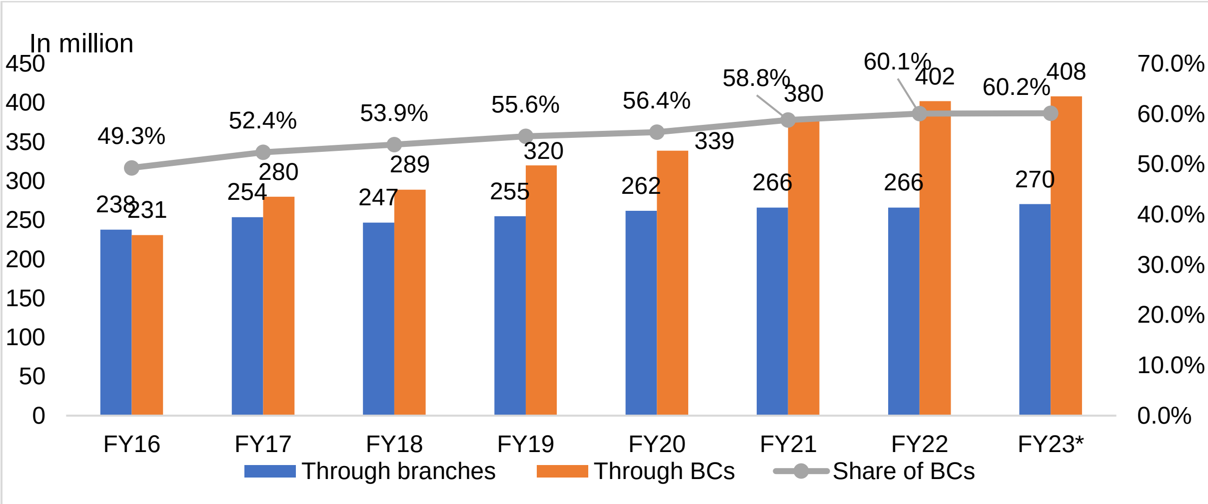
*Note: *FY22 – provisional data by the RBI, there is a significant increase in data reported by few private sector banks for FY22. #FY23 data is till December 2022; Source: RBI, CRISIL MI&A Research*

The state-wise distribution of fixed-point business correspondents (FBCs), however, remains uneven - more than 50% of FBCs located in Uttar Pradesh, Bihar, Maharashtra, West Bengal and Madhya Pradesh. Since March 2018, payments banks have a dominant share in the total number of FBCs, with private banks having a negligible presence.

4.11. Overall transaction volume and value transacted through BCs

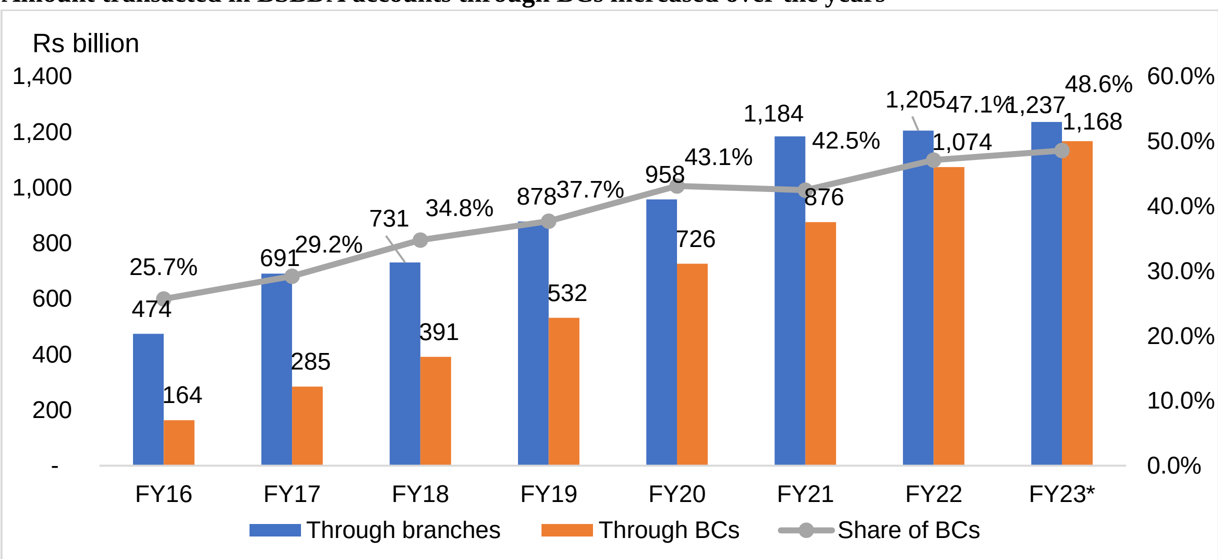
Increase in BSBDA due to PMJDY and increase in DBT amounts and beneficiaries have led to surge in volume of transactions in BSBDA through BCs over the years and registered a CAGR of ~8% between FY17-FY22. The share of BCs in the total number of transactions also increased from 52% in FY17 to 60% in FY22 majorly due to opening of banking outlets through BCs in rural areas and facilitating door-step transactions in remote parts of the country. Similarly, value of transactions in BSBDA through BCs has risen continuously over the years and registered a CAGR of ~30% between FY17-FY22. The share of BCs in the total value of transactions also increased from 29% in FY17 to 47% in FY22.

Number of transactions in BSBDA through BCs increased given lower cost of operations



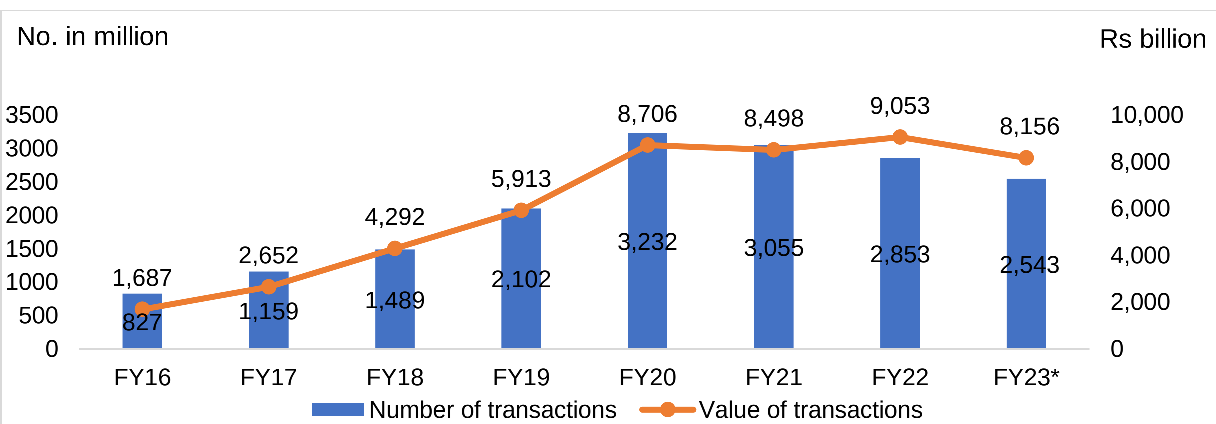
*Note: *FY23 data is till December 2022; Source: RBI, CRISIL MI&A Research*

Amount transacted in BSBDA accounts through BCs increased over the years



*Note: *FY23 data is till December 2022; Source: RBI, CRISIL MI&A Research*

Number of BC-ICT transactions and value of transactions

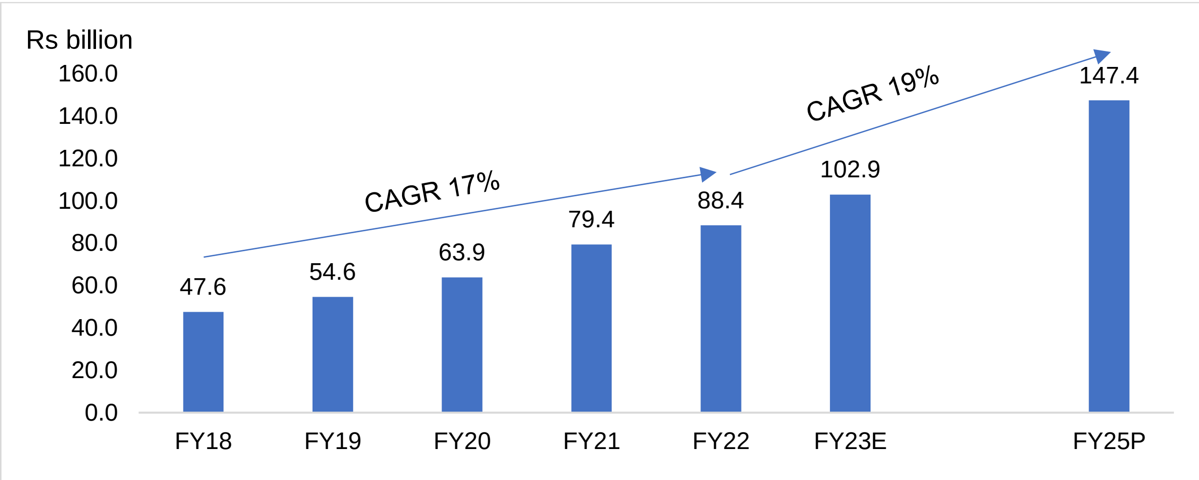


*Note: *FY23 data is till December 2022; Source: RBI, CRISIL MI&A Research*

4.12. Revenue pool of BC business

BCs work on a commission-based model. The commission is paid as a certain percentage of the value transacted or a fixed fee per transaction depending on the agreement. Some of the factors which are expected to drive growth of BC industry size are increasing outreach of BCs in rural areas, increase in BSBDA accounts and deposits, increasing volume and value of transactions through BCs, increasing government's DBT schemes and funds, facilities to make various types of bill payments through BCs, various value-added services provided by BCs such as Aadhaar seeding. Mobile seeding, etc. Additionally, growth in microfinance lending through BCs will increase revenue of BCs.

BC industry size expected to grow at CAGR of ~19% from FY22 to FY25



Note: E = Estimated, P = Projected; Source: CRISIL MI&A Research

4.13. Leveraging technology for BCs

- **Specialised fintechs**

With more and more disruptions taking place in the fintech space, some corporates with technical abilities restrict themselves to specialise in a particular service/set of services. They further delve deeper to offer better services and bring more and more features to enhance the particular service. These specialized fintechs avoid competition with diversified players and provide niche services with high capability offerings thus restrict to a particular field and take that up as a core offering. Some examples of these core services are ticket booking, hotel booking, insurance marketplaces, etc.

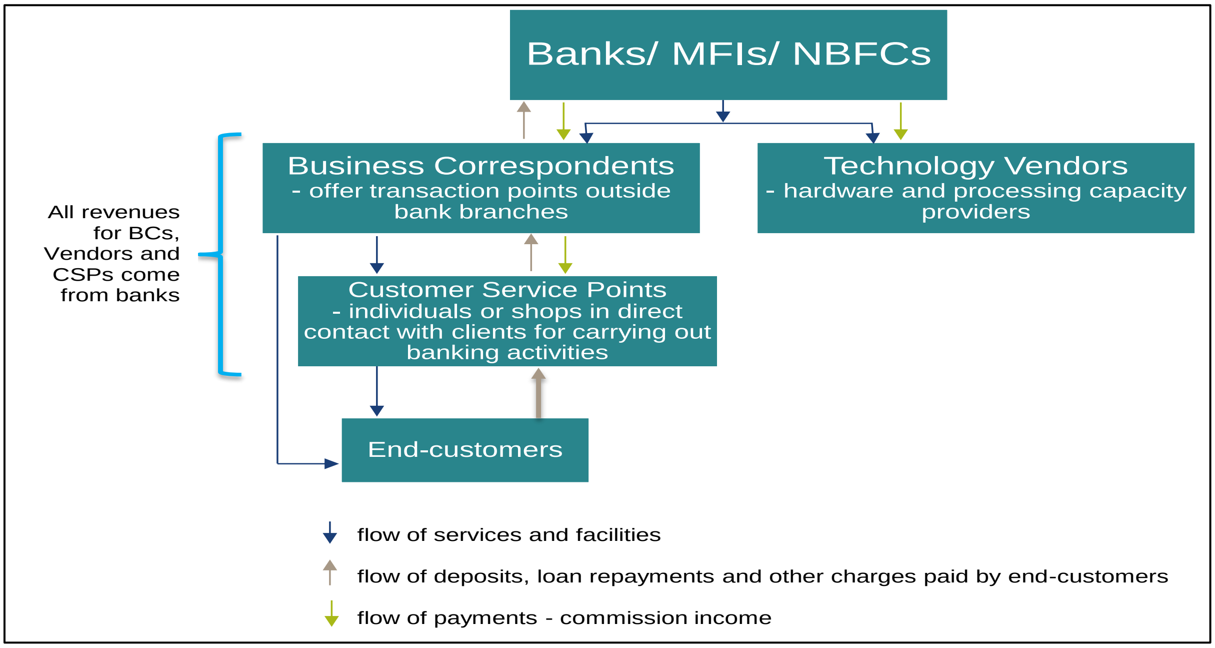
- **Corporates operating as BCNMs**

As against the specialised fintechs, these corporates operate in a diversified universe entailing various capabilities. The specialised entities have smaller networks as against these diversified BCNMs, as agents prefer network managers which offer multiple services where a customer can walk in and perform a variety of transactions not restricted to a particular field of service.These corporates offer a bouquet of services from bill payments, account opening, cash deposit and withdrawal, shopping, bookings, etc. These are often provided to the population via the network of agents directly managed by the corporate or through the corporate-owned centres providing all the services. These intermediaries also provide additional services such as PoS machines, educational services, etc. to their agents, if need be, to further enhance the agents capacity to provide the customer with better quality of services. They serve a larger category of the population, may it be a daily wage worker, a migrant, retailer, utility bill payer, etc. All these intermediaries in a way help banks and other financial institutions to increase their footprint among the underserved sections of the population, reducing the infrastructure cost of banks and making them asset light in terms of rural infrastructure. They earn in terms of commission for the services provided and promote the government's policy aims of achieving financial inclusion.

- **Branchless banking with BCs made possible with technological progress**

According to the RBI guidelines, BCs are permitted to carry out financial transactions on behalf of a bank as agents, which is called branchless banking. This model is being aided by technology-oriented tools such as point of service handheld devices, mobile phones, and biometric scanners.

Network flow of BC model



Source: CRISIL MI&A Research

The blend of technology required to make the BC model a success has resulted in several technology vendors expanding as corporate BCs, wherein they not only provide the technology including hardware, software, and support for maintenance, but also employ individual BCs under them to carry out activities on behalf of the bank. Corporate BCs are more integrated, which means less interference and hassle for banks who need not coordinate with multiple entities to make the model work. Several corporate BCs have rolled out schemes for individuals to open customer service points (CSPs) with their support and make a living.

- **Expanding through BCs to meet twin objectives of financial inclusion and priority sector lending**

The NBFC-MFI portfolio has increased substantially as they are now eligible to act as BCs. Leveraging their existing rural network, NBFC-MFIs act as channels for banks to meet the latter's priority sector lending targets. With numerous technology firms such as Suvidhaa, Oxigen, Zero, Ekagon, and Eko also acting as corporate BCs, the number of bank accounts and associated banking transactions are increasing in otherwise unbanked locations. This has helped in providing banking facilities in locations having no bank branches within a 4-5 km radius.

Sustainability and outlook: BCs are here to stay

Banks have understood that opening and maintaining an account with a branch for marginal customers with small float in their accounts is far more expensive than enabling BCs to open and maintain such accounts. They have also recognised the role BCs can play as an alternative channel to service existing marginal and low net worth bank customers. Banks have started to play an important role in enhancing the legitimacy of BCs as their new distribution and service channels. Leading banks have geared up their marketing efforts by prominently displaying signage, tariff cards and service information at CSP locations. Local branch managers and staff are now more aware about BC activities and have been assigned mandates to monitor the performance of agents linked to their branches, to provide necessary operational support, and address their issues. Better usage of technology, coupled with the government's financial literacy initiatives, has led to wider coverage by BCs and reduced the effort required to open additional accounts and process transactions. Hence, several individual BCs are able to manage multiple CSPs with improved efficiency. The involvement of locals, especially members of panchayats and SHG heads, has further enhanced efficiency. With this kind of growth, coverage through BCs has improved not only in rural areas, but also in urban areas.

4.14. Growth drivers for BC business

- **Model is sustainable with reduction of operating expenses of rural branches**

Rural customers will be profitably served only with low-cost business models having low break-even ticket size. Over the past five years, banks increasingly outsourced their operations in rural areas to BCs, ensuring relatively lower costs vis-a-vis bank branches. Going forward, we expect banks to increasingly experiment with different low-cost business models, smaller cost-effective branches and new uses of technology to serve this segment profitably.

In fact, the cost of internet banking is the lowest as it is free of direct human involvement but has its own limitations. Poor internet connectivity, lack of technological know-how, poor smartphone penetration due to low affordability, and transactional limitations to non-cash transactions have put internet banking as a means to financial inclusion on the back foot. On the other hand, BCs with the blend of technology and human involvement through CSPs provide branch services like deposits, account openings, withdrawals, credit collection etc. at a very low operational cost.

- **BCs help to reduce banks' operating costs**

Setting up the bank branch in rural area would involve high investment as compared to having banking outlets through BCs, increased usage of BCs particularly in rural areas will help lower the expenses of banks; Increased outsourcing to BCs and growing fund flow in the form of government subsidies will result in an increase in the number of transactions per outlet while average ticket size per transaction would also grow; A rural customer requires guidance for which he would prefer to go to a BC or a bank branch and therefore, usage of internet banking will be lower in rural areas

4.15. Key success factors and risks in BC business

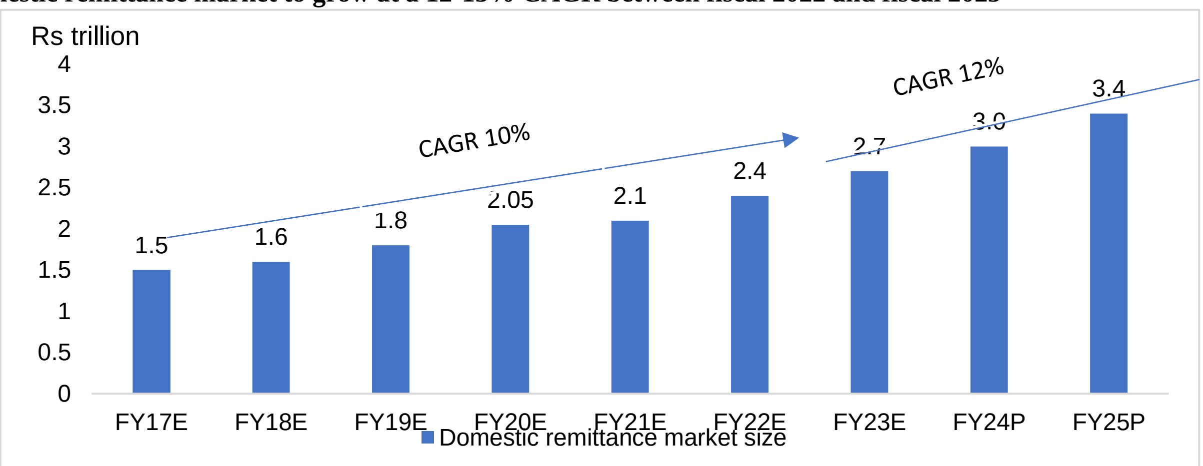
- **Local BC agents to connect with community:** Awareness of the local market and community help BCs connect with people more easily. When CSPs are from local communities, it gives them better access, making it easy to establish trust and ensuring the sustainability of the model.
- **Increase overall product offerings:** Availability of a wide range of products will offer BCs greater avenues to increase client penetration and stickiness
- **Covering female population with doorstep banking:** With a strong focus on targeting women entrepreneurs, BCs should effectively walk that extra mile to cover all those women who run small businesses from their homes and are hesitant to leave the confines of their houses to avail of banking facilities.
- **Building trust and improve persuasion skills:** BCs should try to help financially illiterate and unaware customers understand the need to shift from informal to formal sources of finance.
- **Ability to use technology as a benefit:** Many BCs are unaware about the nuances of technologies used to smoothly run the BC business. Hence, ample training and basic literacy is needed so that BCs get comfortable with technology-driven processes using point-of-sale devices and laptops
- **Motivate rural youth to be a part of change:** People who are more aware about the locality connect well with the people. Hence, BCs should be role models for rural youth to improve learning and earn additional income, so that lack of manpower does not become a hindrance to the BC business and financial inclusion.

5. Domestic Remittances

5.1. Overall Market Size

Domestic remittance transfers predominantly refer to migrant workers sending money from the places where they work to their homes in other states/regions for meeting the needs and day-to-day expenses of their family members. As the urban population in India has consistently been increasing, we are witnessing an increasing trend of migration from villages and smaller semi-urban areas to larger cities and towns. As per the census 2011 data, India had 456 million migrants (38% of the total population) as compared to 307 million migrants (30% of the total population) in 2001. The number of migrants who moved from rural to urban areas also increased from 52 million in 2001 to 78 million in 2011, leading to a rise in share of rural to urban migrant in the population from 5.1% in 2001 to 6.5% in 2011. The number of migrants in the total population is expected to have further increased over the last decade, leading to strong growth in the domestic remittances market. While recent data on the number of migrants in India is not available, the Economic Survey 2021 notes that 6.31 million migrant workers travelled to their hometowns through Shramik Special trains from May to August 2020 after the onset of the Covid-19 pandemic and nation-wide lockdown. CRISIL MI&A Research estimates the total domestic remittances market to be just a shade over Rs 2.4 trillion in fiscal 2022. Between fiscal 2017 and 2022, this trend in migration of population has continued, leading to an 10% CAGR growth in the domestic remittance market. Going forward, CRISIL MI&A Research expects remittances to gradually increase as the economic situation comes back to normal in fiscal 2023. In the long term, digital India and financial inclusion initiatives in the country is expected to support remittances growth, with more and more people availing remittance services for funds transfers to remote areas. We project the market to touch Rs 3.4 trillion by FY25, translating into a ~12-13% CAGR in remittances during FY22-25.

Domestic remittance market to grow at a 12-13% CAGR between fiscal 2022 and fiscal 2025



Note: E: Estimated, P: Projected ; Source: Economic Survey 2017, CRISIL MI&A Research

5.2. Growth drivers

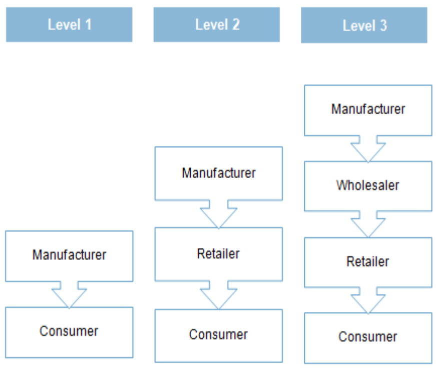
- Urbanisation and migration of population to urban regions to drive growth
- Revival of economy to aid remittances
- Improvement in financial system infrastructure to drive remittances
- Emphasis on Direct benefit transfer (DBT) by the government
- Direct benefits transfer (DBT) beneficiaries
- Growing BC penetration and emergence of newer channels for remittance

5.3. Revenue model of service providers in the remittance business

The market for domestic remittance was once dominated by India Post and a multitude of informal service providers. However, over the past decade, the banks have developed various models to provide remittance services and acquire a larger share of this market opportunity. Domestic money remittance (DMR) enables a walk-in customer to transfer funds to any bank account, anywhere in the country. The customer just has to deposit the amount to be transferred to the DMR agent or the agent at the banking touchpoint, who would then transfer the amount using NEFT or IMPS to the beneficiary.Most of the costs associated with the remittance is towards API usage and commission paid to the agents who facilitate the transactions. The customer can also choose to remit funds directly through the mobile based platform using the phone number of the beneficiary.The revenue source for the DMR providers is primarily dependent on the volume of transaction. They earn a fee, which is paid by the sender. The domestic remittance charges are set as an absolute amount, which varies across different slabs of amount transferred. Overall, as a proportion of the amount remitted, the charges vary between 0.5%-1.0% of the fund transferred. The scale of operations of the DMR providers, availability of touchpoints, trust and convenience offered to the customer also forms a critical part of the remittance business.

6. Retail cash management services in India

6.1. Retail industry in India

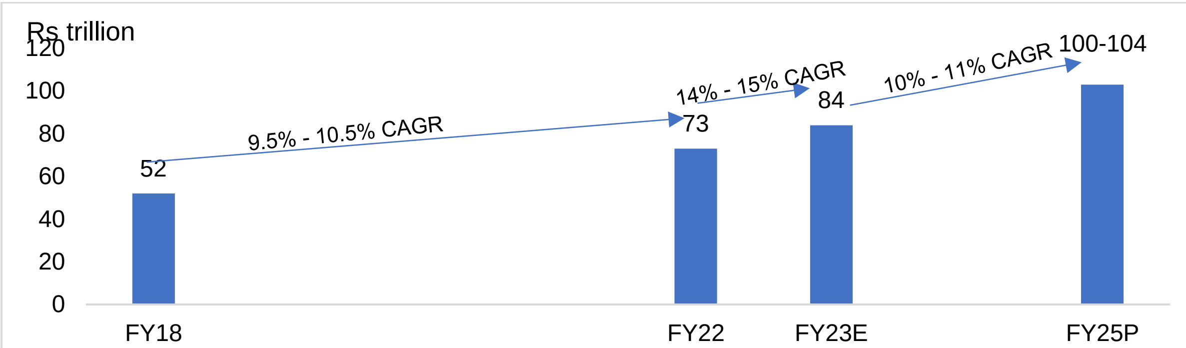


Retailing is a distribution channel through which goods are sold in small quantities to the final consumer. A retailer is typically a reseller, who buys products from a manufacturer/supplier/distributor and sells them to customers, without altering characteristics of the product significantly. Generally, retailers are at the end of the distribution channel. However, a manufacturer may also be a retailer if he sells products directly to customers. *Source: CRISIL MI&A Research*

Retail distribution channels
Retail sector to continue uptrend in fiscal 2023

With the Indian economy caught in crosswinds, gross domestic product (GDP) grew at a slower pace of 4.2% in fiscal 2020. In cautious spending scenario, discretionary segments such as gems & jewellery and apparel were impacted the most while the impact was lower on non-discretionary segments such as food & grocery and pharmacy. Thus, overall retail grew at a slower pace of 9% in fiscal 2020. Retail sector declined in fiscal 2021 in line with decline in GDP and PFCE. With implementation of nationwide lockdown on account of Covid-19, retail consumption took a hit. However, the impact can be divided into two- on essential and non-essential goods. Non-essential goods saw the burnt as ban was put on its sale, thus Q1 was worst hit. Sale of essentials was allowed and thus it witnessed growth. Essential products (especially food & grocery) witnessed normal growth. However, non-essential witnessed slow recovery even during second half of the fiscal on account of impact on incomes due to pandemic. As essentials (food & grocery and pharmacy) form around 57% of overall retail which witnessed growth of ~10%, the decline of overall retail was restricted to 2%. The retail sector witnessed ~18% growth in fiscal 2022 on account of a low base, higher discretionary spending and waning impact of the pandemic. With lockdown imposed in various states owing to Covid-19, consumer confidence was affected in the first quarter of fiscal 2022. This restricted further growth. With resumption of services activity in fiscal 2023, contact-intensive services, which still trail the pre-pandemic levels of fiscal 2020, started contributing favourably to growth. Retail is estimated to continue uptrend and grow by 14-15% in fiscal 2023. Eased restrictions, opening of offices and improving consumer sentiments will drive this growth. Between fiscal 2023 and fiscal 2025 CRISIL MI&A Research believes growth will accelerate at a 10-11% CAGR, as economic activity picks up and inflation remains in low to moderate range. Consumption revival coupled with economic growth will boost consumer sentiment and drive up discretionary spends. Improved investment by the large retailers will further propel retail growth.

Retail market size in India



Note: E: Estimated; P: projected; Source: CRISIL MI&A Research

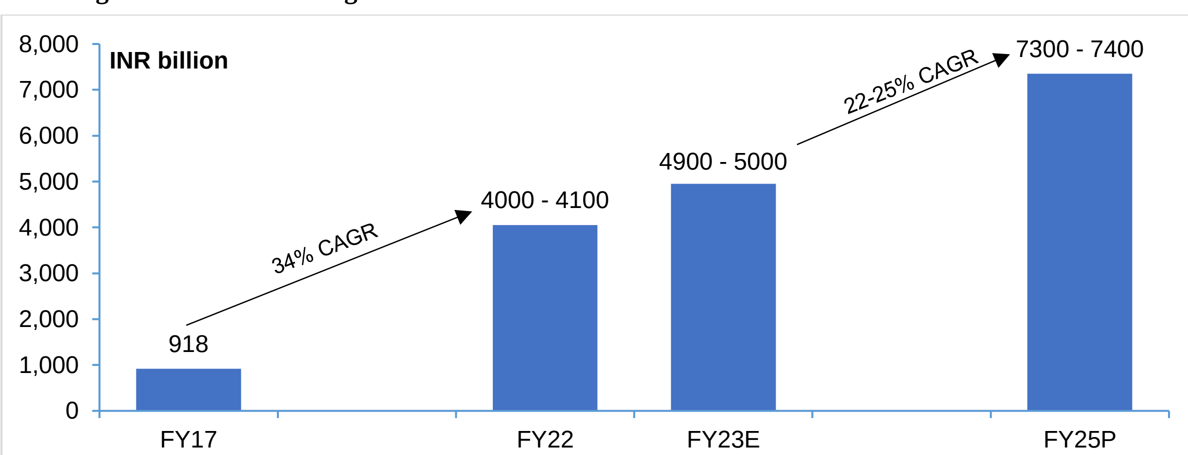
Organized retail market is expected to cross Rs 15 trillion by FY25

While organised retail penetration (comprising both organised brick and mortar stores as well as retail spending on e-commerce platforms) in India is increasing at a feverish pace, for large swathes of the Indian population, particularly lower middle-class customers and customers in the semi urban and rural areas, small mom and pop stores remain the primary outlet for retail spending. New store rollouts as well as increasing penetration into tier-II & III cities apart from metros and tier-I will propel growth in longer term. Government's decision to permit 100% foreign direct investment (FDI) in single-brand retail under the automatic route from 49% earlier and relaxation in sourcing norms will boost growth in the longer term. Further, with pick-up in macro and improved consumer spending in the longer term, organised retail will see healthy growth. Organised retail is expected to clock 17-19% CAGR over fiscals 2023 to 2025, crossing Rs 15 trillion.

6.2. E-retail to clock CAGR of ~22% - 25% in the medium term

CRISIL MI&A Research projects the Indian e-retail sector to clock 22%-25% CAGR between fiscals 2023 and 2025. Consumption slowdown and ban on sale of non-essentials following second wave impacted demand in the first quarter of fiscal 2022. CRISIL MI&A Research expects demand to bounce back and the sector to be poised for growth in the medium term.Online grocery, which has caught the attention of all major players and has seen significant investment over past few years, will be fastest-growing segment. Apart from this, continued focus of major players on existing business segment such as electronics will drive growth. With omni-channel strategy gaining prominence, the e-retail industry seems set to add to the growth of the overall organised retailing sector rather than pose competition to existing players.

E-retail growth forecast through fiscal 2025



Note: P: Projected; our definition of e-retail includes products sold via online retail and online marketplace business models, Source: CRISIL MI&A Research

Consumer electronics considered for e-tailing comprises mobiles and accessories, personal computers, household appliances and small electronics. The segment forms large portion of the e-tail pie. Of the overall consumer electronics e-tail sales, mobile phones account for higher share. Wider choices, competitive pricing, easy delivery owing to small size, exclusive online sales by some brands, and flash sales have propelled mobile phone growth on the online platform. However, even in the online-mobiles market, the share of relatively low-value products is significantly higher. Sales through online platforms will grow at a slower pace compared with the past three years. Earlier, growth was because of lower base and demand generated by first-time urban users for lower-range mobile phones. Higher-range smartphones will start taking precedence, and, thus, with a shift towards high-value purchases, people would like to see and touch products before buying. Online grocery has seen significant investment from major players over past few years. Apart from this, continued focus of major players on existing business segment such as electronics will drive growth.

- **Sector to continue its growth path in the medium term**

The online retail sector witnessed healthy growth in fiscal 2022 on a low base of previous fiscal. Ban on sale of non-essential for most part of first quarter impacted demand to some extent. New launches in electronics during festive period and easy financing options drove growth during the year. With people leaving their homes after months of lockdown, fashion category too witnessed healthy growth with onset of festive season. Pandemic brought a change in the buying behaviour with more and more people taking online route. Going forward, players are expected to focus on customer convenience and their online experience rather than on only discounts. Entry of India's largest brick and mortar retailer Reliance Retail into the online channel will only intensify competition and benefit the customer and the industry. CRISIL MI&A Research projects online retail to clock 22%-25% CAGR between fiscals 2023 and 2025.

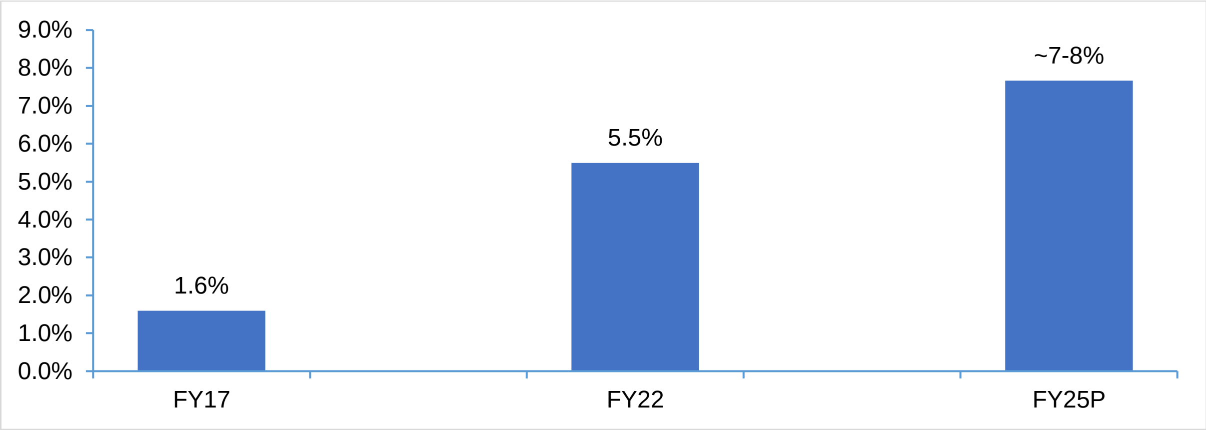
- **Online-to-offline: new model on the block**

This type of model allows customers to buy the online discounts in an offline store as well. Companies are now shifting their marketing strategies from traditional methods and focusing on various digital channels. The online-to-offline (O2O) model is where online portals tie up with offline retailers to offer products to customers. The products are usually perishable and have limited inventory. This model helps buyers find more choices in the area they live in. With an app, users can search their options, collect information, make a sound decision and then go to the physical store for trial and buy. This model helps retailers improve brand positioning and customer loyalty. There has been an increasing interest in this type of model as Paytm and Reliance Retail have recently joined the game. Paytm Mall has recently forayed into online-to-offline (O2O) commerce. It catalogs inventories of physical shops to enable discovery of products online. The company is aiming to boost the business of local shops by bringing new customers who will be able to discover them on Paytm Mall site. Reliance has entered e-commerce with the O2O model in online grocery. It has created a marketplace where the local businesses can connect and market their products. The seller can list their offerings on the marketplace. The interested customers can check product listings, make inquiries, book orders, and collect orders offline.

- **Limited penetration gives room for future growth**

The overall retail market in India was estimated to be worth around Rs 73 trillion in fiscal 2022. The market is dominated by unorganised players, with organised retailing accounting for only 12-14% in fiscal 2022. E-retail penetration in the overall retail market is significantly low, thereby providing sizeable headroom for growth. By fiscal 2025, CRISIL MI&A Research expects share of e-retail in overall retail industry would reach to ~7%-8%.

Online retail market to account for 7%-8% of overall retail market by fiscal 2025



Source: CRISIL MI&A Research

- **Focussing on the bottom-line**

E-commerce players are fortifying their bottom-line by focussing on the points mentioned below.

Building integrated processes: Players are acquiring, partnering with payment wallets, and providing complimentary product portfolio to enhance seamless operations. Acquisitions in the e-retail space are across the value chain. Companies have been acquiring established companies, online deal players and the likes to boost business and improve profitability (for example, Flipkart's acquisition of eBay India in April 2017 and Paytm's acquisition of Nearbuy and Little in December 2017 to boost its online-to-offline business model)

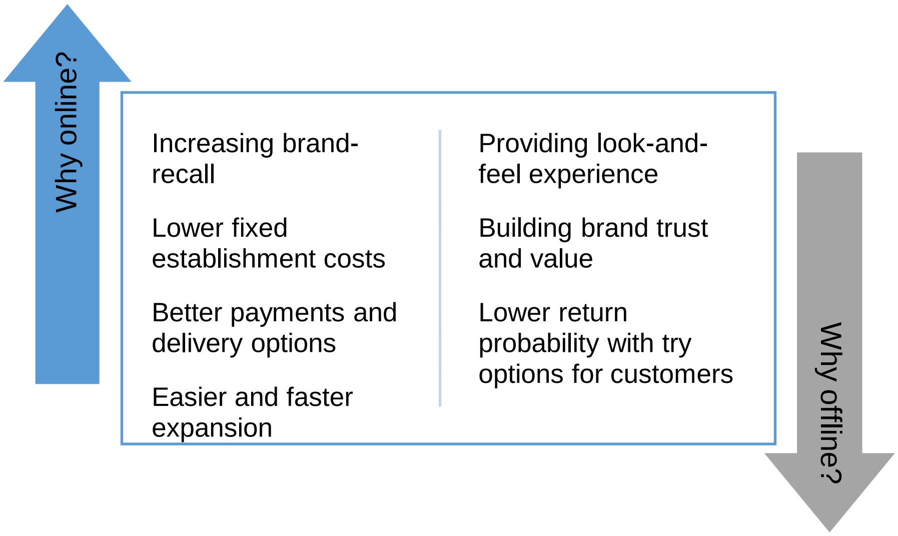
Using data-analytics to customise offers: Companies are using high-end data analytics to provide discounts. When compared with past trends, discounts in the space have reduced, and companies have adopted a customised discounting mechanism. Companies use the buying history of consumers, gap between two purchases, last purchase data and the likes, and accordingly make customised offers to ensure consumers stick to the portal. For instance, Amazon uses data analytics to extend special privileges to Prime members, such as faster delivery, better deals, and preference in case of limited sales quantity. Furthermore, players such as Myntra are using data mining and artificial intelligence to analyse popular designs and styles and then come up with new designs to place in the market.

- **Omni-channel presence — the new success mantra**

The growing presence of e-retailers has eaten into the pan-India revenue share of brick-and-mortar retailers over past two-three years. After factoring in the surge in sales volume of e-retailers and consequent increase in competition from other online channels, brick-and-mortar players have started focussing on building their online sales presence. Companies such as Shoppers Stop, Bombay Dyeing, The Mobile Store, Trent, and Future Retail have launched online platforms to sell products. Though the revenue share of online channels has been very small, these stores are placing increased impetus on these to combat competition from their online counterparts. These brands are trying to outdo e-retailers' funding-dependent discounts by offering more sustainable membership benefits in the form of added discounts and loyalty points to get repeat customers.

On the other hand, instead of opening their own online channels, a large number of offline brands are adopting shop-in-shop model by partnering with top e-retailers for promoting their brands online or even for keeping a dedicated brand page on the e-retailers' website. This serves the dual purpose of increasing presence while not incurring added investments in technology and logistics. Online players too are focussing on expanding in the offline segment. The table below shows the actions taken by both online and offline players to increase their omni-channel presence. Players have been increasingly keen on tapping the food & grocery segment, given its growth potential. Hence, considering that both online and offline models have their respective benefits, CRISIL MI&A Research believes that more brick-and-mortar players will shift towards adopting and strengthening their omni-channel presence (and vice-versa) to strengthen their brand names.

- **Together, brick-and-mortar and online strategy complement each other**



Source: CRISIL MI&A Research

- **Need for open e-commerce network**

Over the last one decade there has been major transformation in the way commerce has been carried out. In present era online purchases are experiencing strong growth owing to rising income level, rising number of smartphone users, change in lifestyle and preferences, and improved logistics services. Advancement in IT infrastructure has been the backbone supporting robust growth in e-commerce. However, the e-commerce industry is still under growth phase and certain concerns which exist in the current scenario such as malpractices followed by players, barriers in launching new products, and limited reach to audience need to be addressed. Open Network for Digital Commerce (ONDC) is one such solution government is planning to implement to make the overall e-commerce market more efficient and inclusive.

- **ONDC can expand overall e-commerce market and can curb existing malpractices**

The ONDC is a digital project of the government to redefine the e-commerce landscape in the wake of a large number of complaints of malpractices by existing e-commerce companies. To standardise the process of on-boarding retailers on e-marketplaces, and supply and delivery of products through online channels, the Department for Promotion of Industry and Internal Trade (DPIIT) has developed ONDC to set protocols. The protocol for digital commerce would be similar to what UPI is for online payments or what HTTP is for communication over the internet. These will be open standards and the effort is to create protocols for digital e-commerce for creating an enabling e-commerce ecosystem. ONDC aims to provide equal opportunities to all traders by providing an easy and fair access to e-commerce. It will facilitate small businesses with opportunities to adopt and accept the online market as an additional business avenue for them. The consumers will also be equally benefitted by getting the option to choose a better product, coupled with reasonable price and with efficient and responsible delivery system. Apart from putting a control on malpractices, ONDC can improve the agility of market players by letting them implement more lightweight, agile digital commerce solutions to improve the customer experience and lower total cost of ownership. With faster execution, market players can integrate newer ideas to open new functionalities and creating new markets along with keeping a check on cost-to-market.

- **Benefits of open network in e-commerce**
  - Increasing the market access
  - Reduction in the cost of doing business
  - Making the market perfectly competitive
  - Availability of more options for the consumers

6.3. Growth drivers of e-retail industry

Source: CRISIL MI&A Research

- **Rising income levels aid to increasing demand of retailing**

Growth in household incomes and, consequently, disposable incomes, are critical to the overall growth in demand for retail products. The rise in people's income over years has eventually led to an increase in the consumption of consumer goods. The combined mix of greater purchasing power and willingness to spend has resulted in a change in consumption patterns. Increasing literacy rate and changing mindsets have led to an increase in the number of working women in India. The government has also taken several steps to create a congenial workplace. This is expected to further aid the increase in the number of working women in the coming years, supporting overall rise in the income level. The share of households falling in the income bracket above Rs 0.2 million is expected to go up to 35% in fiscal 2022 from 23% in fiscal 2017. The growing presence of a large middle-class population has played a key role in driving demand for the retail sector

- **Favourable working age population to influence consumer spending**

India's favourable demographics are a powerful driver for the retail sector. India has a rapidly growing and relatively young population, with a median age of 27.3 years as of 2020. Younger Indians display a generational shift in spending behaviour, being less price-conscious than their predecessors. This trend is expected to continue up to 2030, implying strong potential for an increase in income, and consumer spending, with a growing proportion of the population engaged in employment.

- **Urbanisation to reach ~40% by 2030**

India's urban population has been rising over years and stood at ~31% of total population in 2010; the uptrend is expected to continue. The UN report has projected that nearly 40% of the country's population will live in urban areas by 2030. People from rural areas move to cities for better job opportunities, education, and quality of life. The entire family or only a few individuals (generally an earning member or students) may migrate, while the other members continue living in rural house. Numerous schemes and projects launched by the government, such as the Smart Cities Mission, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Pradhan Mantri Awas Yojana (Urban), among other initiatives, has aided the growth in urbanisation. This rapid urbanization is expected to contribute to significant market potential for the retail sector.

- **Internet subscribers up at a CAGR of ~16.0% between fiscals 2016 and 2022**

Internet penetration has significantly deepened in India over the past 6-7 years, driven by an increase in the use of smartphones, ease of internet access in rural areas, as well as cheaper data plans offered by ISPs. Internet subscriber additions are expected to be to be driven by low rural tele density, which will take up the internet penetration in the country to 73-77% by fiscal 2026 from current level of 60-61%. The deeper penetration of Internet, coupled with an increase in the number of smartphone users and affordable date plans, has increased the accessibility to e- commerce. The online grocery and retail channels have gained prominence, which is likely to further boost the growth of retail sector.

- **Nuclearization of families to drive consumption**

Increasing nuclearization of families is driving up consumption expenditure. In the recent past, the number of nuclear families, as a percentage of total household population, has increased. The average household size of the country has come down to 4.91 in 2011, from 5.57 in 1991.

- **Change in consumer needs, attitudes, and behaviour to determine consumption pattern**

Growth of retail is linked to consumer needs, attitudes, and behaviour. Rising income levels, education and global exposure have contributed to evolution of the middle class. As a result, there has been a gradual shift in the consumption pattern of Indians. Demand for better quality, convenience and higher value for money have increased demand for branded goods. People are willing to experiment with new products and look different. This has further augmented spends on health and beauty products, apart from apparels, food, and grocery items.

- **Better credit availability, increasing penetration of plastic money to aid spending**

With the easy availability of credit, the market for personal loans has seen significant growth in India, pushing up spends on housing and consumer durables. The ease of making payments with credit and debit cards has led to a sharp increase in consumer spending in recent years.

7. Assessment of fintech industry

7.1. Overview of fintech industry in India

Fintechs today are on top of the mind of traditional financial institutions as they watch traditional business models change, and increasingly deliberate whether to collaborate or compete with fintech. The term Fintech is used to describe firms that leverage technology, data, and business insights to provide various financial products and services to customers. The business model of fintech firms differ widely but in almost all cases they use technology to change or support existing way of doing business, and hold the promise of enhancing customer convenience, facilitating access to credit for hitherto unserved or underserved customer segments and/or improving operating efficiency. The emergence of fintech firms has enabled customers create formal records through digital payments or transaction data and thereby improve their access to credit. Digital payments landscape has the highest number of fintechs in India and now other financial segments like lending, insurance, wealth etc. are also attracting fintechs. Digital payments landscape in India is being driven by fintechs along with India's unique digital public infra and embedded offerings. Fintechs are now also expanding beyond their core offerings to increase engagement, the addressable market and to drive monetisation. For example, players like PayTM and PhonePe with core offerings as payments and wallets, respectively, have expanded into e-commerce and investing services. Fintechs, having acquired a substantial user base, are also offering short-term credit and small ticket personal loans in partnership with banks. PayTM, Flipkart and Amazon, for example, provide short-term credit (15-30 days) of Rs 5,000-60,000 for online spends.

In India, growth of fintech has been driven by a confluence of factors:

- Favourable demographics
- Rising Internet penetration
- Availability of low-cost infrastructure
- Changing customer expectations
- Availability of huge amount of data and related intelligence.
- Key government initiatives

Government initiatives like JAM (Jan-Dhan, Aadhaar, and Mobile) has enabled government to make around Rs 6.7 trillion of direct transfers for fiscal 2023. Other programs such as Digital India, Start-up India have fuelled the growth of fintechs in India.

Key technologies shaping fintech

Technological developments and continuous progress in the maturity of technologies has helped shape up the fintech market. Application Programming Interface (API) standards, for instance, have enabled different pieces of software from different financial players to interact and exchange data in a secure environment, enabling comparisons and more competition. APIs are the main reason that startups are able to build their products faster.

However, there are challenges as well when it comes to usage of technology. AI, for instance, is dependent on credible and quality data, and therefore, service providers putting in place structured mechanisms for collecting, validating, standardizing and archiving data to make it relevant for AI.

Application of technology by fintech

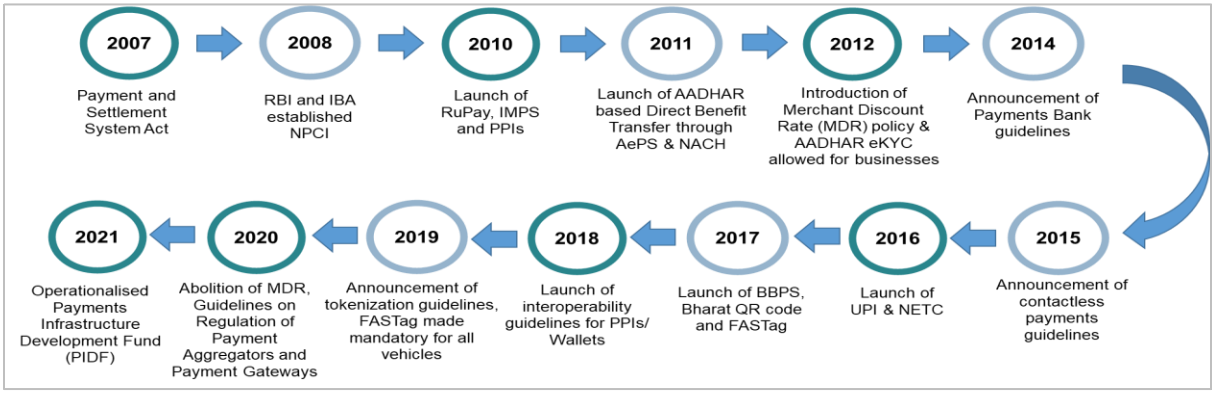
Going forward, India presents a huge opportunity for growth of fintechs owing to high potential in the underpenetrated customer segments. Most fintech firms today target customers who use smartphones and value convenience and timely availability of credit. To attract mid-to-low-income customers and the rural population, there is a need to develop tailor-made solutions and adequate use-cases by overcoming challenges posed by low literacy, lack of trust, low awareness and behavioural factors. Given the improvement in support infrastructure (electricity and internet connectivity and IndiaStack), this segment provides huge potential to grow.

7.2. Assessment of Digital Payments Industry in India

- **Overview and trends**

The Indian digital payment space has seen extraordinary growth in the last few years. The growth has been driven by multiple factors like launch of new payment products, increasing smartphone penetration, increasing mobile internet users driven by lower data charges and a strong push from the government in order to increase adoption of digital channels. The government has used levers such as ubiquitous availability of mobile broadband, increase in smart phone penetration and various incentives for the use of digital payment products to support the country's digital payments journey. In 2008, Reserve Bank of India (RBI) and Indian Bank's Association (IBA) established National Payments Corporation of India (NPCI) to create a robust payment and settlement infrastructure in India. Since, then numerous regulations and guidelines have been passed to facilitate and boost the growth of digital payments in India. NPCI has a diversified shareholding structure with several prominent public and private sector banks, SFBs as well as players offering payment services picking up stake in NPCI over a period of time. As of 30th April 2023, NPCI had 65 shareholders. At the time of its inception, NPCI had ten core promoter banks – State Bank of India (SBI), Punjab National Bank (PNB), Bank of Baroda (BOB), Canara Bank, Union Bank of India, Bank of India, HDFC Bank, Citibank, HSBC and ICICI Bank.

Evolution of digital payments space in India

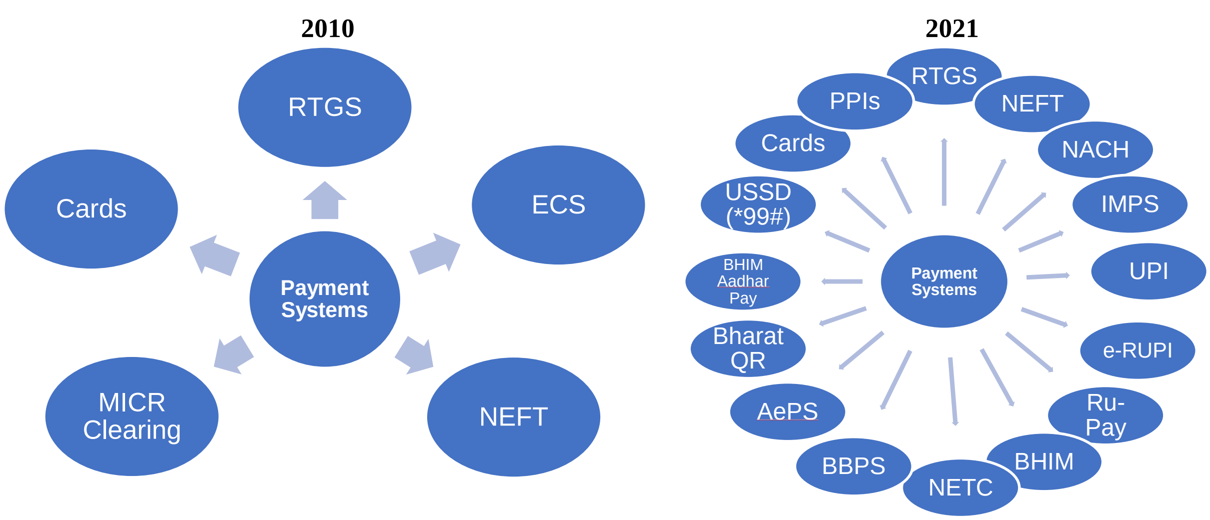


Source: NPCI, RBI, IndiaStack.org, CRISIL MI&A Research

Over the last decade, NPCI has launched various innovative products like Unified Payment Interface (UPI), National Electronic Toll Collection (NETC) and Bharat Bill Pay Service (BBPS), AADHAR Enabled Payment System (AePS) and other retail payment and settlement systems. The convenience of these payments systems along with ubiquitous availability of mobile broadband has ensured acceptance as they provided consumers an alternative to the use of cash and paper for making payments. The participation of non-bank fintechs in the payment ecosystem in the form of Prepaid Payment Instruments (PPI) issuers, Bharat Bill Payment Operating Units (BBPOUs) and other third-party application providers in the UPI platform has furthered the adoption of digital payments in India. Further, in April 2020, to increase the global outreach of NPCI payments systems, a subsidiary NPCI International Payments Limited (NIPL) was established to export offerings of NPCI in the foreign markets with primary focus on internationalisation of RuPay and UPI. In January 2021, the (RBI) on operationalised the payment infrastructure development fund (PIDF) scheme which is intended to subsidise deployment of payment acceptance infrastructure in tier-3 to tier-6 centres, with a special focus on the north-eastern states of the country.

These innovations have led to the emergence of various players such as Payments Bank (such as PayTM Payments Bank and Fino Payments Bank), Fintechs (such as Razorpay, PayU, and PayTM) and incumbent banks (such as Axis, HDFC Bank, ICICI Bank) too have launched their own digital payment platforms. Consumer apps provided by Google (Google Pay), Amazon (Amazon Pay) and Walmart (PhonePe) have created a strong presence in UPI payments to strengthen their foothold in the digital payments space. These fintechs and usage of their application for payments is also helping the consumers create formal transaction records, which will ease access of credit in times to come.

Evolution of India's payment system over the decade

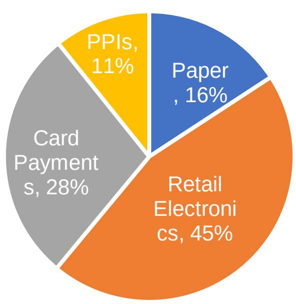


Note: NEFT- National Electronic Fund Transfer, RTGS – Real Time Gross Settlement, MICR- Magnetic ink character recognition, IMPS – Immediate Payment Service, NACH – National Automated Clearing House, BHIM – Bharat Interface for Money, USSD – Unstructured Supplementary Service Data, PPI – Prepaid Payment Instrument, UPI – Unified Payment Interface, AePS – Aadhaar Enabled Payment System, BBPS – Bharat Bill Pay Service, NETC – National Electronic Toll Collection ; Data in the chart shows the types of payment modes and not the market share
Source: RBI – Payment & Settlement System in India, NPCI, CRISIL MI&A Research

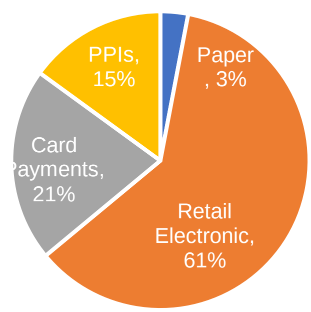
With the advent of various innovative electronic systems and payments products, the Indian ecosystem has witnessed a shift in the payment preference. The share of paper-based clearing in terms of volume has reduced from 16% of the total retail payments in FY16 to just 1% of total retail payments in FY23. In terms of value, the share of paper-based clearing has declined from 46% in FY16 to 11% in FY23.

Share of retail payment system by volume (FY23)

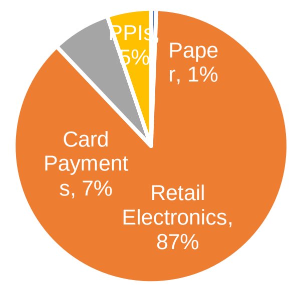
FY16 Transaction Volume – 6.9 billion



FY20 Transactions Volume – 34.9 billion



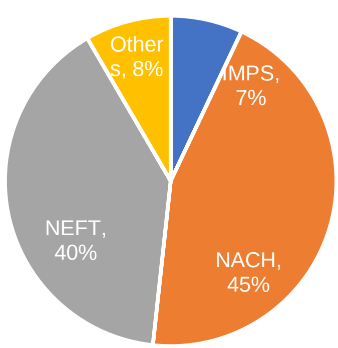
FY23 Transactions Volume – 114.4 billion



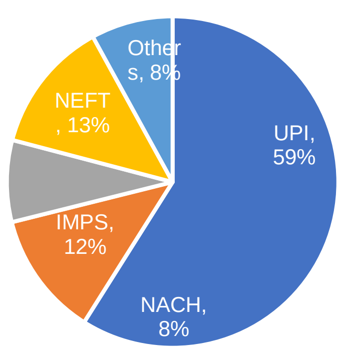
Note: Retail electronic include credit transfers (NEFT, IMPS, UPI) and direct debit transfers (ECS & NACH)
Source: Payment and Settlement System in India - RBI, CRISIL MI&A Research

Retail electronic payment mix by volume (FY23)

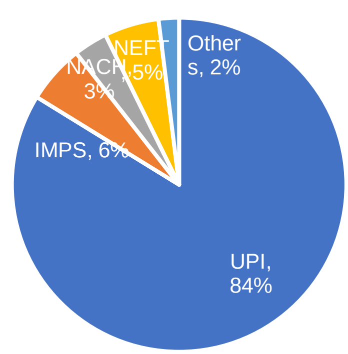
FY16 Transaction Volume – 3.1 billion



FY20 Transaction Volume- 21.2 billion

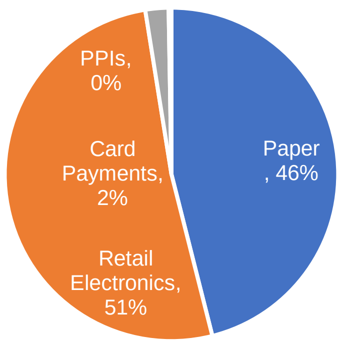
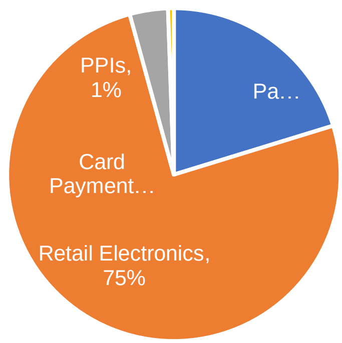
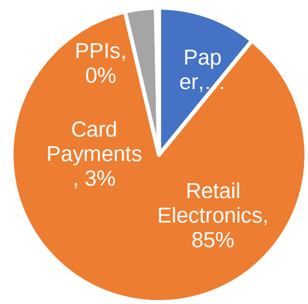


FY23 Transaction Volume- 99.9 billion



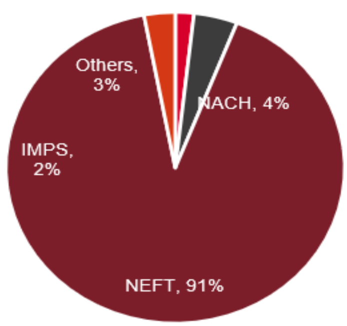
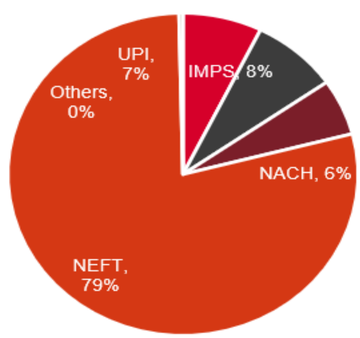
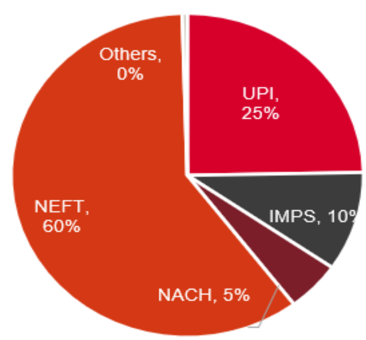
Source: Payment and Settlement System in India - RBI, CRISIL MI&A Research

Share of retail payment system by value (FY23)

FY16 Transaction Value- Rs. 178 trillion	**FY20 Transaction Value – Rs. 386 trillion**	**FY23 Transaction Value – Rs. 659 trillion**
		

Note: Retail electronic include credit transfers (NEFT, IMPS, UPI) and direct debit transfers (ECS & NACH); Source: Payment and Settlement System in India - RBI, CRISIL MI&A Research

Retail electronic payment mix by value (FY23)

FY16 Transaction Value – Rs. 91 trillion	**FY20 Transaction Value – Rs. 292 trillion**	**FY23 Transaction Value – Rs. 563 trillion**
		

Source: Payment and Settlement System in India - RBI, CRISIL MI&A Research

With changing dynamics, banks and other financial institutions have also adopted newer business models. Payment infrastructure, which earlier used to be a cost centre for banks, has now turned into a core offering and a point of creating differentiation. The customers are now seeking ease of transaction at cost effective prices across various platforms. This has also led to strong collaboration between banks and fintechs to enable payments modernization and financial inclusion.

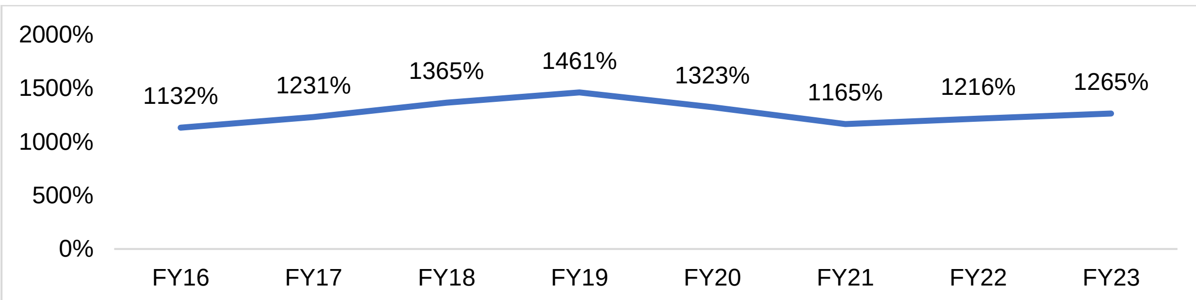
- **Digital and cash transactions**

Surge in digital transaction volumes reflected in rising share

While usage of cash remains high, particularly in person-to-merchant transactions in India, we have observed a surge in digital transactions in the past few years, led by government and regulatory initiatives and changing consumer preferences. JAM (Jan Dhan, Aadhaar and Mobile), demonetisation of high-value currency notes in November 2016, implementation of GST in July 2017 and unveiling of the Unified Payments Interface, or UPI, are some of the notable regulatory initiatives that have spurred growth in the space. Digital payment volume (*digital transactions includes, Retail Electronic Clearing, Prepaid Payment Instruments, RTGS – excluding interbank clearing, ECS, NEFT, IMPS, NACH and card transactions at ATM)* has increased over 7 times by fiscal 2023 from fiscal 2018 level owing to factors such as a younger population, rising smartphone penetration, increasing mobile internet users, convenience of transacting digitally, and booming ecommerce sector. The transaction value of digital payments witnessed a CAGR of 8.8% to reach Rs. 2,087 trillion in fiscal 2023 from Rs 1,370 trillion in fiscal 2018.

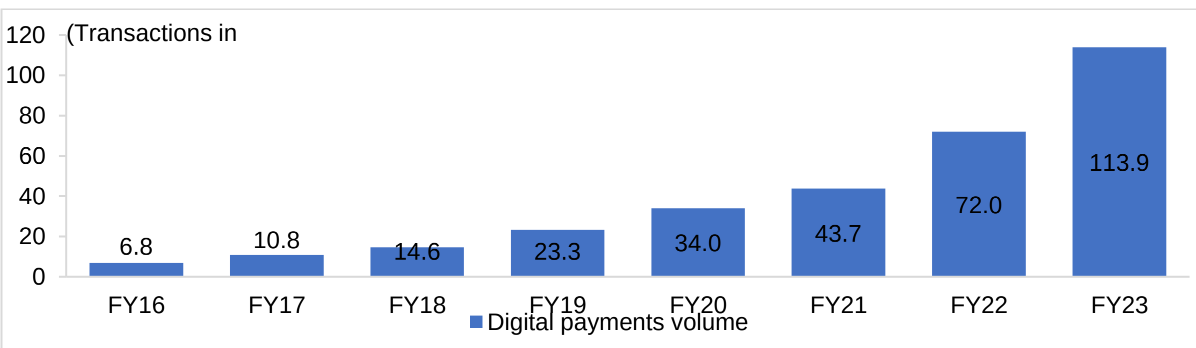
In FY23, transaction volumes for digital payments reached 113.9 billion as compared to 72.0 billion in FY22, thereby registering a growth of 58% on year. The transaction value of digital payments also witnessed a growth of 20% to reach Rs. 2,087 trillion in FY23 as compared to Rs 1,744 trillion in FY22. Going forward, the trend is expected to continue as digital payments gain in popularity and become more ubiquitous. The value of digital transactions as a proportion of private consumption expenditure in between fiscal 2016 and fiscal 2023 also rose from 1132% to 1265%, which shows that the usage of digital transactions for consumption has been on the rise over the past few years.

Digital transaction value as a % of private final consumption expenditure (PFCE)



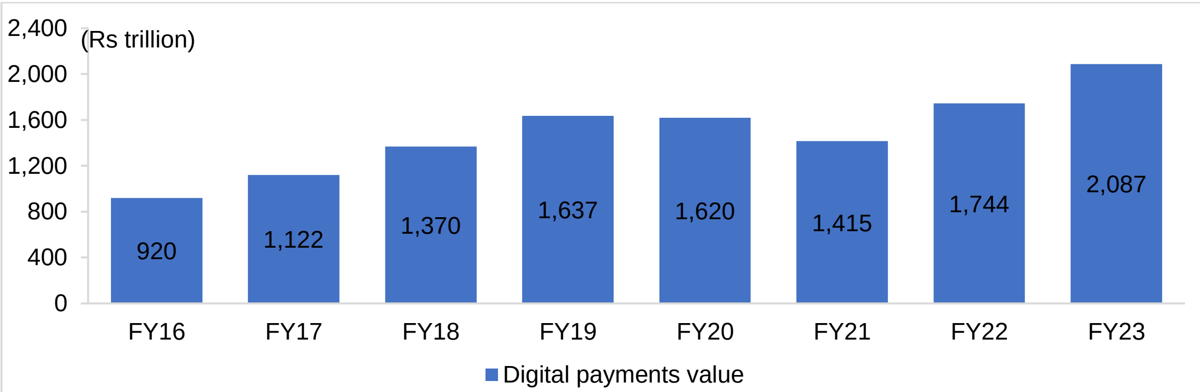
Note: PFCE is based on current prices; Source: RBI, CRISIL MI&A Research

Rapid growth in number of digital payments transactions in India



Note: Digital transactions includes Retail Electronic Clearing, PPIs, RTGS – excluding interbank clearing, ECS, NEFT, IMPS, UPI, Mobile Banking, NACH & card transactions at ATMs; Source: RBI, CRISIL MI&A Research

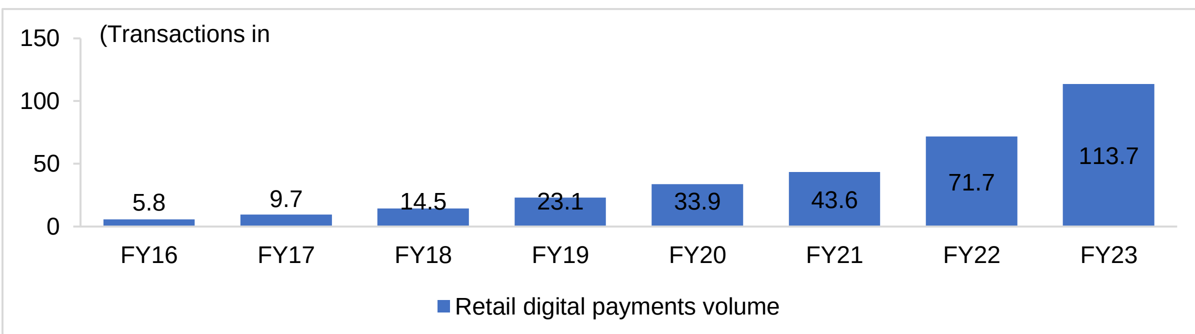
Digital payments transactions growth (in value terms) mirrors the rise in volumes



Note: Digital transactions includes Retail Electronic Clearing, PPIs, RTGS – excluding interbank clearing, ECS, NEFT, IMPS, UPI, Mobile Banking, NACH & card transactions at ATMs; Source: RBI, CRISIL MI&A Research

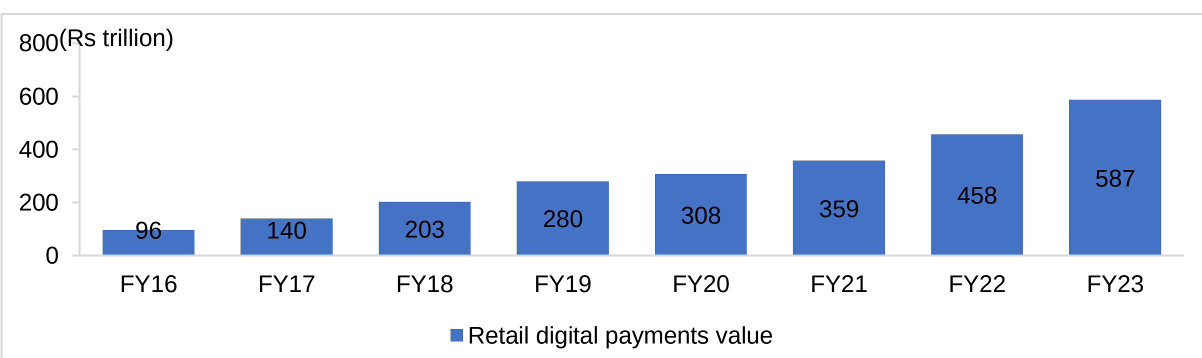
In fiscal 2021 and 2022, retail electronic digital transaction such as UPI, AePS, NETC and BBPS saw a sharp rise in transaction volumes as people preferred to transact via contactless payments system, owing to outbreak of Covid-19. Going forward as well, the convenience of digital payments, ease of usage, and recipients also increasingly preferring digital payments would result in some sections of consumers continuing to prefer this medium. This, along with the continuous rise in retail spends, will drive growth for digital transactions.

Retail digital payment transaction volumes have grown at 53% CAGR between 2016 and 2023;



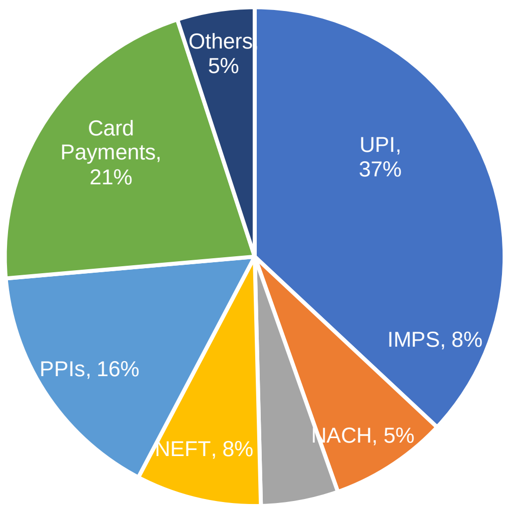
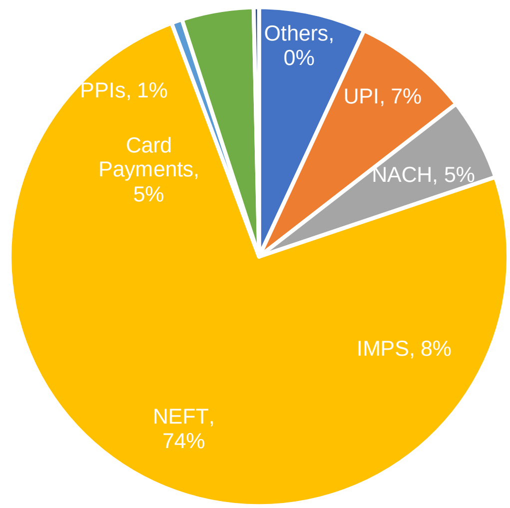
Note: Retail digital payments include all digital payments except RTGS and Paper Clearing; Source: RBI, CRISIL MI&A Research

Value growth in retail digital payments transactions also extremely strong



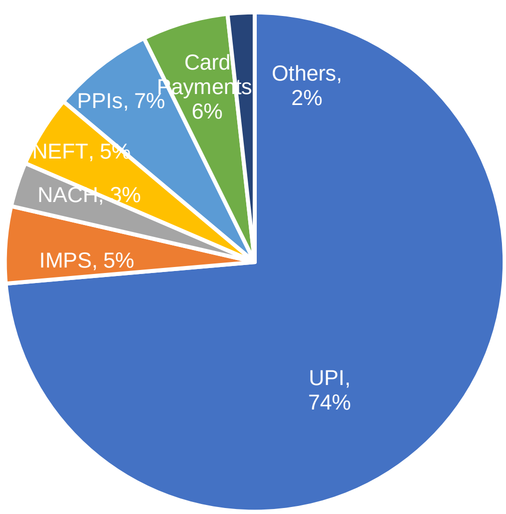
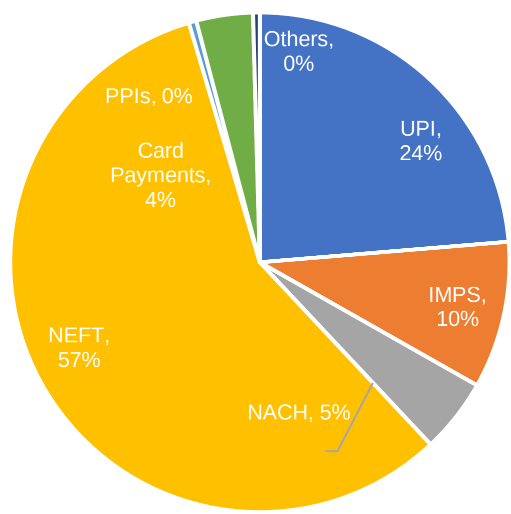
Note: Retail digital payments include all digital payments except RTGS and Paper Clearing; Source: RBI, CRISIL MI&A Research

Split of Retail digital payments (FY20)

Transaction volume – 33.9 billion	Transaction value – Rs. 308 trillion
	

Source: RBI, CRISIL MI&A Research

Split of Retail digital payments (FY23)

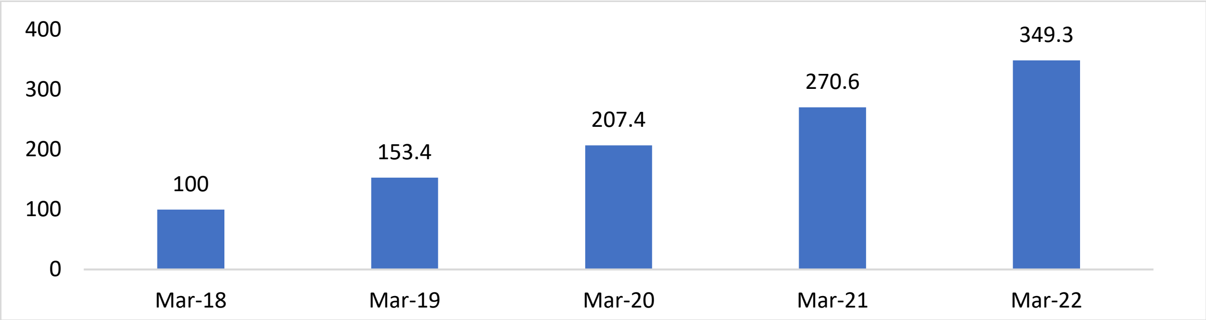
Transaction volume – 113.7 billion	Transaction value – Rs. 587.4 trillion
	

Source: RBI, CRISIL MI&A Research

On January 1, 2021, the RBI launched a composite Digital Payments Index (DPI) to capture the extent of digitization of payments across the country with March 2018 as the base period. The index comprises of five major parameters to measure the penetration of digital payments. These include payment enablers, payment infrastructure – demand side factors, payment infrastructure – supply side factors, and payment performance and consumer centricity. Each of these parameters have certain sub-parameters, which in turn consists of various measurable indicators.

The RBI and government have been continuously pushing for digital transaction over the years to bring in more transparency and reduce the cost of transactions; the launch of DPI is a significant step to measure to progress on this front. The DPI score for March 2018 is set at 100 and it was found to reach 207.4, 270.6 and 349.3 in March 2020, March 2021 and March 2022 respectively which shows the growth in digital payments.

Digital Payments Index

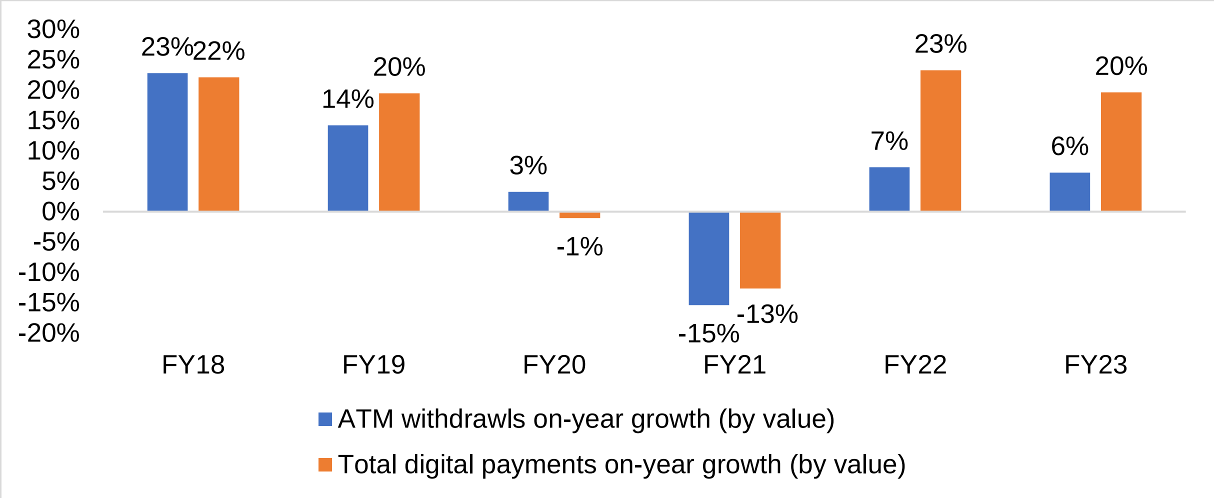


Note: Indexed to 100 as of March 2018; Source: RBI, CRISIL MI&A Research

- **Digital payments continue to rise, but so does ATM withdrawals**

While digital payments are rising, cash usage in the economy remains high as evident from the graph below that captures on-year digital payments and ATM withdrawals growth. The value of withdrawals from ATMs has reached ~Rs. 33 trillion in FY23, up from ~Rs. 31 trillion in FY22. While digital payments are increasingly becoming popular, cash also remains a significant mode of doing day-to-day transactions, especially in semi-urban and rural areas. The lack of trust in technology, limited awareness, inadequate payment infrastructure, and poor network connectivity has restricted digital transactions and discouraged people from using these payment modes. As a result, cash is still a preferred mode of payment in rural India due to comfort in transacting through cash. Furthermore, public preference has shifted to withdrawing cash on an as-needed basis instead of making large withdrawals at storing cash at home. Deposits with banks have also swelled over the last couple of years, which is reflected in the rise in currency in circulation.

Total digital payments and Cash transaction are both on the rise



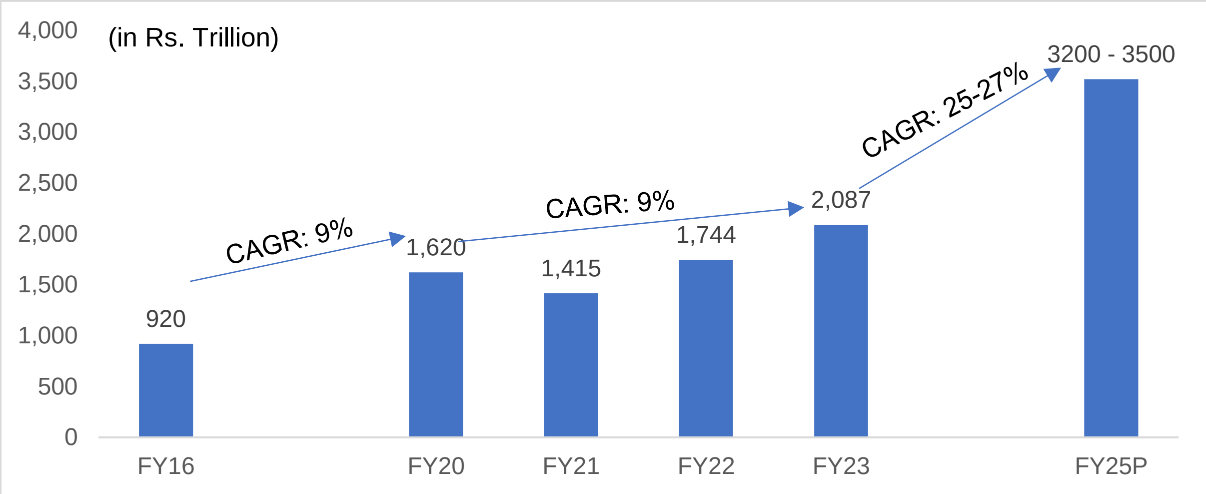
Source: RBI, MOSPI, CRISIL MI&A Research

- **Retail digital payments forecast to grow at 25-27% CAGR during FY23 to FY25**

CRISIL MI&A Research forecasts the digital payments value in India to reach Rs 3,200-3,500 trillion in fiscal 2025 from Rs 2,087 trillion in FY23, translating into CAGR of 25-27% between fiscal FY23 and FY25. The growth in the digital transaction can be attributed to rise in smart phones and mobile internet adoption, convenience offered by digital payments, and ubiquitous availability of payment solutions. Players in the ecosystem as also regulators are continuously evaluating various technology options to come up with cost-effective solutions as well as multiple use cases in order to keep the two parties at the centre of the payment ecosystem – merchants and customers – engaged.

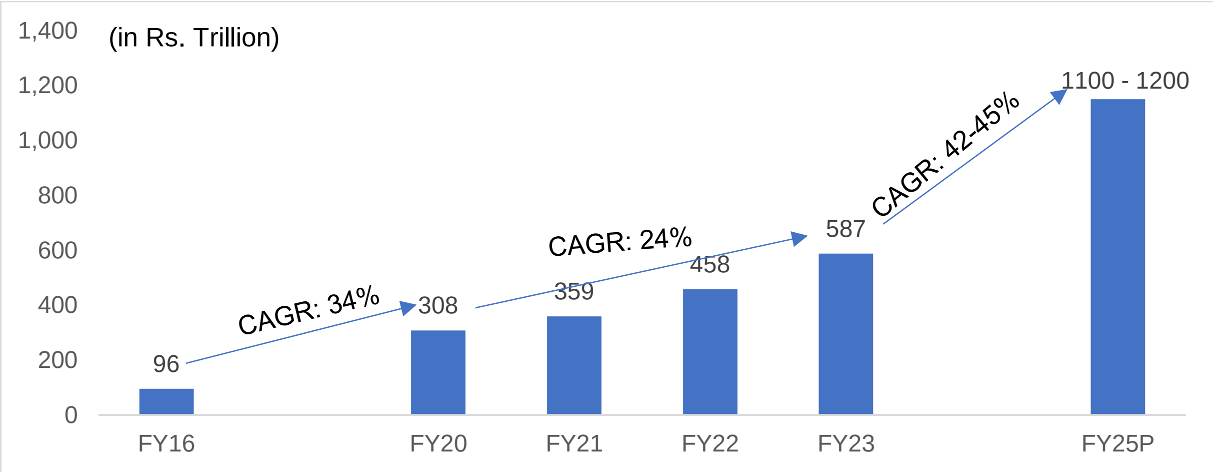
During the same time, retail digital payments is expected to double and reach Rs. 1,100-1,200 trillion by FY25, translating into a 42-45% CAGR growth over the next two fiscals. CRISIL MI&A Research expects regulatory environment to largely favour a nudge towards digital payments and incentivising it, which will lead to faster adoption of digital payments by the consumers, thereby driving growth of retail digital transactions in the time to come.

Digital payments value to reach around Rs 3,500 trillion by FY25



Note: Digital transactions includes Retail Electronic Clearing, PPIs, RTGS – excluding interbank clearing, ECS, NEFT, IMPS, UPI, Mobile Banking, NACH & card transactions at ATMs, P: Projected; Source: RBI, CRISIL MI&A Research

Retail digital payments value to double; to reach Rs 1,100-1,200 trillion by FY25



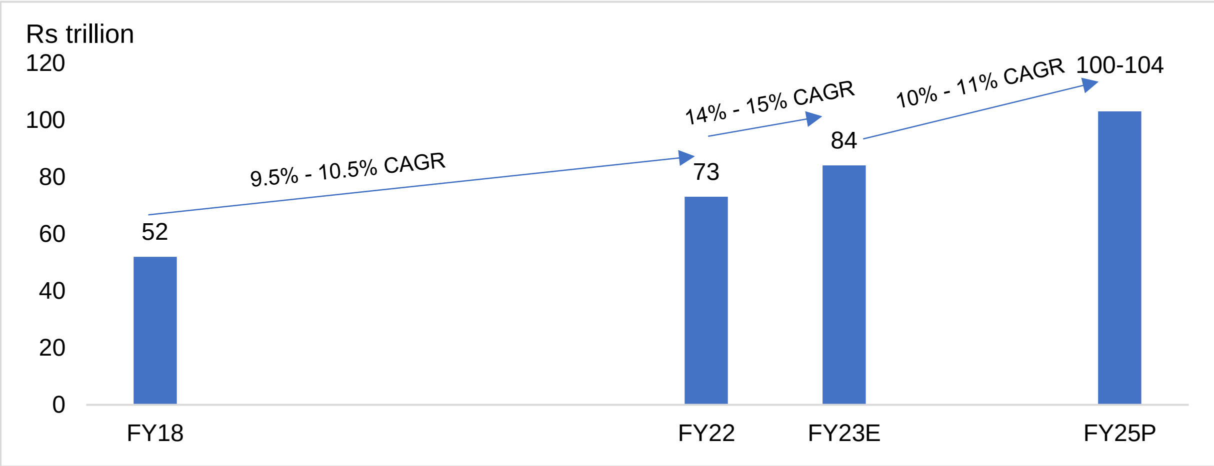
Note: Retail digital payments include all digital payments except RTGS and Paper Clearing; P: Projected ; Source: RBI, CRISIL MI&A Research

- **Enablers for growth in digital transactions**

In India, the Central bank has been the primary enabler of digital transactions in India. Over the years, it has laid emphasis on the development of digital payment ecosystem, right from conceptualisation to execution and propelling investments in technology to enable the customer to transact in a seamless manner while addressing security concerns. This, along with rising internet penetration, increasing usage of cards, acceptance and adoption of various payments infrastructure and e-commerce platforms and changing consumer behaviour is expected to enable and drive digital transactions in the country.

- ***Continuous rise in retail spending on goods***

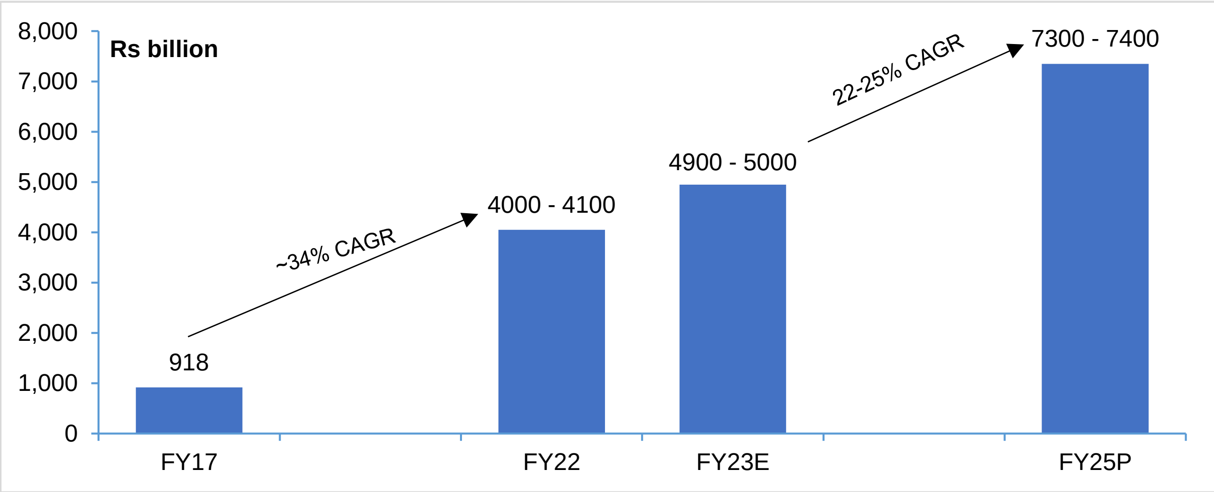
Overall retail spending to grow at ~10-11% CAGR between fiscal 2023 and fiscal 2025.



Note:P: Projected; Source: CRISIL MI&A Research

- ***Ecommerce spending to drive digital transactions***

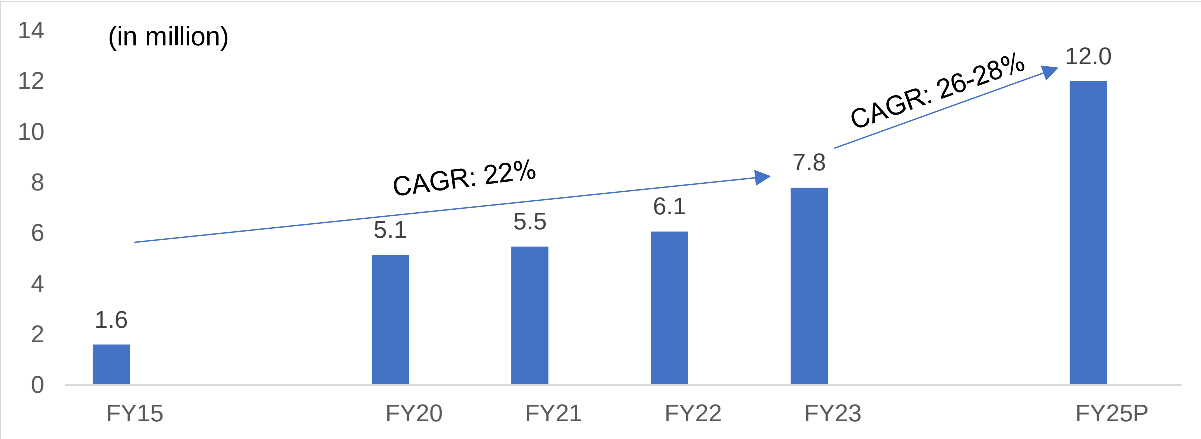
E-retail continue to grow at a CAGR of 22%-25% between fiscal 2023 and fiscal 2025



Note: P: Projected; Source: CRISIL MI&A Research

- ***Increase in cards and POS terminal to augment digital transactions***

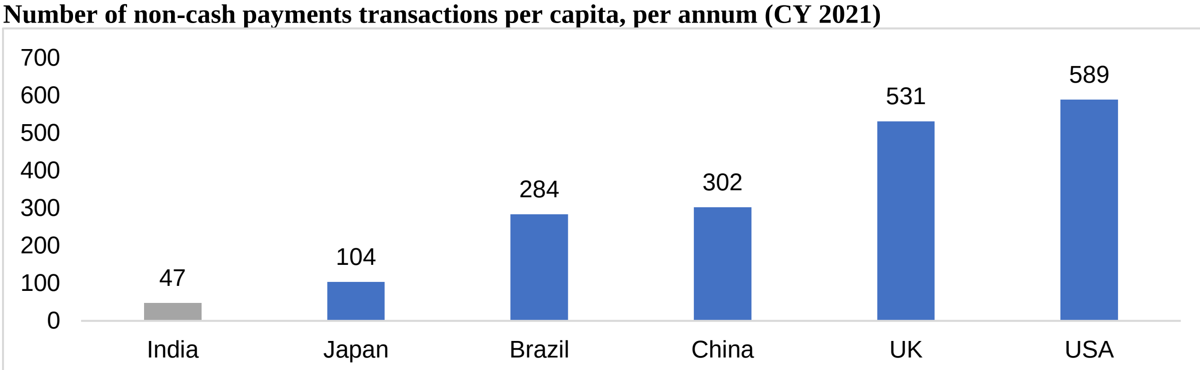
Deployment of POS terminals to continue to reach ~12 million by FY2025



Note: P: Projected; Source: RBI, CRISIL MI&A Research

- ***Low penetration of per-capita digital payments transactions***

Number of non-cash payments transactions per capita, per annum (CY 2021)



Source: Bank of International Settlements, CRISIL MI&A Research

- ***Products like contactless and digital cards to enable greater digital transactions***

Introduction of contactless cards has enabled users to just tap and pay for transactions under Rs 2,000 by using the card at a contactless payment machine. Payment service providers are exploring innovative payment infrastructure by leveraging host card emulation (HCE) for secure near field communication (NFC) payment transactions. This will enable customers to easily use their cards on their NFC enabled smartphones to make contactless payments. The card issuers are also innovating and have introduced digital or virtual cards in the last one year. The digital card arrives in the individual's mobile application and has features like Touch ID or Face ID for authentication, which increases the convenience of transactions on e-commerce and other platforms. Further, significant growth in users over the last decade for payment apps and wallets such as PayTM, MobiKwik, and PhonePe are also enabling digital transactions in the ecosystem.

- ***Regulatory moves to also spur gradual shift from cash to digital payments***

DFS lies at the heart of financial inclusion in India. Despite the government's effort to create interconnected digital infrastructure, the adoption of DFS, especially in rural India, is marred by digital literacy, which has a direct impact on the acceptance of digital products. The lack of trust in technology, limited awareness, inadequate payment infrastructure, and poor network connectivity has restricted digital transactions and discouraged people from using these payment modes. As a result, cash is still a preferred mode of payment in rural India. In the past, lack of documents has been a big deterrent in weaning rural customers away from traditional banking services. However, AePS has helped address this and rural citizens are now carrying out basic digital transactions using their biometric ID and AADHAR. In August 2020, RBI released a document setting out the framework to adopt and authorize the establishment of new umbrella entities (NUEs) for retail payments and open the channels to private sector players.

According to RBI, setting up of NUEs will address the concentration risk (with NPCI), complement and supplement NPCI's work and enable new innovations to come out at a much faster rate, which will help get more and more people into digital payments. Going forward, CRISIL MI&A Research expects that with the help of NUE, multiple use cases will emerge to fill the void in the India payment space and fasten the adoption of digital payments in India. In January 2021, RBI announced the creation of Payment Infrastructure Development Fund (PIDF) to boost digital payments in Tier 3 cities to Tier 6 cities. PIDF has a corpus of Rs. 3.45 billion, of which Rs. 2.5 billion is from RBI and the remaining from authorised cards networks in India. This fund will be used to subsidize banks and non-banks for deployment of payment infrastructure for those merchants, who still doesn't have access to POS machines. This move is also expected to encourage deployment of point-of-sale infrastructure, improve digital payments and provide better access of financial services in under penetrated or unpenetrated areas.

Apart from the in rural and semi-urban regions and rising competition among players is expected to fasten the shift from cash to a digital payment:

- Sustained push from the Banks and FIs
- Targeted campaign to increase customer awareness
- Increasing competition

- ***Offline payments mechanism to drive the push for digital transactions***

While payment companies have been acquiring merchants and pushing them to move to digital payments platform, the RBI is prodding payment companies to develop offline solutions to help overcome network constraints, which has inhibited the spread of digital transactions particularly in rural areas. Offline payments are transactions that are either processed without a data connection or where the transaction is recorded offline and processed at a different point of time. In the offline mode using cards, the card details of the transaction are stored at the terminal which is used to generate a transaction response for receipt. Later, when the internet connection is established, the stored payment data is processed. Currently, NPCI has one such product – Unstructured Supplementary Services Data (USSD) in its repertoire, which allows non-internet based mobile devices (smartphones as well as basic mobile phones) to avail banking service by dialling option (*99#). But the product has not garnered traction, with just around Rs 2 billion worth of transactions being recorded in fiscal 2023. In August 2020, the RBI proposed to allow a pilot scheme for small value payments in offline mode with built-in features for safeguarding the interest of users. Under this scheme, authorised Payment System Operators (PSOs) – banks and non-banks – were allowed to provide offline payment solution using cards, wallets, or mobile devices for remote and proximity payments. Post the pilot scheme, the Central bank will decide on formalising the system based on the experience gained.

- **RBI directives on Digital payments security controls**

While digital payments offer ease of transactions as well as convenience to end users, as with any other payment system, the bedrock on which the long-term sustainability of digital payments would stand will be security.

In the wake of rising concerns over digital fraud and data theft, the RBI, in February 2021, unveiled a new set of rules for enhancing digital payment security controls. These guidelines specify security protocols to be adopted in internet banking, mobile applications and cards issued by banks, payment banks, SFBs, and card-issuing non-bank lenders. The guidelines are intended to come into effect within six months. Some of the directives of RBI include:

- For mobile applications, where the service and authentication tools such as one-time-password are received on the same device, the players are required to come up with better alternatives to authenticate a transaction.
- Reconciliation process of transactions must follow a near-real-time framework, which would ensure that all stakeholders are provided necessary information within a 24-hour time period.
- The web pages of the lenders, which provide digital payment products and services, should not store customer sensitive information in HTML fields, cookies, or any other client-side storage.
- The lenders must have a specific section on their digital payment products and services which clarify how customers can lodge complaints in the event of a grievance.
- The applications or web pages provided by the lenders must have a mechanism to mark a transaction as fraudulent for seamless and immediate notification to the lenders.

- In addition, the RBI has mandated that except for card issuing banks, NBFCs and payment banks, no online company or payment aggregator will be allowed to maintain credit or debit card details in their databases for remote transactions. This would impact one click checkout and recurring billing transactions as card holders would be required to enter their credentials each time, they initiate a transaction instead of just confirming their three-digit card verification value (CVV) code as they do today.

After chip and PIN-based cards became commonplace for debit and credit cards, identity theft and payment fraud at physical point-of-sales has increasingly become more difficult, and by now turning its focus to online payment frauds, it appears that RBI is laying the ground for tokenisation or some other form of encryption technology.

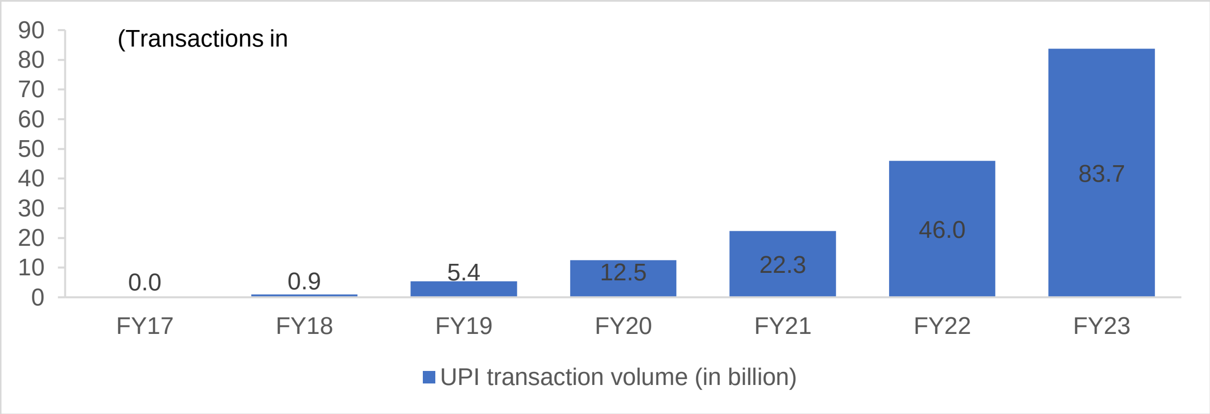
- **Digital payment instruments**

- ***Unified Payment Interface (UPI)***

UPI is a mobile based payment system, wherein users can send and receive money instantly using a Virtual Payment Address (VPA). The unique feature of VPA-based transaction is the secure aspect of UPI architecture as it obviates the need for sharing account or bank details to the remitter. It supports person to person (P2P) and person to merchant (P2M) payments and can be used over smart phone (app based), feature phone (USSD based) and at merchant location. Since its launch in 2016, UPI, has witnessed an exponential growth in terms of volumes to reach 83.7 billion in fiscal 2023 from 0.02 billion in fiscal 2017. Similarly, the value of transactions has increased from Rs. 0.07 trillion to reach Rs. 139 trillion between fiscal 2017 and fiscal 2023. The outbreak of Covid-19 was a minor blip in the growth story as transactions saw a minor drop in early months of FY20-21; however, the shift towards digital transactions through the UPI platform has seen an acceleration since then.

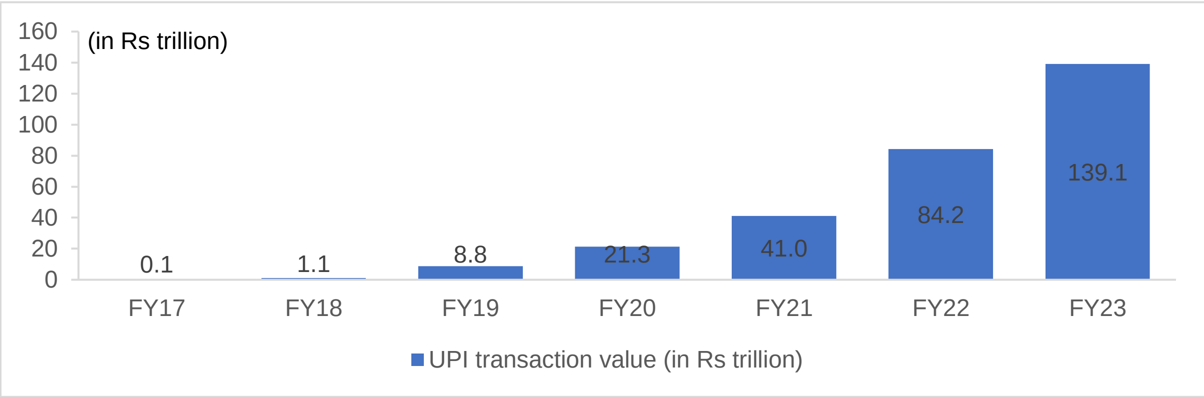
The launch of UPI 2.0 in 2018 saw expansion of its use cases. Invoice verification, linking of overdraft account, additional security through signed intent and QR code were some of the features that were introduced. In July 2020, NPCI also allowed customers to set a recurring mandate with UPI to pay for mobile bills, EMIs, insurance premiums and make mutual fund investments.This is expected to provide a major push to the volumes and revenue of UPI transactions. The government has also mandated a zero-merchant discount rate (MDR) for all domestic UPI transactions. CRISIL MI&A Research thus expects that with new payment technologies and increasing use cases across sectors, the growth momentum of digital transaction is expected to continue.

UPI transactions volumes have zoomed between FY17 and FY23



Source: RBI, CRISIL MI&A Research

UPI transactions value continue to rise with surge in volumes



Source: RBI, NPCI, CRISIL MI&A Research

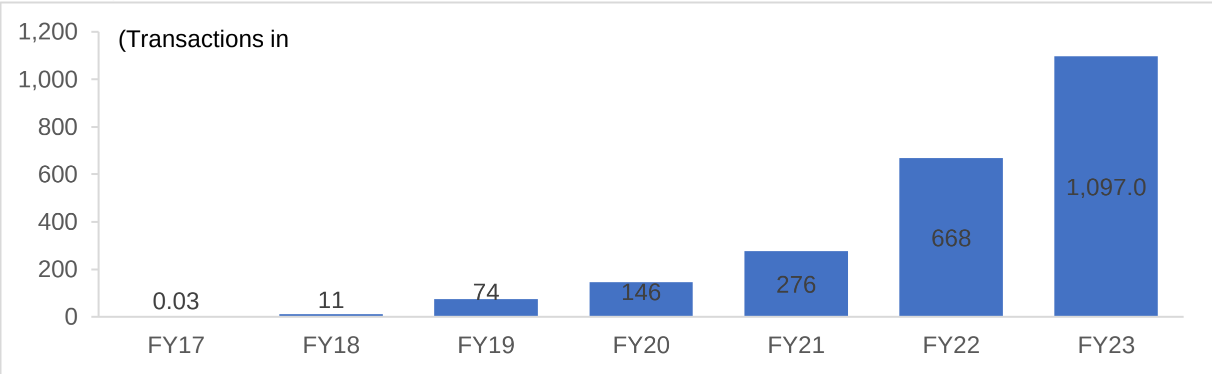
- ***Bharat Bill Pay Service***

Bharat Bill Pay to grow with expansion of new billing categories

Bharat Bill Payment system is a Reserve Bank of India (RBI) conceptualised system driven by NPCI. It is a one stop ecosystem for payment of all bills providing an interoperable and accessible "Anytime Anywhere" bill payment service to all customers with certainty, reliability and safety of transactions. If offers myriad bill collection categories like electricity, telecom, DTH and other utility payments. It also offers repetitive payments like insurance premium, mutual funds, credit cards etc. The emergence of Covid-19 has accelerated the digital payment landscape and we have seen a surge in volume of transaction through BBPS. In FY23, BBPS transaction volumes and value increased by 64% and 67% respectively from fiscal 2022 level to reach 1,097 million transactions amounting to Rs. 1,907 billion.

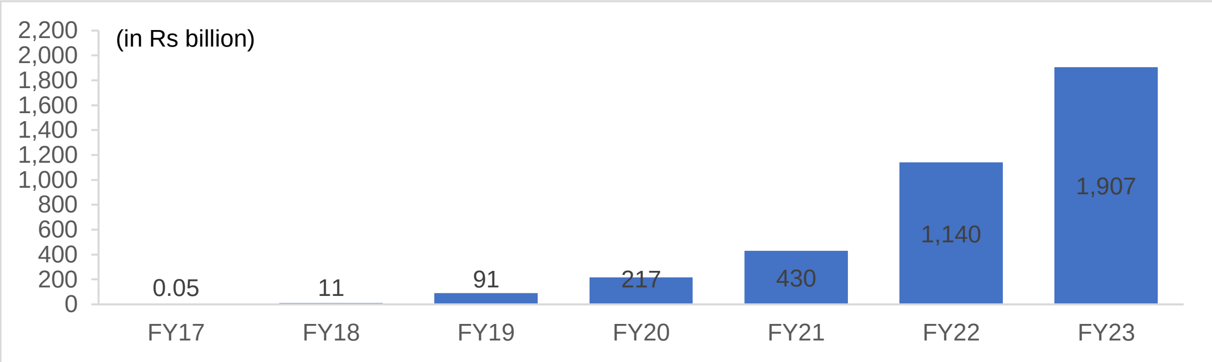
Going forward, revival of commercial activities, improvement in consumer spending, continued on boarding of new billers under existing categories and addition of new biller categories is expected to bring additional transaction volumes. Banks and other mobile application are also integrating their customer facing interface and system to support BBPS which will also aid growth for BBPS. CRISIL MI&A Research believes that the consumers who shifted to online mode of bill payment due to Covid-19 will continue to use online mode of payments, going forward. In addition, CRISIL MI&A Research expects increasing internet and smart phone penetration will also drive transactions from the rural customers, who will use the platform to make utility bill payments.

Increasing internet and smartphone penetration to drive transaction volume for BBPS



Source: NPCI, CRISIL MI&A Research

Rising transaction volumes augmented transaction value for BBPS



Source: NPCI, CRISIL MI&A Research

- ***Credit and Debit cards***

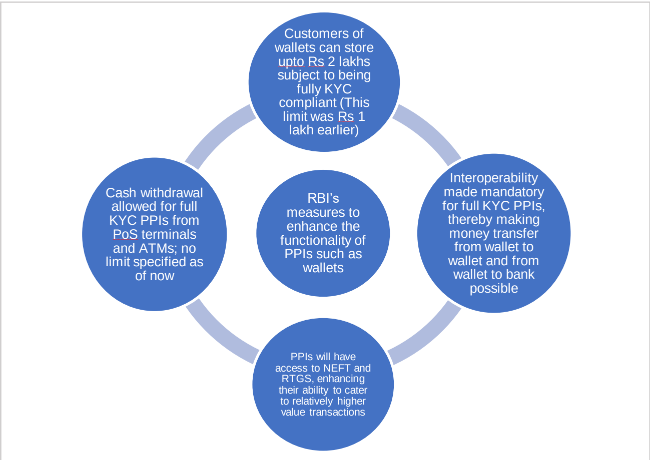
Cards spends increased by more than three times during fiscal 2017 to fiscal 2023

Credit card and debit cards spends have registered a robust growth of 28% and 14% CAGR over a period of 6 years to reach Rs 14.3 trillion and Rs. 7.2 trillion respectively in fiscal 2023.The transaction volume during the same time has increased at CAGR of 18% and 6% for credit card and debit card respectively. The government's emerging vision of a cash-less society, focus on digitalisation, developments in e-commerce, and availability of point-of-sale infrastructure have significantly encouraged payments through credit and debit cards.

- ***Prepaid payments instruments (PPIs)***

PPIs are instruments that facilitate purchase of goods and services, remittance facilities etc. against the value stored in such instrument. These instruments have been in the market since 2002, but its usage has been limited to gift cards, foreign exchange cards and meal cards (Eg: Sodexo cards) for general usage. The usage of PPIs became more prevalent after December 2019, when a new type of PPI was launched which can be loaded/re-loaded from a bank account/credit card and can be issued based on essential minimum details obtained from the customer. Interoperability was also allowed amongst the PPIs which provided the customers an option to use the card at various outlets without the need for multiple on-boarding at multiple issuers. While consumers have benefitted from this convenient payment option, the merchants have also adopted PPIs due to relatively lower cost associated in setting up infrastructure and processing payments. PPIs thus witnessed a growth of 39% CAGR in terms of volume and 30% CAGR in terms of transaction value between fiscal 2016 and fiscal 2023.

RBI's measures to enhance the functionality of PPIs



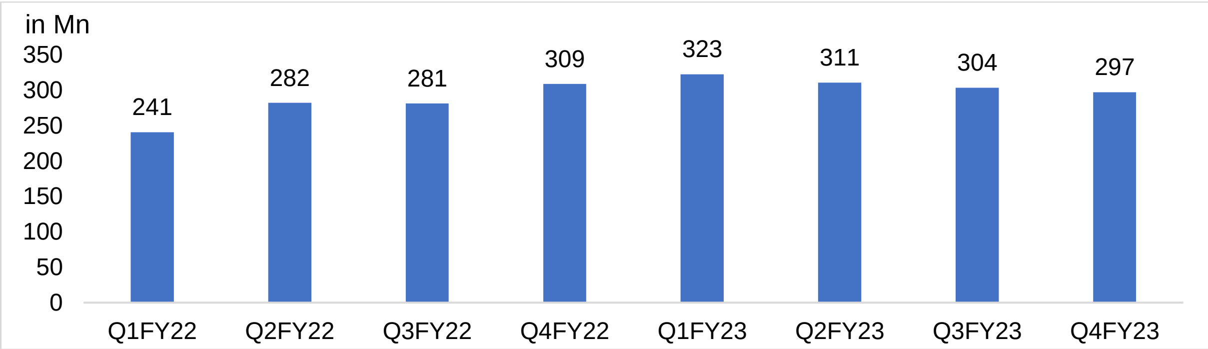
In April 2021, RBI proposed to make interoperability mandatory for full KYC PPIs and for all acceptance infrastructure and also allowed cash withdrawals from full KYC PPIs. In order to incentivize the migration of PPIs to full-KYC, the RBI also increased the upper limit that customers can store in PPIs from the earlier level of Rs. 1,00,000 to Rs 2,00,000. In addition, PPIs will also have access to NEFT and RTGS channels. While these measures are expected to enhance the functionality of wallets, the requirement of full KYC may continue to limit the uptake of PPIs. Players also will have put in place appropriate incentives and use-cases to propel PPI adoption.

Source: CRISIL MI&A Research

- ***AADHAR Enabled Payment System (AePS)***

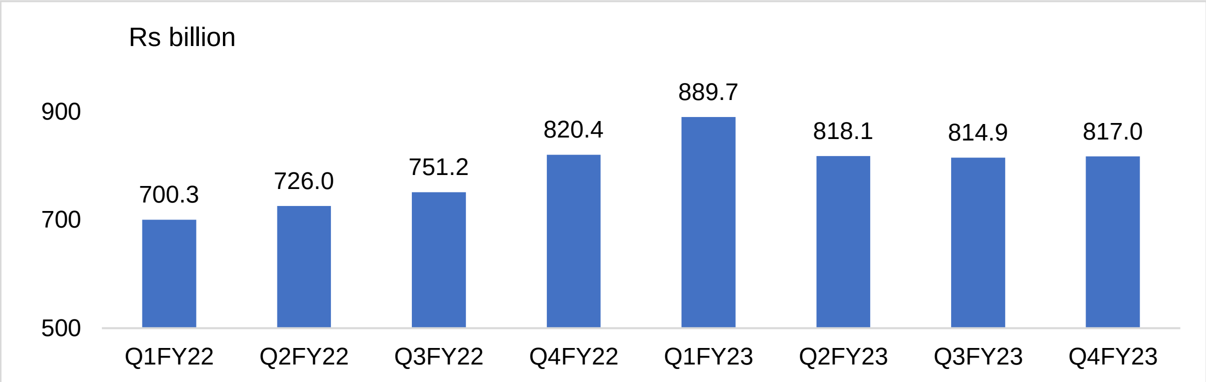
AADHAR Enabled Payment System (AePS) is a bank led model that uses AADHAR authentication to allow interoperable transactions at POS terminals. It was launched with an objective to facilitate banking services in the underbanked regions of the country. Since its launch in 2016, AePS has seen a strong growth in its transaction volume and value. Post-Covid, the usage of AePS has jumped manifold, indicating the increasing convenience of this channel as also the change in customer behaviour.

Volume of AePS transactions



Source: RBI, CRISIL MI&A Research

Value of AePS transactions



Source: RBI, CRISIL MI&A Research

7.3. Banking technology solutions

- **API Landscape**

An application programming interface (API) is primarily a development tool that essentially bridges a gap between digital services, thereby allowing one application to access information or capabilities of another. But, over the past few years, APIs have been elevated from a development technique to a business model driver. Organizations are increasingly using APIs to build an ecosystem involving various partners to unlock new value for their businesses. In order to leverage their strength, the APIs are now managed like a product – one built on top of a potentially complex technical footprint that includes legacy and third-party systems, which can be shared, reused and monetized to extend the reach of service providers and open up new revenue streams.

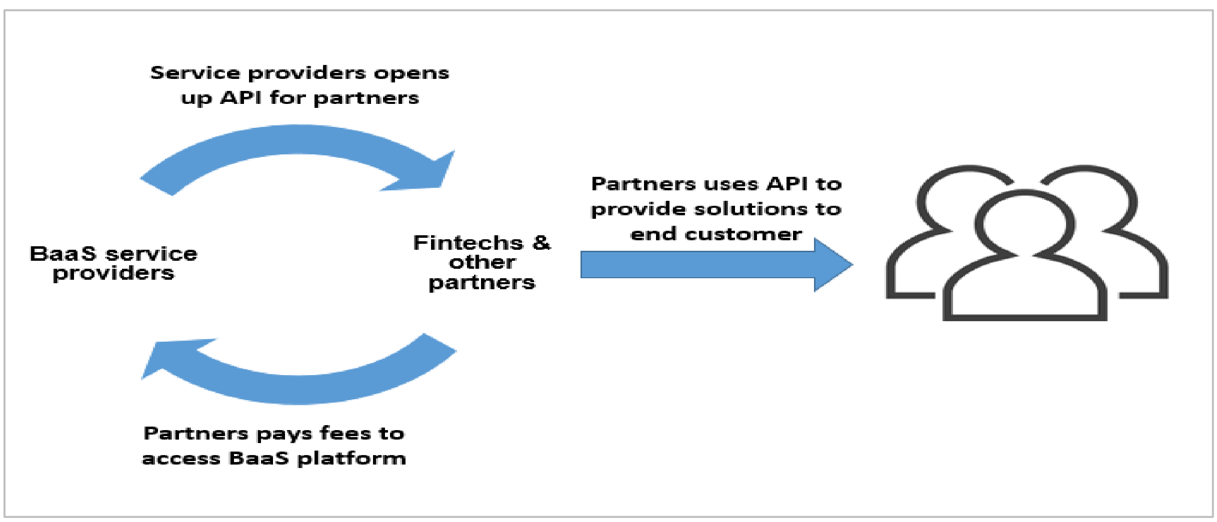
Traditionally retail banks owned end-to-end service delivery by integrating experience, process and products; however, this approach came under attack with the advent of fintechs which started to compete for customers by proving a superior user experience leveraging technology. This forced banks to rethink their business model – leading to an emergence of banking as a service.

A lot of established banks such as ICICI Bank and HDFC Bank today offer similar API banking services for fintechs, aggregators, merchants, third party service providers, direct selling agents (DSAs) and API developers to build various applications using their open API in areas of payments, customer servicing and sourcing. For instance, HDFC Bank offers APIs for NEFT and RTGS payments that enables external partners of the bank to perform payment transactions. ICICI Bank offers an "EasyPay" payment API which allows institutions to collect money from their customers. It generates QR code for the merchant, receives money from the customer and updates the status of the transaction. These open banking integrations have also brought digital inclusiveness to smaller towns and rural regions and enhanced the awareness and relevance of banking services and products for rural India. However, for larger banks, these APIs form a very small part of their revenue and are created with the objective of better connecting with their target customer base. Given the wide market expanse and the diversity of customer base, there exists considerable opportunity for players to work on new use cases targeting specific segments – for example, unbanked and underbanked segments. Fino Payments Bank, for example, offers APIs to business correspondents that enables them to provide services to their customers in semi-urban and rural areas in a cheaper and faster manner. YAP provides a bank-in-box service that enables digital platforms, fintechs as well as brick-and-mortar offline businesses to connect with other fintechs, public platforms such as UPI, licensed banks and NBFCs to offer specific solutions to their end-users.

Banking as a service (BaaS) model begins with a third-party service provider paying a fees to a financial institution, who opens its API to the new fintech/third party provider, thereby granting access to systems and information that will be necessary to build a new financial or banking product for the end consumer. This allows the financial institutions that launch their BaaS platforms to create new revenue streams which include charging clients a monthly fee for the platform and an additional variable cost based on the service used. The API ecosystem value chain has three participants:

- **API/BaaS Providers** – They choose which business assets to make available as an API, under what terms and conditions and what will be roles and responsibilities for the provider
- **API Consumer** – These involves the partners who under the designated terms and condition build on the existing API to enhance the experience on an existing product or make a new product available to the end user
- **End User** – The end user is someone who does not see the API, rather draws benefit by undertaking a transaction from the use of application that is provided

Banking as a service (BAAS) business model



Source: CRISIL MI&A Research

Beyond adding a new revenue stream arising out of sale of technology, developing a BaaS solution also allows financial institutions to establish relationships and forge partnerships with new fintechs and entities with emerging business models, thereby keeping themselves ahead of the trends. In addition, continuous development and enhancement of API also allows the service provider to react faster to the market changes through faster adoption of newer technology and reduce time to reach the market.

- **Relevance of API infrastructure providers in Indian context**

The financial services ecosystem in India is undergoing a metamorphosis, given the rapid disruptions due to technology. On one hand, we are witnessing the emergence of large and specialised fintech players who are offering their services across multiple domains such as payments, credit, wealth management, insurance and broking. On the other hand, several businesses in consumer-facing segments are looking to provide financial solutions to their customers and suppliers. Given the extant regulatory environment, many of these businesses would require partnerships with licensed banks, NBFCs and fintech players to offer financial services to their customers. However, bandwidth constraints and lack of focus often inhibits the ability of larger entities to focus on such initiatives. It is here that the licensed banks offer their core banking solutions via the use of APIs to various fintechs and other partners, enabling them to provide differentiated products for specific use cases to their customers.

7.4. Growth Drivers

- Focus on creating differentiated user experience to boost usage of APIs
- Newer business use cases and ease of access to drive growth for API providers

8. Assessment of PAN card issuance in India

8.1. Introduction to PAN card and its usage

Permanent Account Number (PAN) is a ten-digit alphanumeric number issued by the Income Tax Department (ITD) under the provisions of section 139A of the Income Tax Act, 1961. It is issued by the Indian Income Tax Department under the supervision of the Central Board for Direct Taxes (CBDT) and serves as an important proof of identification. It is also issued to foreign nationals (such as investors) and is not acceptable as proof of Indian citizenship. PAN enables the ITD to identify/ link all transactions of the PAN holder with the individual. The PAN verification process helps 'investment advisors' approved by SEBI, the RBI, banks, housing finance companies, insurance companies, mutual funds, depository participants, educational institutions established by regulatory bodies, Central and state government agencies, stock exchanges, commodity exchanges and clearing corporations to verify the authenticity of PAN provided by individuals or entities for financial transactions. These transactions include tax payments, TDS/TCS credits, returns of income, specified transactions, correspondence and so on. The online PAN verification facility has assisted in the development of strong due diligence and compliance mechanism needed for fulfilling regulatory as well as business requirements across the BFSI sector.

The issuance of PAN, its verification, delivery, and maintenance work on public-private partnership (PPP) model as it is economic, efficient, and effective. Currently, Protean eGov Technologies Ltd. and UTI Infrastructure Technology and Services Ltd (UTIITSL) are the two companies providing PAN services in India on behalf of the Government of India. Services offered by the two players include processing of applications, collecting, handling, and verifying of personal documents such as proof of identity, age and address, seeking clarification from applicants, printing the card and the letter and then mailing it. Anyone wishing to obtain PAN can apply offline by submitting the application form along with the related documents and prescribed fees at the PAN application centre.

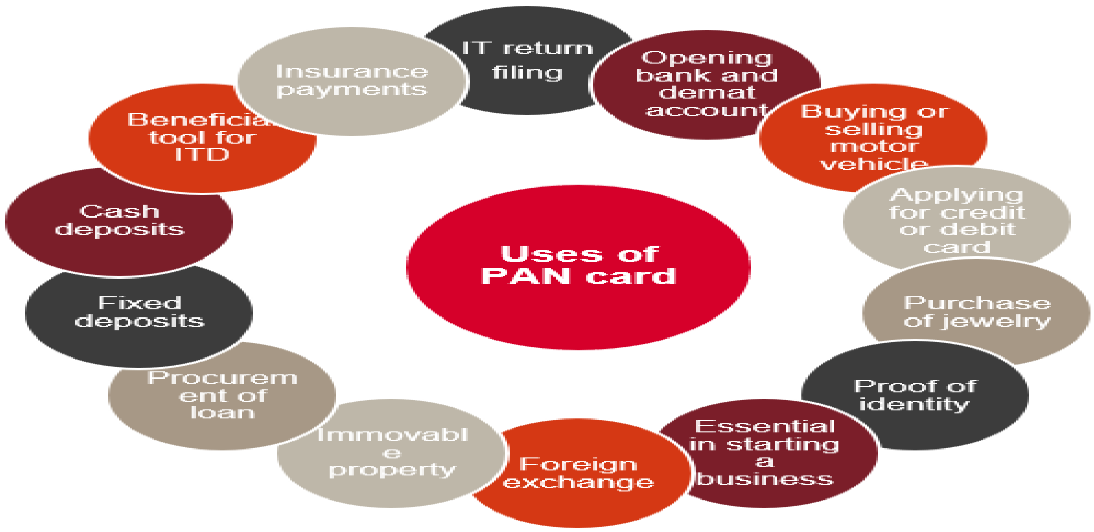
There are two types of PAN applications:

- Application for allotment of PAN
- Application for new PAN card or/and changes or corrections in PAN data

Applicant may either make an online application through website (Protean eGov Technologies Ltd and UTIITSL) or submit physical PAN Application to any TIN-FC or PAN centre. The application details are forwarded to ITD after digitization of the submitted form. In case of application for allotment of PAN, a new PAN is allotted by the ITD. Protean/UTIITSL prints the PAN card after allotment of PAN by the ITD and dispatches it along with an allotment letter to the respective applicant. In case of a request for new PAN card or/and changes or correction to be made in the PAN data, the application is forwarded to the ITD for updating the database. After confirmation from ITD, a new

PAN card is printed and dispatched to the applicant. Normally, the application is processed, and the PAN card is dispatched in two weeks, provided the application is in order in all respects.

Illustrated below are all the key uses of PAN card:



Source: CRISIL MI&A Research

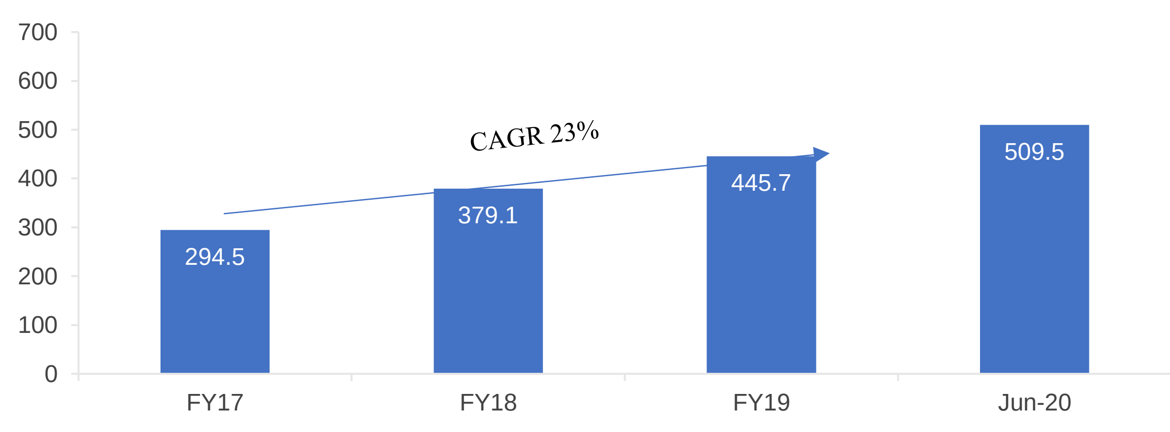
8.2. Issuance of PAN cards in India

- **PAN card allotment grew by 23% CAGR from FY2017-19**

PAN card is mandatory to file tax returns in India. A PAN card is issued to all those people/entities who form the taxpayer base. A taxpayer is an individual or corporation who pay taxes annually on earnings as per the provisions of the Income Tax Act. The Act applies different tax rates depending on the category of taxpayers. It categorises taxpayers as individuals, Hindu undivided family (HUF), association of persons (AOP), body of individuals (BOI), firms, companies, government, local authorities, AOP (trust), and artificial juridical person (AJP). Till date, over 97% of the total allotments have been made to individuals. Increase in the number of PAN allotments reflects the efforts made by the government to widen the taxpayer base. Increasing emphasis on financial inclusion in the country, widening the usage of PAN cards, expanding the formal economy and overall GDP growth in the nation have led to expansion of the taxpayer base, which, in turn, has increased the number of PAN card allotments in the last decade.

As of 29 June 2020, the number of PAN allotted stood at 509.5 million.

Total allotment of PAN cards in India (in million)

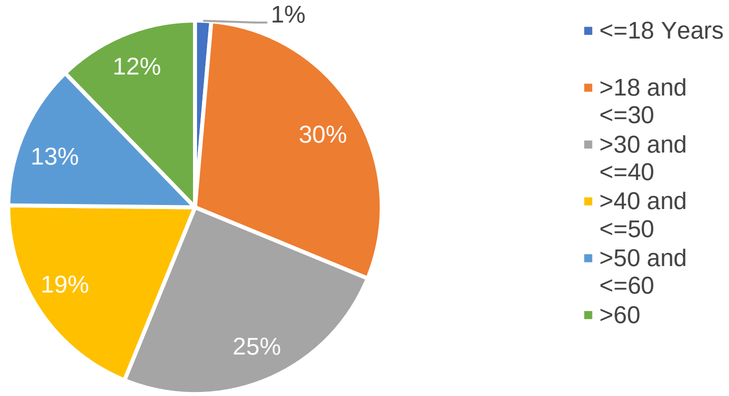


Source: Income tax department, CRISIL MI&A Research

- **More than half of the individual PAN card allotments fall in the 19-40 years age bracket**

Demographically, India is a young country with the median age of its population at ~28 years. Of India's population, more than 60% is in the working age group, which is 19-59 years of age. Therefore, out of the total allotments, 55% have been made to people belonging to the 19-40 years age group. In fact, the 19–50-year age bracket accounts for almost three-quarters of the total PAN cards allotted.

Age-wise allotment of PAN card as of March 2019



Source: Income Tax Department, CRISIL MI&A Research

8.3. PAN card application charges

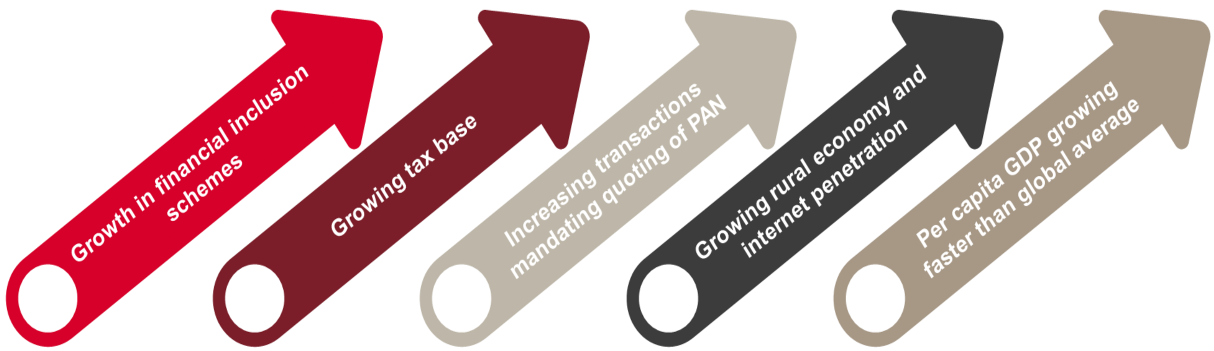
- **Application charges differ based on the type of PAN card required**
- ***If physical PAN card is required:***

While submitting PAN application form, the applicant needs to indicate whether physical PAN card is required. If the applicant opts for physical PAN card, then the physical PAN card is printed and dispatched to the communication address. The e-PAN card is dispatched in PDF format to the e-mail ID, if mentioned, in the PAN application form.

- ***If physical PAN card is not required:***

At the time of submission of the PAN application, the applicant needs to indicate if the physical PAN card is not required. In such cases, providing the email ID is mandatory and the e-PAN card is sent to the applicant's email ID. The physical PAN card will not be dispatched in such cases.

8.4. Growth drivers for PAN card issuance



Source: CRISIL MI&A Research

- **Further growth in financial inclusion schemes would augment PAN card issuance**

Financial inclusion refers to a method in which every individual in the society is provided with banking and financial solutions and services irrespective of their earnings. With an aim to provide banking services for the unbanked population in the country, the Government of India started the National Mission for Financial Inclusion (NMFI), namely Pradhan Mantri Jan Dhan Yojana (PMJDY), in 2014. In order to implement this scheme, a digital pipeline has been set up linking the Jan-Dhan account with the Aadhaar card of the account holder. Under PMJDY, a basic savings bank deposit account can be opened at any branch or business correspondent outlet by persons not having any other account. In addition to this, the Reserve Bank of India (RBI) along with National Bank for Agriculture and Rural Development (NABARD) has undertaken several steps such as issue of Kisan Credit Cards, improving the banking network in remote areas, increasing the number of ATMs, linkage of self-help groups with banks, etc. Apart from those mentioned above, the Government of India has also introduced other schemes to promote financial inclusion, as illustrated below:

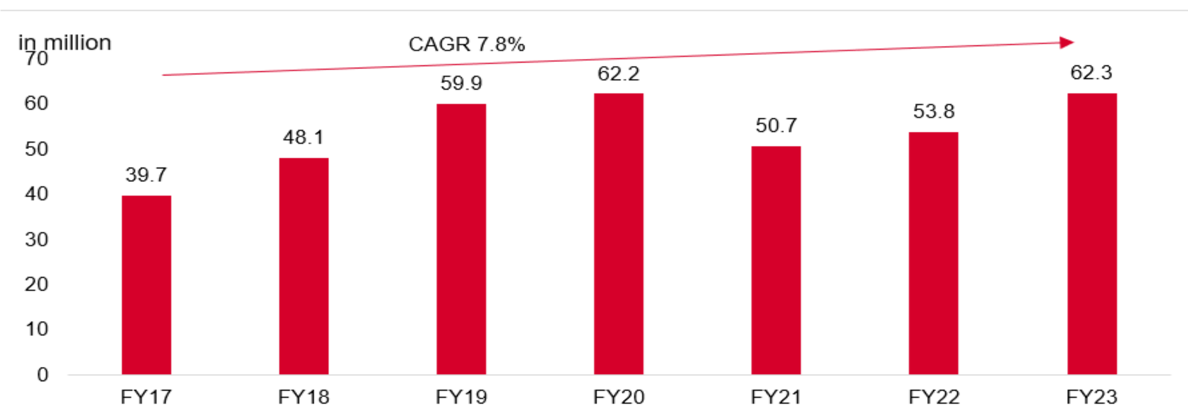
- ***Stand-Up India scheme***

In order to promote economic growth through entrepreneurship and job creation, Government of India on 5th April 2016 introduced stand-up India scheme. This scheme enables underserved population of economy such as scheduled castes (SCs), scheduled tribes (STs) and women entrepreneurs to avail a loan through scheduled commercial banks between Rs 1 million to Rs 10 million in setting up a greenfield enterprise across manufacturing, service and trading sectors, thereby enabling them to contribute to economic growth. As per PIB, over 1,80,636 accounts have availed this scheme and Rs 407 billion has been sanctioned as of 21st March 2023 since inception.

- ***Pradhan Mantri Mudra Yojana (PMMY)***

PMMY is launched by the Government of India through Micro Units Development & Refinance Agency Ltd. (MUDRA) on April 8, 2015. This scheme provides loans to non-corporate, non-farm small/micro enterprises up to an amount of Rs.1 Million and are classified as mudra loans. These loans can be availed through Commercial Banks, RRBs, Small Finance Banks, MFIs and NBFCs. As of fiscal 2023, number of loans sanctioned under this scheme stand at ~62 million growing at CAGR of ~8% from FY17.

Number of PMMY loans sanctioned (In Million)



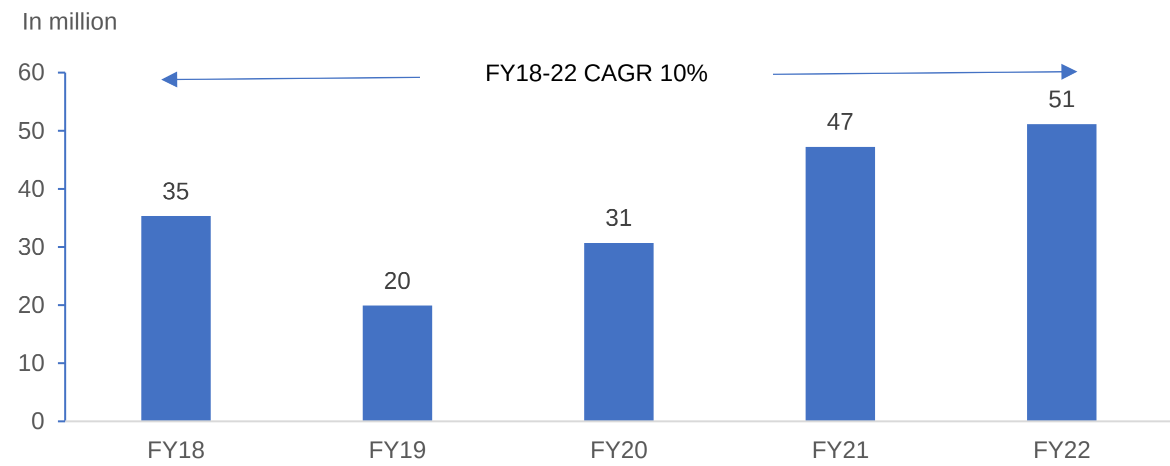
Source: MUDRA, CRISIL MI&A Research

- ***Pradhan Mantri Suraksha Bima Yojana (PMSBY)***

PMJJBY has been launched by Government of India as of 9th May 2015. The main objective of this scheme is to provide an insurance for underprivileged population of the society in the age group of 18-70 having a bank account at a premium of Rs 12 per annum. During March 2022, the premium for PMSBY has been revised from Rs. 12 to Rs. 20

per annum respectively which will be in effect from June 2022.Number of enrolments under this scheme have grown at a CAGR of ~10% from 35 million in FY18 to 51 million in FY22.

Persons enrolled each year under PMSBY (In Million)

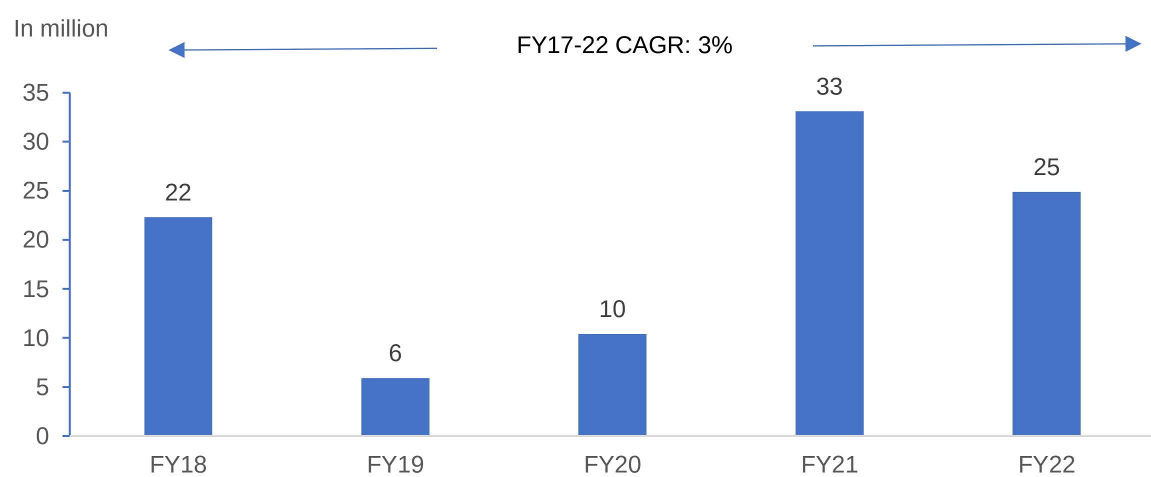


Source: www.jansuraksha.gov.in, *CRISIL MI&A Research*

- ***Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)***

PMJJBY has been launched by Government of India as of 9th May 2015. The main objective of this scheme is to provide a renewable life insurance for underprivileged population of the society in the age group of 18-50 with an insurance cover of Rs 0.2 million at a premium of Rs 330 per annum. During March 2022, the premium for PMJJBY has been revised from Rs. 330 to Rs. 436 per annum respectively which will be in effect from June 2022. Enrolments under this scheme have from FY18 at a CAGR of 3% reaching 25 million enrolments by the end of FY22.

Persons enrolled each year under PMJJBY (In Million)

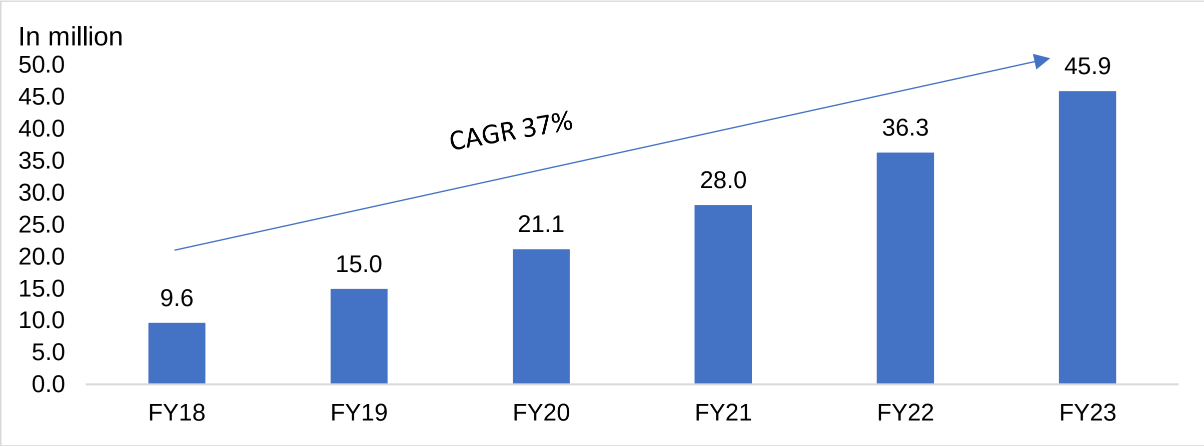


Source: www.jansuraksha.gov.in, CRISIL MI&A Research

- ***Atal Pension Yojana (APY)***

Announced in the union budget 2015-16, APY was launched as of May 2015 and is administered by Pension Fund Regulatory and Development Authority (PFRDA). The main aim of the scheme is to provide benefits of pension especially to the workers in unorganized sectors. This scheme acts an extension to existing National Pension Scheme (NPS) and a replacement to earlier existing Swavalamban Pension Yojana. All the members can avail the scheme through NPS architecture.Number of subscribers for APY has seen a healthy growth of 37% CAGR from FY18 to FY23.

Number of subscribers for APY scheme (In Million)



Source: PFRDA, CRISIL MI&A Research

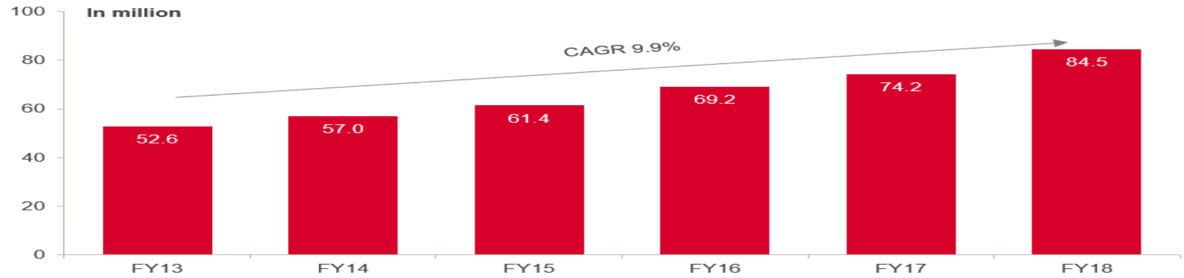
With PAN being accepted as of the proofs that need to be submitted to avail the above-mentioned schemes, further penetration of these schemes would also support growth in PAN card applications and services.

- **Wider taxpayer base would propel growth in PAN card applications and services**

PAN has been made mandatory for every individual to transact with the ITD of India. The taxpayer base in India, has seen a continuous rise over the years. It has grown at a CAGR of 9.9% from FY13 to reach 84.5 million in FY18. Of the total taxpayers, individuals account for a significant share of 95%. This growth can be attributed to initiatives taken by Government of India such as demonetisation implemented in November,2016 which has brought in new taxpayers into the system leading to increase in number of tax payments. In addition to this, implementation of Goods and Service Tax (GST) which has led to increase in compliance and also abolished cascading taxation that has bolstered the growth in number of tax payers. Other than above mentioned factors, going forward, schemes introduced by the Government of India, such as PMJDY, PMMY, etc, would further increase the tax-paying population. This would lead to greater need for issuance of PAN cards to the untapped population in the country.

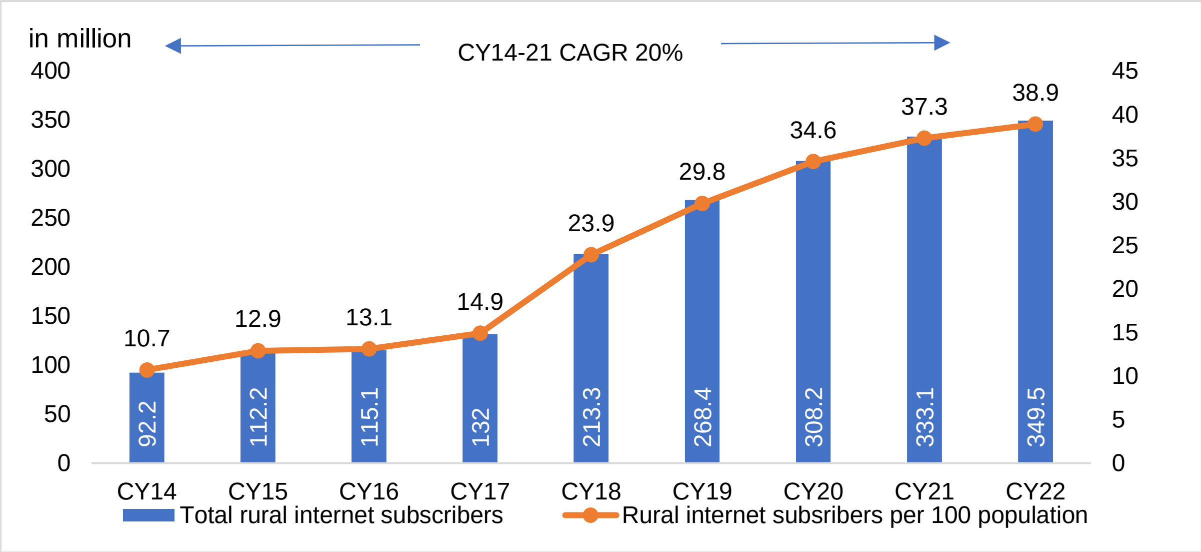
This also creates an opportunity for other services such as PAN updates arising from the need to change name, address, and re-issuance in case of a lost card. With the government’s efforts to widen the tax base and increase transparency by promoting paperless transactions, volumes for PAN cards are expected to grow.

Number of taxpayers in India



Source: Income Tax Department, CRISIL MI&A Research

Internet penetration in rural India



Source: Telecom Authority of India, CRISIL MI&A Research

- **India's per capita GDP growing faster than global average**

India's per capita income, a broad indicator of living standards, clocked a CAGR of ~4% from fiscals 2012 to 2023, rising from Rs 63,462 to Rs 98,374. The growth in per capita income was led by better job opportunities, propped up by overall GDP growth. Moreover, population growth has remained stable at ~1% CAGR.

Global per capita GDP clocked a CAGR of 1.5% between CY2012 and CY2021, as per IMF data. Meanwhile, India's corresponding figure clocked a CAGR of 4.3%, faster than the global number.

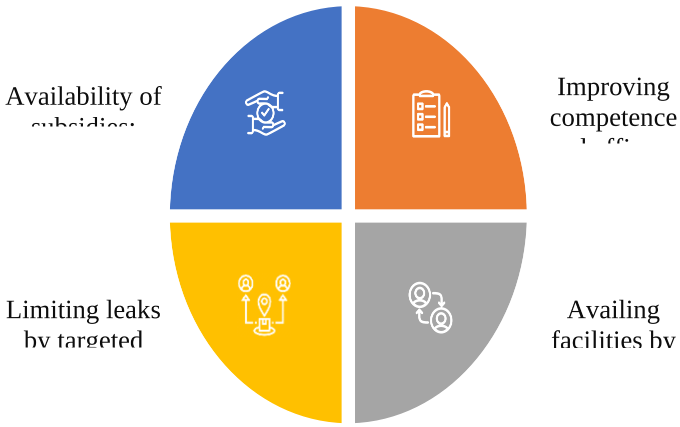
9. Assessment of Aadhar authentication, e-KYC and e-sign in India

9.1. Overview of Aadhar and its uses

An Aadhaar is a unique 12-digit figure issued by the Unique Identification Authority of India (UIDAI) to residents of India after meeting certain identification conditions structured by UIDAI. It was launched in the year 2009 with the intent to provide universal identity to every individual, after collecting user biometrics such as iris scan and fingerprints, and demographic information, such as birth date and address. The UIDAI is responsible for managing Aadhaar numbers and developing and setting up the necessary infrastructure for issuing Aadhaar cards.

Any person residing in the country, regardless of age and gender, and is a resident of the country, may voluntarily enrol to have his or her Aadhaar number. Aadhaar enrolment is done only once and is valid for the entire life. Aadhaar is a random number that does not have any intelligence and thus does not profile individuals based on their religion, caste, income, geography, and health. The Aadhaar project started as an attempt to create a single unique identification number or document containing all details of Indian residents. Currently, there are many forms of identification in the country, such as Permanent Account Number (PAN), passport, driver's license, ration card, etc. Aadhaar does not replace them but can be used as the sole proof of identity (and address). It serves as the basis for Know Your Customer (KYC) standards used by financial companies, telecommunications companies, and other companies that maintain customer profiles.

- **Predominant uses of Aadhar card are as follows:**



Availability of subsidies:

The Aadhaar scheme is primarily aimed at improving the delivery of social security benefits and subsidies, plugging leakages and wastes, eliminating fakes and duplicates, and enhancing transparency and accountability.

The Aadhaar project has been linked to some public subsidy and unemployment benefit schemes such as the domestic LPG scheme. In these Direct Benefit Transfer (DBT) schemes, the subsidy money is directly transferred to a bank account which is Aadhaar-linked. This also refutes the opportunity of the funds being misused or any person attempting fake claims to get the benefits. The scheme also gives the Government precise data on its beneficiaries and permits the government and other service providers to synchronize and enhance many schemes.

Aadhaar can be used in the delivery of the following programs:

- **<u>Food & Nutrition</u>** – Public Distribution System, Food Security, Mid-day meals, Integrated Child Development Scheme.
- **<u>Employment</u>** – Mahatma Gandhi National Rural Employment Guarantee Scheme, Swarnajayanti Gram Swarozgar Yojana, Indira Awaaz Yojana, Prime Minister's Employment Guarantee Program
- **<u>Education</u>** – Sarva Shikhsha Abhiyaan, Right to Education (Children between 6 to 14 years under Sarva Shiksha Abhiyan, likewise, shall not require mandatory Aadhaar enrolment)
- **<u>Inclusion & Social Security</u>** – Janani Suraksha Yojana, Development of Primitive Tribe Groups, Indira Gandhi National Old Age Pension Scheme
- **<u>Healthcare</u>** – Rashtriya Swasthya Bima Yojana, Janashri Bima Yojana, Aam Aadmi Bima Yojana

Other miscellaneous purposes such as property transactions

- Limiting leaks by targeted distribution
- Improving competence and efficacy
- Availing facilities by service agencies

9.2. Overview of e-KYC and its uses

Know Your Customer abbreviated as KYC is process undertaken for the purpose of authenticating the identity and credentials of a beneficiary or a customer. E-KYC process often referred to a paperless KYC, is the process through which verification of customer credentials are done electronically.In India, e-KYC norms are laid down by Reserve Bank of India.UIDAI has launched Aadhaar paperless offline e-KYC verification to allow Aadhaar number holders to voluntarily use it for establishing their identity in various applications in paperless and electronic fashion, while still maintaining privacy, security, and inclusion.

UIDAI provides a mechanism to verify identity of an Aadhaar number holder through an online electronic KYC service. The e-KYC service provides an authenticated instant verification of identity and significantly lowers the cost of paper-based verification and KYC. E-KYC provides enhanced security in the authentication process. As customer identity is of utmost importance, UIDAI has permitted only select organizations and agents to carry out e-KYC verification services. Hence, the customer can stay assured the provided information will not be misused or end up in possession of those with malicious intent. E-KYC also doubles up on the effort to identify and prevent theft and financial fraud. With provision of biometric verification, it is among the safest customer verification provision to exist.

e-KYC services are majorly used in situations where service providers need to verify the authenticity of details provided by the customer. Following are the list services (non-exhaustive) where e-KYC is used for better delivery:

- Authentication for account opening at banks
- Authentication for new telecom connection
- Authentication for opening of investment account
- Authentication for credit disbursal by financial institutions
- Authentication for e-sign

- **Outline of e-KYC Authentication eco-system**

Unique ID or electronic ID places a key role in e-KYC authentication system as it enables to verify data provided by the individual against existing data stored in repository maintained by public or private entity. Initially, in the e-KYC authentication process individuals provide ones Unique ID to the requesting entity through Authentication devices. The requesting entity then sends the Unique ID provided by the Individual to the service entities in an encrypted format. These service entities act as intermediaries between requesting entity and repository by providing infrastructure and secured connection to access repository database. Data received from services entities is cross verified against existing data at the repository. Later, repository sends a authentication response or details for the unique ID provided based on service requested back to service entities which in turn flows to requesting entities.

- ***Aadhaar based Authentication***

In India, Unique Identification Authority of India (UIDAI) facilities the authentication through online using demographic and biometric data. The unique identification number (UIN) or Aadhaar which is assigned on an individual level helps in establishing the identity of individual to public or private enterprises. The implementation of the Aadhaar has led to a revolution in authentication and consequently in monitoring & security, credit ecosystems, payment systems, and direct benefit transfers (DBT).

Aadhaar Authentication services

Aadhaar authentication services which are used to validate user identity are divided into two types

Yes/ No Authentication

e-KYC authentication

Yes/ No authentication: UIDAI has started this service as of February 2012. Under these services the requesting entity would send demographic or biometric or One Time Password (OTP) of the Aadhaar holder to UIDAI in an encrypted format. UIDAI through its Central Identities Data Repository (CIDR) validates the details against data stored with it and returns a yes or no response

e-KYC based authentication: In this service, requesting entity would send the Aadhaar card holders demographic or biometric or One Time Password (OTP) to UIDAI in an encrypted format. After validation of the details against CIDR, UIDAI would send signed e-KYC authentication response which contains Aadhaar card holder e-KYC data in an encrypted format

- ***Key stake holders involved in Aadhaar Authentication***
  - Aadhaar number holder
  - Aadhaar service agencies (ASA)/ KYC service agencies (KSA)
  - Aadhaar user agencies (AUA)/ KYC user agencies (KUA)
  - Central Identity Data repository (CIDR)

9.3. Overview of e-sign and its uses

Electronic signature (E-sign) is a service through which electronic signing of documents can be done in easy, efficient, and secured manner. E-sign is provided by authenticating signer using e-KYC services. Using this service any e-sign user can sign the documents electronically without the requirement for physical documents. This process would reduce turn-around time required for processing requests.

These e-sign would be effectively applicable in situations where requirement for signed copies to be submitted exists. Agencies who are obtain major benefit from e-sign services are those who accept large number of signed documents from their users. Following are services where E-sign service can create efficiency:

- Self-attestation for Digi locker
- Application for e-tax filing
- Application for account opening at banks
- Application for issue and reissue of passport
- Application for new telecom connection
- Application for various certificates such as birth, caste, marriage, income etc.
- Application for driving license renewal, vehicle registration
- Application for enrolment in exam or courses
- Submission of parliament questions by member of parliament

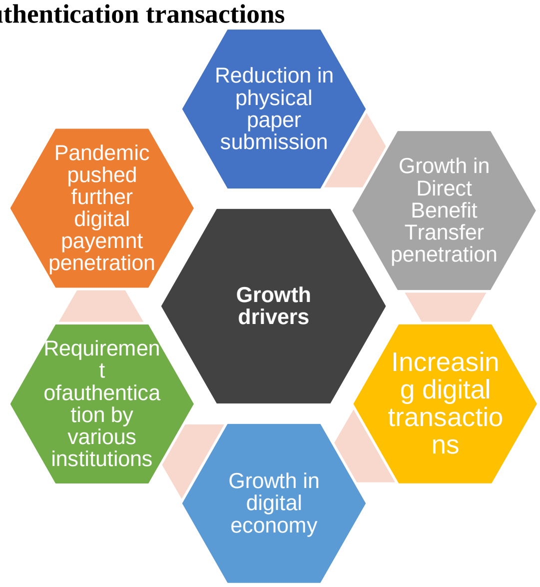
Note: Some of these use-cases may be under implementation or to be implemented in future.

- **Outline of e-sign eco-system**

Integration of E-sign can be done with various service delivery applications to ease digital signing of documents by obtaining verification through e-KYC of e-sign user. Authenticated responses received against e-KYC services with respect to e-sign users is used to apply the digital signature.

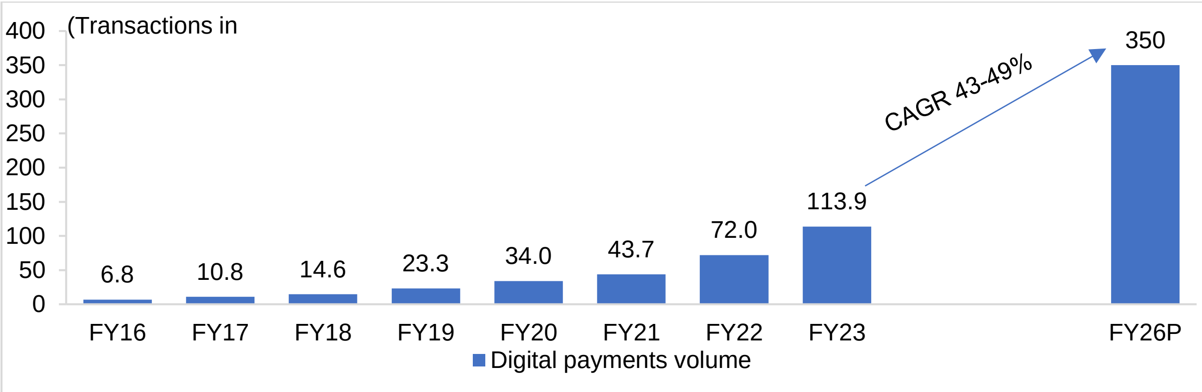
In the e-sign process, Application service provider (ASP) which provides e-sign as a service would send the request raised by the end user to the e-sign provider (ESP). Upon receiving the request from ASP, e-sign provider invokes the request for e-KYC of the end user through e-KYC service provider. Authentication of end-user details are done through biometric, or One Time Password (OTP) received on mobile. On authentication, ESP sends the end user request along with e-KYC verification details to Certifying authority for obtaining certification. Based on e-KYC details received, certifying authority issues Digital Signature Certificate (DSC) which is then sent to ESP. Once received, ESP forwards the certificate to the end user for acceptance. After the acceptance, electronic signature is created and is attached to the document electronically.

9.4. Growth drivers for authentication transactions



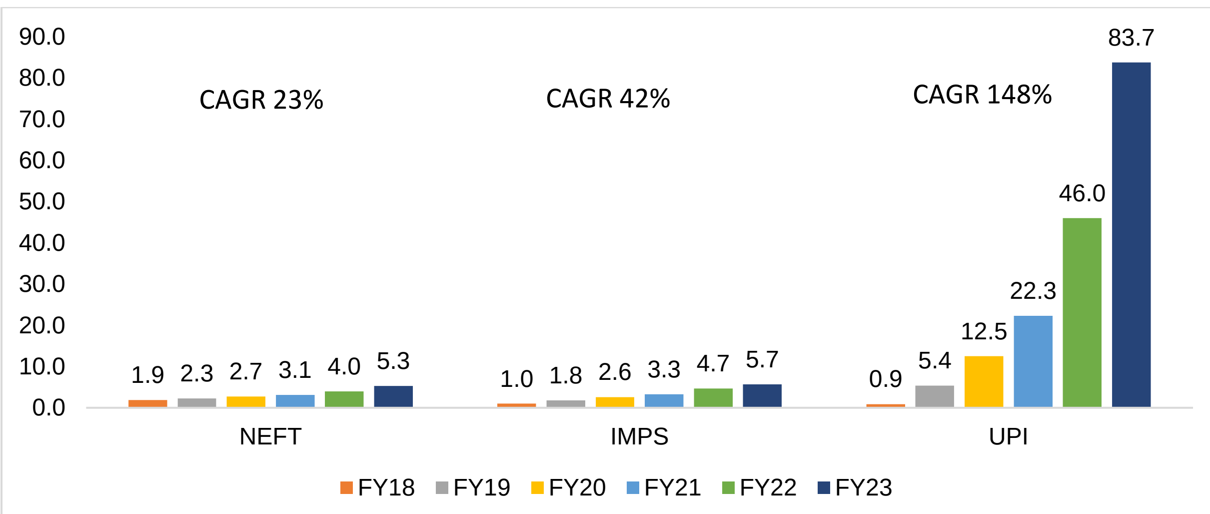
Source: CRISIL MI&A Research

Digital transactions volume over the years



Note: Digital transactions include RTGS – excluding interbank clearing, ECS, NEFT, IMPS, NACH, cards and prepaid instruments; P: Projections; Source: RBI, CRISIL MI&A Research

Trend in volume of payments for NEFT, IMPS and UPI



Source: RBI, CRISIL MI&A Research

- ***Growth in Digital economy to further push the need for e-KYC and E-sign infrastructure in the country***

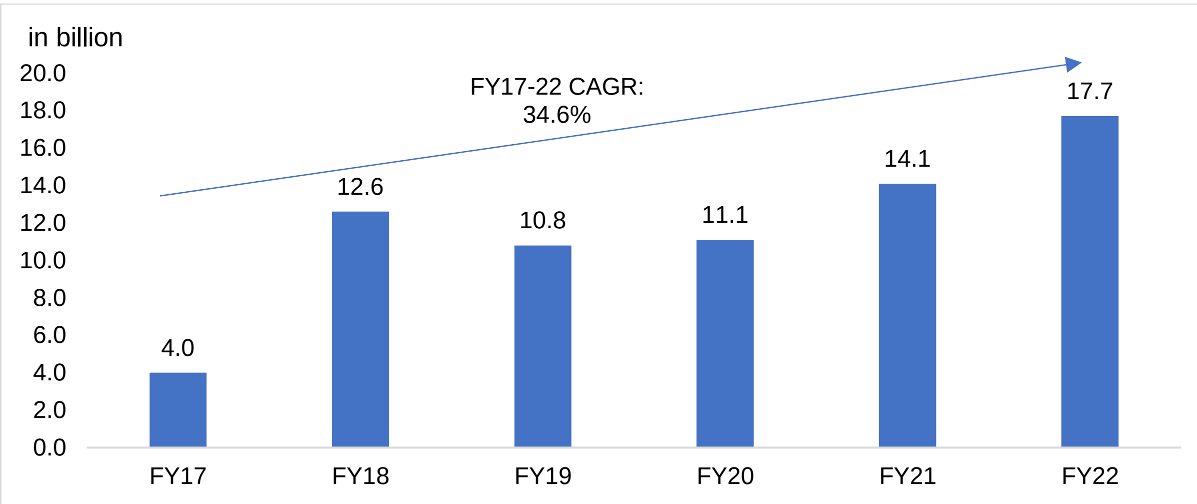
Technology plays a vital role in the development of an economy and provides a cost-effective solution for government solutions to untapped regions. Through Digital India Initiative, Government of India plans to transform India into digitally empowered economy. As economy moves towards digitisation, necessity arises for higher security needs especially in banking and investments space. e-KYC being a better way to authenticate an individual's identity playing a vital role in this process. In addition to this, E-sign can also be used to digitally sign the documents concerning to government bodies, banking and financial institutions, educational institutions etc which would reduce time and cost involved. Development of infrastructure facilities for these e-KYC and E-sign services would further support growing digitisation in the country.

- ***Requirement for authentication by various institutions likely to drive the growth in future***

Number of authentications transactions have seen a growth over the years as it plays a major role for financial institutions in verification of individual identity. Aadhaar authentication helps the credit disbursal agencies to easily validate documents provide by the beneficiary. As Aadhaar is necessary document to be submitted for availing of loan, authentication helps checking if duplicate proofs have been submitted thus reduce the operational risk for the entity. It also reduces the turn-around time required to avail the loan. Similarly, asset management companies opt for Aadhaar authentication for investments such as mutual funds which would provide easy and secure on-boarding of investors in less time frame. In addition to these, it also has vital importance government initiatives such as Direct Benefit Transfer (DBT) and National Mission on Financial Inclusion.

Going forward, further growth in these spaces would in turn lead to raise in requirement for development in authentication infrastructure in the nation.

Authentication transactions over the years

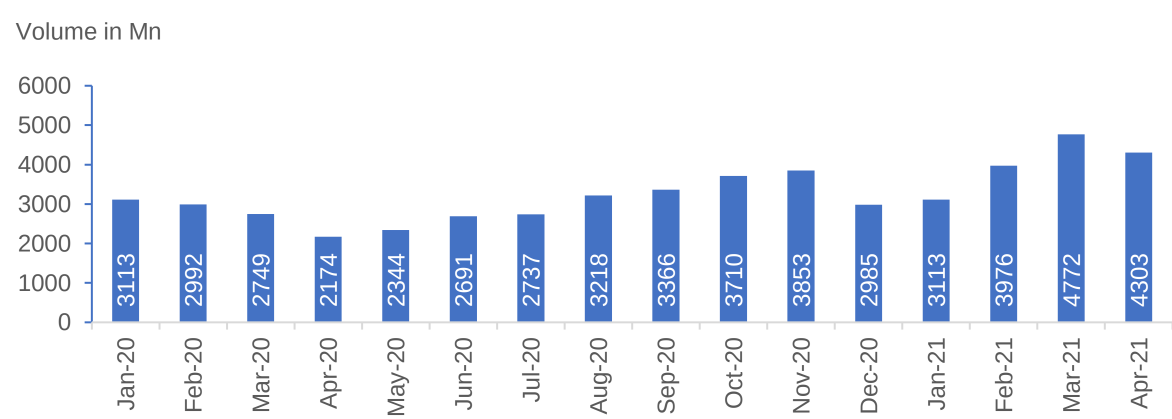


Note: Above values include transactions from both yes/no authentication as well as e-KYC authentication: Source: UIDAI annual report, CRISIL MI&A Research

- ***Impact of pandemic on digital payments***

Pandemic has increased the pace of digital transformation of payments ecosystem in India. It not only propelled the use of technology based but also increased the number of product offerings in digital mode. Though number of digital payments saw a dip during the lockdown (2.1 billion transactions/month in April 2020), increased preference for contactless transactions during rest of the period has pushed to look for cashless alternatives. In addition to this, fintech players increased adaption to end-user needs digital payments has propelled the growth in digital payments reaching 4.3 billion transactions/month by April 2021 (97.9% Y-o-Y growth). Further to enable, growth of digital transactions Reserve Bank of India (RBI) has also introduced 24*7 RTGS as of December 2020.Going forward, increase in digital payments is likely to create demand for e-KYC infrastructure.

Monthly trend in digital transactions volume (Jan'20 to Apr'21)

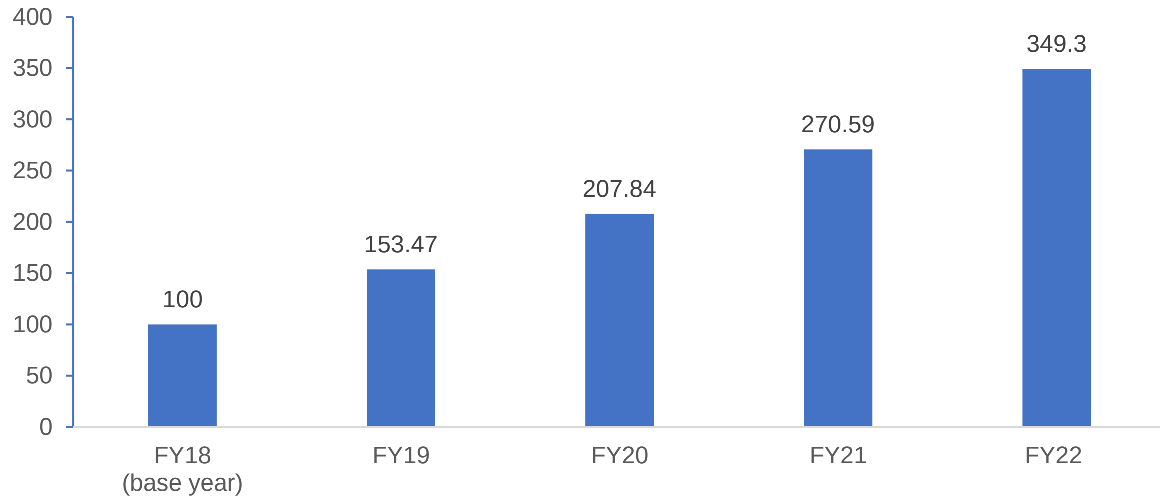


Source: RBI, CRISIL MI&A Research

Increasing digitals payments penetration to further boost requirement for authentication infrastructure

Digital payments lie at the core of digitalisation in the country, making it vital to understand its growth over the period. In order to capture this, RBI has developed a Digital Payment Index (DPI) covering wide range of payment ecosystems in India. It helps in understanding the penetration of digital payments across the country. In development of DPI, RBI has assigned five parameters with each having sub-parameters and weights assigned to it signifying the importance in payments ecosystem. With March 2018 as base period (=100), DPI has increased from 153.47 as of Mar 2019 to 304.06 as of Sep 2021 depicting the increasing penetration of digitals payments.However, bank accounts linked to these payment interfaces require regular authentication done to reduce the occurrence of fraudulent activities creating necessity for better authentication facilities such as e-KYC to be in place.

Trend in Digital Payments Index (DPI)

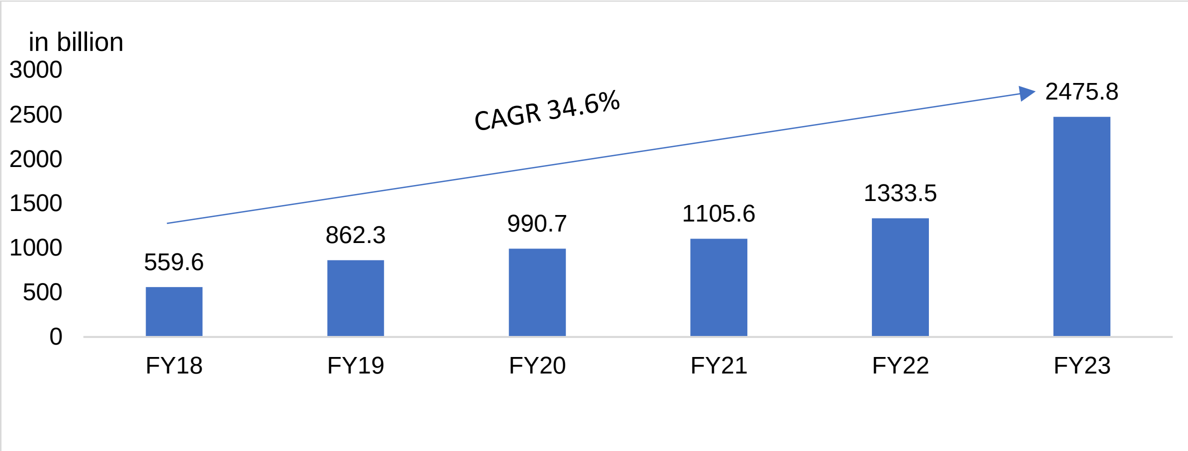


Source: RBI, CRISIL MI&A Research

Aadhaar based credit disbursal system to support the future growth in e-KYC infrastructure

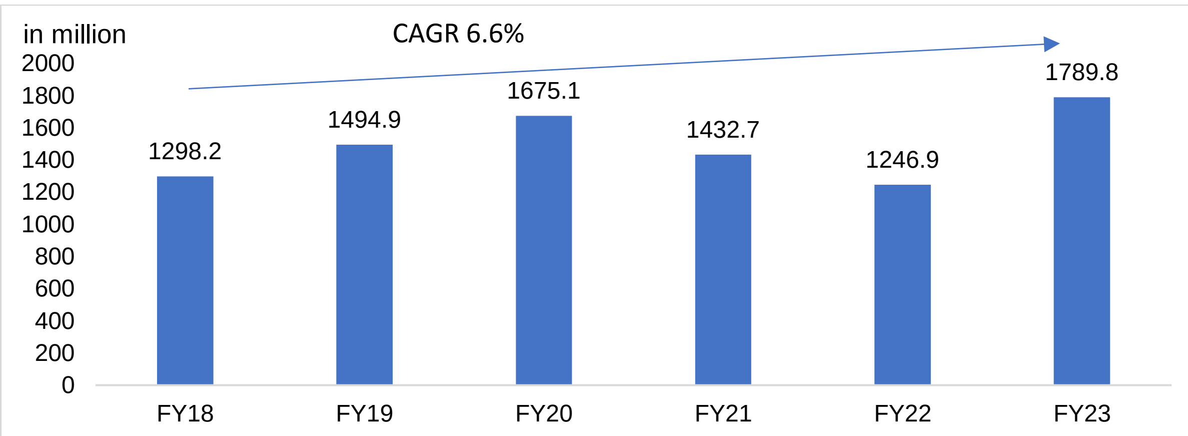
Aadhaar Bridge Payment System (ABPS) is setup by National Payments Corporation of India (NPCI). It is a unique payment system that uses Aadhaar or Unique Identity issued by UIDAI and IIN (Institution Identification Number) issued by NPCI to provide government subsidies and benefits to Aadhaar Enables Bank Accounts (AEBA) of beneficiates. ABPS also serves the goal of inclusion in rural economy. It further enables transformation of large number of retail payments done into electronic mode thus serving the purpose of digital transformation. Number of credit transfer to beneficiaries through ABPS have grown at a CAGR of 34.6% from Rs. 559.6 billion in FY18 to Rs. 2,475.8 billion in FY23. In volume terms, ABPS transactions have grown at a CAGR of 6.6% from FY18 reaching 1,789.8 million transactions by FY23. Going forward, with increase in financial inclusion and government taking measure to provide subsidies and benefits, creates a further dependence on e-KYC process for eliminating duplication, identity theft etc and in turn creating a demand for e-KYC infrastructure.

Trend in ABPS transactions (In Rs. Billion)



Source: RBI, CRISIL MI&A Research

Trend in number of ABPS transactions (In millions)



Source: RBI, CRISIL MI&A Research

Umbrella Entity for Retail payments to pave growth in e-KYC segment

Growth of Fintech companies in India are dependent upon penetration of digital usage, which in turn depends upon the infrastructure required, financial literacy and awareness among the population from both supply and demand prospects and having security protocols in place for data privacy and protection. Recent initiative by reserve for setting up of umbrella organization to look over the digital space is likely to increase the healthy competition among the players thus benefitting end users of the segment. As the competition intensifies leading to addition of new end users in the fintech space, e-KYC companies would also see demand increase lead by end-user authentication.

10. Overview of e-commerce retail industry in India

- **Advancement in technology shaping the e-commerce industry**

The e-commerce industry is reliant on technology in playing a crucial role in areas such as value chain, recruitment, marketing, advertising, warehouse management, and product delivery, among other things • E-commerce companies are no longer competing solely on the grounds of their product offerings and geographical presence. E-commerce competition now has expanded to areas which include providing digital experience to the customers using analytics, virtual reality, robotics, and other advanced technologies. Companies are integrating deep analytics in sales and marketing software to enable dual-way communication between e-commerce brands and their customers. Indian E-commerce giants like Amazon, and Flipkart, have implemented artificial intelligence (AI) and machine learning (ML) technology in personalized targeting, customer care services, and marketing activities. E-commerce companies have also adopted faster, efficient and secure payment options like Apple Pay, Google Pay, and Amazon Pay to target India's unbanked population.

From the user's perspective, India is witnessing rapidly rising number of smartphone user base and so as there is spike in internet penetration. Rising number of internet users make the tech-advanced platforms more accessible to the masses. CRISIL MI&A Research expects internet penetration in the country will reach ~75% by fiscal 2026 giving boost to overall e-commerce market.

11. Overview of assisted e-commerce industry in India

- **Assisted e-commerce enables online shopping for masses**

While certain parts of India rely almost entirely on the e-commerce world for even the smallest of things, from buying shampoo to buying mobile phones, electronics, furniture, and other products not worth rupees, there remains population that is not yet exposed to this part of the internet space. A major reason for such ignorance is a lack of awareness and coping with the usefulness of such services. There are other causes that hinder the use of e-commerce in rural areas, such as the unavailability of good internet connections, smart devices, lack of robust distribution channel etc. This ignorance completely undermines the process of how these online purchases work. The vast range of information and communication technology tools offers room to improve service processes, and to open new avenues for village-level entrepreneurship and local wealth creation. Assisted e-commerce is one such avenue which rests on ICT application to build a win-win solution for village-level entrepreneurs and for people residing in rural regions looking up-to someone in their local neighbourhood who can assist them in a buying decision. It's a simple process that requires little initial investment for shop owners in rural areas and can really give the world of e-commerce a boost.

In assisted e-commerce set-up, an employee/entrepreneur assists the local population in browsing and ordering an item of their choice, within their budget, online, through open-web websites or designated websites, gets the delivery at their store and delivers it to the consumer against cash or any other form of payment methods.Enabling people in rural and semi-urban areas to take full advantage of the perks, offers and discounts e-commerce offers to ensure complete customer satisfaction can be made a simple task using this business model. As a result, the people in rural India can be made to trust the world of the online market space for their financial transactions. Assisted e-commerce got the potential to boost people's trust and slowly lead India towards the much-needed digitalisation.

Assisted e-commerce provides solution to the following key issues related to online shopping in rural regions:

- Doorstep delivery in the rural regions
- Lack of knowledge to access online shopping websites
- Trust deficit on online shopping platforms due to various reasons

- **Key players and tie-ups in the assisted e-commerce space**

Company	**Launch of project or tie-up**
BLS International Services Limited	2021 (Deal with Amazon)
Vakrangee Limited	2014-2019
Frontier Markets Consulting Pvt Ltd	2018 and 2020
TABLT Pharmacy	2018
Amazon Easy Store (Earlier Amazon Udaan project)	2015
Flipkart and Spice Hotspot partnership	2015
Sterlite Technologies Ltd	2018
IPay Tech India Private Limited	2013
Reliance Retail started assisted e-commerce for Ajio through Jio stores	2019
Janus platform by Sanpdeal	2015

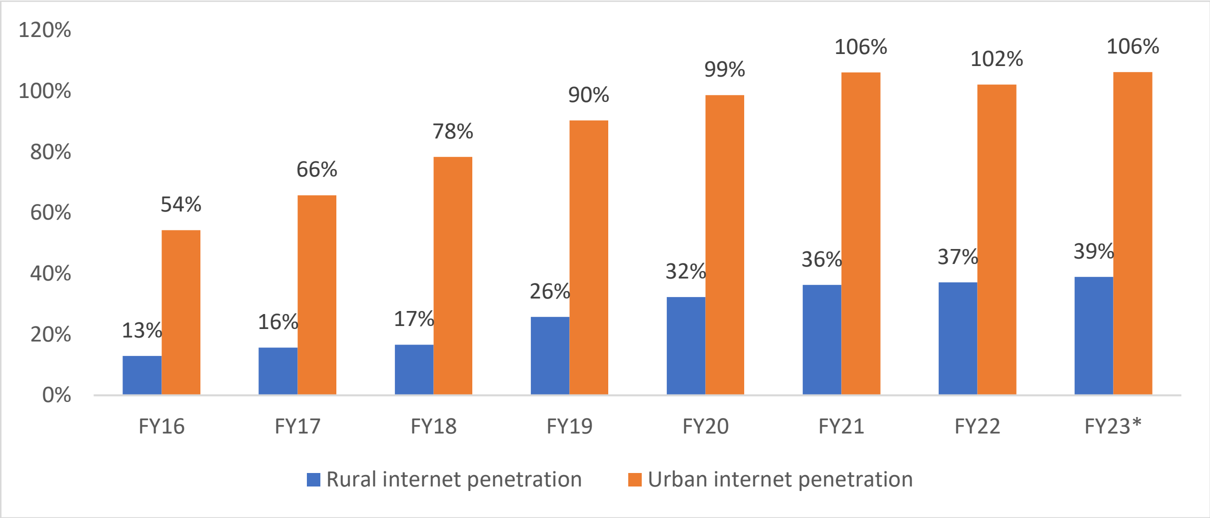
Source: Company website, CRISIL MI&A Research

- **Growth drivers for assisted e-commerce**

- ***Internet penetration remains underpenetrated in the rural regions coupled with lower literacy rates***

According to census 2011, 68.8% of the population i.e., ~833 million people, resides in the rural regions of India. With economic development happening all over the country, businesses in India are optimistic about growth of the country's rural consumer markets, which is expected to be growing faster than urban consumer markets. Smart companies are quickly moving to uncaptured rural areas, which are at a nascent stage and provide robust market potential. The wider reach of media and telecommunication services provide information to rural consumers and influence their purchase decisions. Even after continuous ongoing efforts from the telecom operators, the internet penetration and tele-density in rural regions remain underpenetrated. Sub-standard telecom infrastructure, lack of awareness, and lower literacy rate are a few of the key reasons behind lower penetration.

Internet penetration rate in India



*Note: *FY23 data is till December 2022; Source: Telecom Regulatory Authority of India (TRAI), CRISIL MI&A Research*

12. Assessment of insurance industry in India

12.1. Overview of Indian life insurance industry

As of June 2022, there are 23 private sector life insurance companies and one public sector life insurance company, i.e., LIC. The Indian life insurance industry only had LIC from 1956 to 2000. Since privatisation in 2000 and by fiscal 2012, 23 private insurers had entered the space, registering with the Insurance Regulatory and Development Authority of India (IRDAI) as on March 31, 2022. Of these, 20 have joint ventures (JVs) with foreign partners.

12.2. Overview of Indian general insurance industry

As of March 2022, there are 20 private sector, 6 public sector general insurance companies and 5 private sector health insurers also known as Stand-alone Health Insurers (SAHI). The Indian general insurance industry only had 4 public sector general insurers until fiscal 2000 namely National Insurance Co. Ltd., The New India Assurance Co. Ltd., The Oriental Insurance Co. Ltd. and United India Insurance Co. Ltd. Apart from the 4 public sector general insurers, there are two Specialized Insurers, namely ECGC (Export Credit Guarantee Corporation of India) and AIC (Agriculture Insurance Corporation) and one in reinsurance namely GIC Re which are also in public sector.

12.3. Growth drivers for Indian insurance industry

- **Key regulatory changes**

- Passage of the Insurance Law (Amendment) Act, 2015
- Stricter action if norms and regulations are violated
- Omission of redundant clauses and amendment of some others
- Limitation of tie-ups for individual agents
- Repudiation on insurance policy only for a period of three years
- Guidelines for corporate governance
- Investment by Private Equity firms in unlisted Life Insurance companies
- FDI Cap increased from 49% to 74%
- Guidelines on Insurance e-commerce
- Stewardship Code for Insurers in India
- Public Disclosures by Insurers
- Exposure draft notification on Expenses of Management

13. Assessment of Ed-tech and e-learning in India

13.1. India education landscape is among the largest market in the world

India's education system is one of the largest systems in the world. With population of 490-500 million under the age of 20 years, India has large pool of student to target. According to Unified District Information System for Education (UDISE) and All India Survey on Higher Education (AISHE), India has more than 265 million students enrolled in approximately 1.5 million schools as of fiscal 2022 and around 38.5 million undergraduate and postgraduate students enrolled in 42,343 colleges, 1,043 Universities and 11,779 Stand-alone institutions across India as of fiscal 2020. Formal education in India spans primary and secondary school education, graduation, post-graduation, and diploma courses.

- **E-learning will pave the way for advance learning methods in ed-tech**

Digitisation of education remains one of the topmost priorities of the Government of India. With the internet penetration rate in India at ~61% in March 2022, as per Telecom Regulatory Authority of India, the market is conducive for penetration of ed-tech market. Many e-learning portals have been set up in the wake of the pandemic to provide uninterrupted access to learning. They are performing well as an increasing number of learners are enrolling in online courses — the new normal since the onset of the pandemic.

Starting 2020, Indian universities and colleges, which were earlier not permitted to offer more than 20% of a degree online, have lifted the restrictions on online learning to increase access to higher education and improve their global ranking. Many edtech companies are offering learning management resources, including blended learning, 3D and do-it-yourself (DIY) kits and AI-based experiential and interactive learning to improve the learning experience.

- **India's ed-tech is marked by presence of several start-ups**

India ed-tech landscape is several players across various offerings. The ed-tech landscape in India has around 7,000+ start-ups in India as per industry sources. Start-ups have entered the market in 2010 onwards and are developing their offerings and expanding their reach across in India. Covid-19 pandemic has increased active user base for ed-tech app and the segment has seen rising penetration even in tier II and III cities in India.

- **Growth drivers in the education industry**

Rapid urbanisation, higher disposable income, India's current demographic profile, rising fees, lower penetration and an increase in enrolments are the education industry's growth drivers.

- Rapid urbanisation
- Rising household spending on education
- Demographic profile
- Low penetration in education gives room for growth and expansion
- Demand from private schools – highly underpenetrated market

13.2. Key offerings in Ed-tech space

Education plays a significant role in balancing the socio-economic fabric of a country. Basic education is key to achieve a better quality of life, and higher quality of education warrants an all-round development of citizens and growth of economy. It is the country skilled human force which helps is nation building making education a very important parameter for growth. Education technology (edtech) is an area of technology that facilitates and enhances learning through the development and application of information technology (IT) tools and mode of teaching and evaluation.

The ed-tech industry's key verticals are as follows:

- Learning and coaching
- Test preparation
- Hobby or skill enhancement
- Career training and skill development
- Solution and platform providers

14. Overview of tele-medicine industry in India

14.1. Telemedicine practices have slowly and steadily gained foothold in India

Telemedicine is a technology designed to increase accessibility of healthcare services from remote locations. Telemedicine makes extensive use of information technology to create a connection between doctors at the main hospital and patients at the remote / telemedicine centre. The doctor analyses the patient through telephonic conversation or video conferencing. She/he is assisted by a junior doctor or health worker who is physically present at the telemedicine centre. The junior doctors physically examine the patient and convey the information to the doctor. The doctor communicates diagnosis and medication based on the inputs provided by the junior doctors. If the ailment is complex, then the patient is advised to get admitted at the main hospitals to avail of intensive care. This model is useful in healthcare service provision at a time there is a dearth of healthcare professionals in the country

Telemedicine in India started with the inauguration of Apollo Aragonda Hospital in Andhra Pradesh in 2000. Since then, the Indian Space Research Organisation (ISRO), the Department of Information Technology, the MoHFW, state governments, and medical institutes in the public and corporate sectors have introduced several telemedicine projects that have showed a promising future for telemedicine, efficiently solving the problems of effective healthcare delivery in a vast country like India. Telemedicine practices have slowly and steadily gained foothold in India. The spike in need for remote medical facilities has eventually resulted in mushrooming of telemedicine companies. A Registered Medical Practitioner is entitled to provide telemedicine consultation to patients from any part of India. Multiple technologies can be used to deliver telemedicine consultation. There are 3 primary modes: Video, Audio, or Text (chat, messaging, email, fax etc.) Each one of these technology systems has their respective strengths, weaknesses, and contexts, in which, they may be appropriate or inadequate to deliver a proper diagnosis.

14.2. Growth drivers

- Accelerating implementation of innovative digital technologies
- Betterment in digital connectivity aiding adoption of tele-medicine services
- Increasing adoption for self-care devices/solutions
- Tele-consultation in healthcare proves to be time and cost-effective solution

15. Assessment of travel industry in India

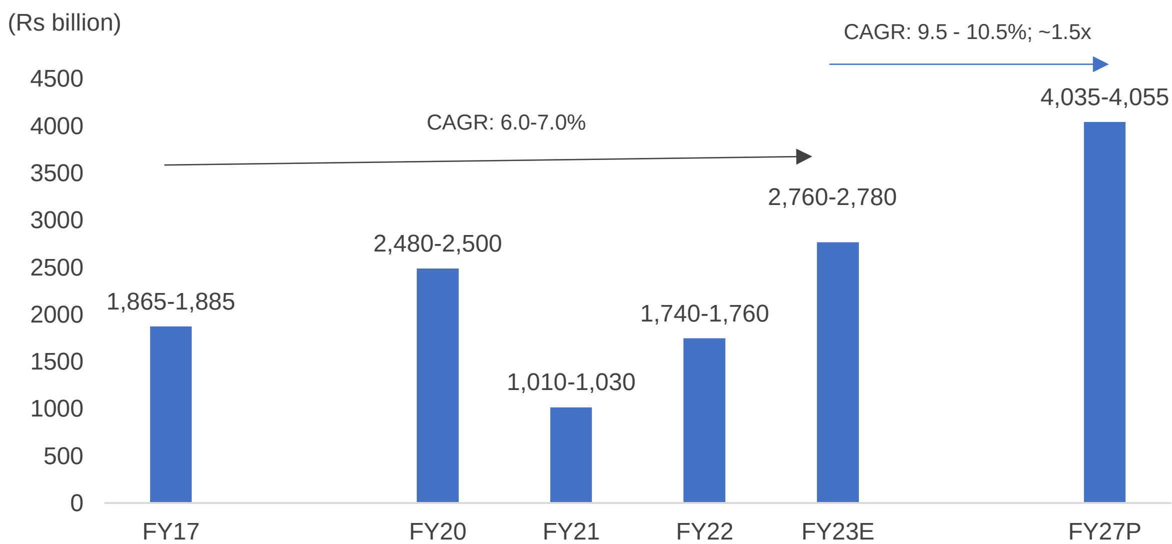
15.1. Overview of the travel market in India

Indian travel industry expected to clock 9.5-10.5% CAGR between fiscals 2023 and 2027

CRISIL MI&A Research has considered airline ticketing (domestic and international), hotels (room revenues across premium, mid-market and budget accommodations), and railway ticketing (long distance train ticketing) segments for mapping the travel industry in India. The market sizing includes tickets booked via offline and online modes and is estimated at the gross booking level (defined as the total amount paid by customers for travel services and products booked through the company and/or agency, including taxes, fees and other charges; and these are net of cancellations, discounts and/or refunds).

The Indian travel industry was estimated at Rs 1,865-1,885 billion in fiscal 2017. Led by the country's growing economy, geographic and cultural diversity, and various government initiatives, the industry grew at a CAGR of 6.0-7.0% from fiscal 2017 to 2023 expanding to Rs 2,760-2,780 in fiscal 2023. The travel industry is expected to be driven by the development of tourism infrastructure, increase in connectivity across means of transport, rising income translating to higher discretionary spending on travel and tourism, reforms in visa and passport allowing easier access to India (in case of foreign tourist arrivals) and other countries (in case of Indian passport holders), and frequency of travel for business and leisure purposes. In fiscal 2027, the industry is expected to become 1.5 times its size in fiscal 2023, by growing at a CAGR of 9.5-10.5% between fiscals 2023 and 2027.

Indian travel industry – trends and outlook



Note: P: projected; market sizing for the Indian travel industry has been estimated at gross bookings. The Indian travel industry size does not include bus bookings, as the bus booking industry is largely unorganised. Market sizing estimates post considering COVID-19 impact. Source: CRISIL MI&A Research

15.2. Review of the online ticketing market in India

Indian online ticketing market to log 12-13% CAGR between fiscals 2023 and 2027

Online bookings are typically done over the internet on laptops, desktops, tablets, and mobiles. Offline bookings include bookings made through phone calls, and walk-ins. The industry size has been estimated at gross bookings defined as the total amount paid by customers for travel services and products booked through the company and/or agency, including taxes, fees and other charges; and these are net of cancellations, discounts and/or refunds. CRISIL MI&A Research has also considered online bookings for the bus segment for the purpose of this market sizing.

While online ticketing of movies, sports and other events is also widely popular, these have been excluded from the purview of this study as the focus is on travel-related segments. Tour or holiday packages have also been excluded from the market sizing in order to avoid over-estimation.

In fiscal 2023, the Indian online ticketing market is estimated to be worth Rs 1,855-1,875 billion, registering 12.0-13.0% CAGR from Rs 900-920 billion in fiscal 2017. Growth can be attributed to the increasing penetration of internet and smart phones. Other enabling factors include growing share of low-cost airlines, increasing popularity of online railway ticket booking system, and convenience that online bookings offer. However, the online ticketing industry is not without its share of challenges. Travellers' concern about security of their personal information and online financial frauds are the key challenges that require to be addressed effectively in order to ensure seamless transition from offline to online channels. The industry from its size in fiscal 2023 (Rs 1,855 billion - 1,875 billion) is expected to grow to 1.6 times (Rs 2,970 billion - 2,990 billion) by fiscal 2027, at a CAGR of 12-13%.

16. Competitive landscape

India's digitisation efforts have evolved the digital and financial services landscape at a rapid pace. There are several existing players that are working in delivering these digital services across India. The business of the digital service providers can be classified into three broad categories.

- **Business Correspondent Services**: The companies acting as Business Correspondent offer services such as account opening, cash deposit, cash withdrawal, fund transfer, term and recurring deposits, balance enquiry, AePS, etc.
- **G2C Services**: The services related to Aadhar, pension schemes, PAN card, insurance, passport, and other government schemes are covered under this segment.
- **Other Services**: This segment includes services related to PoS, ticketing, assisted e-commerce, bill payments, skill development, tele medicine, tele agriculture, etc. These services can be further expanded to include retail and digital education businesses to ensure last mile delivery.

Business Correspondent Services

A Business correspondent (BC) is an entity which acts as a teller for the bank and carry out a full range of transactions on behalf of the bank, in return for commissions on the services rendered. It is a model that enables people in remote areas of India to access formal financial institutions. With the objective of ensuring greater financial inclusion and increasing outreach of the banking sector, the Reserve Bank of India has allowed banks to use the services of intermediaries operating, among others, as common service centers as retail agents who represents banks and are responsible for providing financial and banking services at locations other than bank branch / ATM. The concept of BCs is to address the needs of banks, which need to reach out to a wider section of society, as well as underprivileged people with no access to credit. With no access to credit, underprivileged people often have to invest their personal savings in health and entrepreneurial activities, leaving them highly vulnerable to adverse circumstances. BCs support banks in providing its limited range of banking services at affordable cost. Thus, they are pivotal in promoting financial inclusion. The BC model helps banks in bringing door-step delivery of services especially 'cash in - cash out' transactions in rural and remote areas, thus resolving the issue of last-mile delivery.

The business correspondent landscape in India is evolving at a rapid pace with the emergence of various new players such as

- Payment banks that act as a BCs and offer a host of solutions to their target customers which includes underserved and unserved people in rural and semi-urban areas of India
- Pure play business correspondent companies looking to provide all kinds of offerings such as banking services, selling of third-party products

As per the Reserve Bank of India's (RBI) FY22 annual report, the total number of business correspondents in villages has increased from more than 1.19 million in 2021 to 2.21 million in 2022, reflecting the penetration and scale that banks generate partnering with BCs. At end of fiscal 2022, almost 98% of banking outlets in villages are through business correspondents. Urban locations covered by banks through the BC channels also rose to 1.3 million in 2022 from 0.6 million in 2020, as per RBI data. While the nuances underlying the business model and the target customer segment of these companies may be different, there is a common underlying thread across all these players i.e. to leverage technology effectively to provide a range of services in a seamless and more efficient manner to their customers. Moreover, several players are also seeing improvement in the unit economics, with an increase in size and scale.

G2C Services

Since past few decades, both Central and State governments have strived to deliver its services to citizens online at their doorsteps. The delivery of government services using technology is known as e-governance. There are several government initiatives, such as Passport Seva, DigiLocker, online public distribution system, UPI, and Aarogya Setu, etc. which have earned universal accolades. The initiatives have been highly successful; however, a need was felt to develop a holistic view of various e-governance initiatives that are implemented across the country. To improve the delivery of government services, government of India came up with National e-Governance Plan (NeGP) in 2006. The key elements of NeGP include common support infrastructure, mission mode projects, Public-Private Partnerships (PPP), centralized initiatives and decentralized implementation etc. Since the implementation of NeGP, the e-governance has been made efficient by involving private players in the delivery of citizen centric services.

Department of Administrative Reforms & Public Grievances (DARPG) had formulated the National e-Governance Service Delivery Assessment (NeSDA) in 2019 as part of its mandate to boost the e-governance endeavours and drive digital government excellence. The biennial study assesses States, Union Territories (UTs), and focus Central Ministries on the effectiveness of e-governance service delivery. NeSDA helps the respective governments improve their delivery of citizen centric services and shares best practices across the country for all States, UTs and Central Ministries to emulate.

As per NeSDA report for States/UTs (March 2023)[2]:

- Departments across States/UTs provide 15,601 services
- 12,561 out of 15,601 services are provided online, i.e., 12,561 e-services are provided across States/UTs
- 80.5% of the services are digitized across States/UTs
- 1,400 out of 2,016 mandatory e-services are available, making saturation at 69.4%

Other Services

With the increase in digital adaptation, the demand for various other services have also increased. The increasing digitalization is boosting the market for insurance services, online ticketing, assisted e-commerce, bill payments, tele medicine, tele agriculture, digital learning, etc. in urban, semi-urban and rural areas. With huge touch points of the business correspondent companies, they can provide these services to even remotest areas. Additionally, even retail/wholesale stores can distribute and/or sell their products through these companies' touch points. It will pave way for additional income for business correspondent companies.

Industry Players

For the purpose of peer comparison, CRISIL MI&A Research has considered the following players in its study: BLS E-services Limited, Digispice Technologies, FINO Paytech Limited, CSC E-Governance Services India limited, NICT Technologies Private Limited, FIA Technology Services Private Limited, Mobisafar Services Private Limited, AISECT Limited and eMudhra Limited.

BLS E-Services offers variety of digital services among the peers compared

BLS E-Services	Banking services, E-governance services, Ayushman Bharat, Recharges, Bill payments, Money transfer, Travel booking, Aadhaar payments, Mini ATM, Assisted E-commerce, Passport & Visa applications, Insurance, E-learning, Online doctor consultation, etc.

Digispice Technologies	Banking services, Payment services, Travels services, Insurance, Device services, PAN card services, E-commerce facilities, Platforms and communication channels for enterprises, Travel services, Digital entertainment solutions, Content aggregator, etc.
Fino Paytech Limited	Banking services, Consultancy services, financial literacy, Customer enrolment solutions, Hardware solutions, Operations solutions, Government services (MNREGA, SSP), Insurance
CSC E-Governance Services India limited	Banking services, E-governance services
NICT Technologies private limited	Banking services, E-Governance services, Ticketing services, RFID services, etc.
FIA Technology	Banking services
Mobisafar Services Private Limited	Banking services, Travels services, Bill payments, Insurance, PAN card services,
AISECT Limited	Skill development, higher education, services for financial inclusion, e-governance services, etc.
eMudhra Limited	Digital certificate/signature services, Trust services, Authentication and access services, Artificial intelligence services, Data security and analytics services

Source: Companies' websites

BLS E-Services has 91,850 touch points

The total number of touch points/coverage of the peers are mentioned below:

Company Name	**Touch points/Coverage**
BLS E-Services	91,850
Digispice Technologies	18,500+ pin codes
Fino Paytech Limited	499 districts
CSC E-Governance Services India limited	5,19,652
NICT Technologies private limited	16,440
FIA Technology Services	712 districts, 46,000 villages
Mobisafar Services Private Limited	10,000+
AISECT Limited	475 districts, 20,000+ centres

Source: Companies' websites

BLS E-Services operates the largest BC network for largest PSB in the country

BLS E-Services operates the largest BC network for largest public sector bank 'SBI' through its subsidiaries Zero Mass Private Limited and Starfin India Private Limited which had 10,903 and 1,633 CSPs respectively.

SBI BCs	**CSPs (As of 31/08/2022)**
Zero Mass Private Limited	10,903
Save Solutions Private Limited	8,258
NICT Technologies Private Limited	6,166
FIA Technology Services Private Limited	4,383
Sanjivani Vikas Foundation Bihar	3,485
CSC eGovernance Services India Limited	3,420
Pay Point India Network Private Limited	3,067
AISECT Limited	2,787
Vedavaag Systems Limited	2,331
Starfin India Private Limited	1,633
Oxigen Services India Private Limited	1,627
Drishtee Development Communication	1,517
Sub-k Impact Solutions Limited	1,317

Circle BCs	17,320

Source: SBI, CRISIL MI&A Research

BLS E-Services witnessed the highest revenue growth of 50.8% between FY21 and FY22

Among the peers compared, BLS E-Services witnessed a highest revenue growth of 50.8%, followed by Emudhra Limited and Digispice Technologies which registered revenue growth of 39.4% and 37.2% respectively between fiscal 2021 and fiscal 2022.

Trend in Revenue (Rs billion) growth for all the peers

Company Name	FY21	FY22	Growth %
AISECT Limited*	0.91	1.05	15.4%
BLS E-Services	0.65	0.98	50.8%
CSC E-Governance	14.92	18.27	22.5%
Digispice Technologies	7.37	10.11	37.2%
Emudhra Limited	1.32	1.84	39.4%
FIA Technology Services	1.20	NA	-
FINO Paytech	8.60	10.51	22.2%
Mobisafar Services*	0.88	0.67	-23.9%
NICT Technologies	1.70	1.76	3.5%

*Note: *Standalone financials are considered; Players are arranged in an alphabetical order; Source: Company filings, CRISIL MI&A Research*

Emudhra Limited recorded highest EBITDA and PAT margin

Among the peers compared, between fiscal 2021 and fiscal 2022, Emudhra Limited recorded the highest EBITDA and PAT margins at average 33.8% and 18.2% respectively, followed by CSC E-Governance. It recorded average EBITDA and PAT margins at 15.1% and 8.9% between fiscal 2021 and fiscal 2022. BLS E-services recorded average EBITDA margin of 8.6% and PAT margin of 5.2%.

Trend in EBITDA Margin for all the players in the peer set

Company Name	FY21	FY22	Average
AISECT Limited*	6.0%	8.5%	7.3%
BLS E-Services	8.4%	8.8%	8.6%
CSC E-Governance	16.0%	14.1%	15.1%
Digispice Technologies	5.1%	3.5%	4.3%
Emudhra Limited	30.2%	37.4%	33.8%
FIA Technology Services	17.3%	NA	-
FINO Paytech	6.5%	2.1%	4.3%
Mobisafar Services*	10.9%	11.4%	11.2%
NICT Technologies	7.2%	5.4%	6.3%

*Note: *Standalone financials are considered; Players are arranged in an alphabetical order.*
Source: Company filings, CRISIL MI&A Research

Trend in PAT Margin for all the players in the peer set

Company Name	FY21	FY22	Average
AISECT Limited*	3.6%	5.5%	4.6%
BLS E-Services	4.8%	5.5%	5.2%
CSC E-Governance	9.3%	8.5%	8.9%
Digispice Technologies	0.8%	0.7%	0.8%
Emudhra Limited	14.0%	22.4%	18.2%
FIA Technology Services	12.5%	NA	-

FINO Paytech	-5.9%	-5.1%	-5.5%
Mobisafar Services*	6.7%	5.6%	6.2%
NICT Technologies	4.4%	2.7%	3.6%

*Note: *Standalone financials are considered; Players are arranged in an alphabetical order; Source: Company filings, CRISIL MI&A Research*

Mobi-safar services registered highest return on equity (RoE) within the peer set

Among the peers compared, between fiscal 2021 and fiscal 2022, Mobisafar Services registered the highest average RoE at 55.6% followed by NICT Technologies which registered average RoE of 45.5% between fiscal 2021 and fiscal 2022. In fiscal 2022, BLS E Services recorded RoE of 43.5%.

Company Name	FY21	FY22	Average
AISECT Limited*	8.3%	13.2%	10.8%
BLS E-Services	-	43.5%	-
CSC E-Governance	27.6%	22.2%	24.9%
DigiSpice Technologies	2.4%	2.7%	2.6%
Emudhra Limited	18.6%	31.9%	25.3%
FIA Technology Services	45.0%	NA	-
FINO Paytech	-26.0%	-7.4%	-16.7%
Mobisafar Services*	80.6%	30.6%	55.6%
NICT Technologies	64.0%	27.0%	45.5%

*Note: * Standalone financials are considered; #Average of FY21 and FY22; Players are arranged in an alphabetical order; Source: Company filings, CRISIL MI&A Research*

Emudhra Limited registered highest average return on asset (RoA) within the peers for fiscal 2021 and fiscal 2022

Emudhra Limited recorded highest average RoA of 15.1% between fiscal 2021 and fiscal 2022 followed by NICT Technologies which registered average ROA of 13.8% among the peers compared. FIA Technology Services registered RoA of 25.6% in fiscal 2021.

Trend in RoA for all the players in the set

Company Name	FY21	FY22	Average
AISECT Limited*	4.6%	7.0%	5.8%
BLS E-Services	-	11.1%	-
CSC E-Governance	8.3%	8.5%	8.4%
DigiSpice Technologies	1.2%	1.1%	1.2%
Emudhra Limited	11.2%	18.9%	15.1%
FIA Technology Services	24.3%	NA	-
FINO Paytech	-4.3%	-2.8%	-3.6%
Mobisafar Services*	17.3%	7.5%	12.4%
NICT Technologies	17.8%	9.7%	13.8%

*Note: *Standalone financials are considered; Players are arranged in an alphabetical order.; Source: Company filings, CRISIL MI&A Research*

BLS E-services' financials (consolidated) in fiscal 2023

Particulars	FY23
Revenue (Rs billion)	2.46
EBIDTA Margin	14.7%
PAT Margin	8.3%
RoE	33.3%
RoA	17.3%

Source: Company filings, CRISIL MI&A Research

OUR BUSINESS

*Unless otherwise indicated or the context otherwise requires, the financial information for Fiscal 2023, 2022 and 2021, included herein is derived from the Restated Consolidated Financial Information, included in this Draft Red Herring Prospectus. Unless otherwise indicated or the context otherwise requires, in this section, references to "we", "us", "Company" or "our Company" mean BLS E-Services Limited and our Material Subsidiaries. For further information relating to various defined terms used in our business operations, see "Definitions and Abbreviations" on page 5. Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Assessment of Business Correspondents, E-Governance Services and other Digital Services in India" prepared and issued by CRISIL, exclusively commissioned and paid for by our Company in connection with the Offer (the "**CRISIL Report**"). For more information, see section titled "Risk Factors – Certain sections of this Draft Red Herring Prospectus contain information from CRISIL Report, which has been commissioned and paid for by our Company and any reliance on such information for making an investment decision in the Issue is subject to inherent risks" on page 59. The CRISIL report is available at http://blseservices.com/industry-report.php.*

Unless otherwise indicated, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Also please see section titled, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 22. Further, we have also included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which may not be derived from our Restated Consolidated Financial Information or otherwise subjected to an examination, audit or review by our Statutory Auditors.

Our fiscal year ends on March 31 of every year, so all references to a particular fiscal year are to the twelve-months period ended March 31 of that year. Some of the information in this chapter, including information with respect to our plans and strategies, contains forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 26 for a discussion of the risks and uncertainties related to those statements and the following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in "Risk Factors", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations", and "Financial Information" on pages 39, 133, 332, and 273, respectively. The actual results of the Company may differ materially from those expressed in or implied by the forward – looking statements.

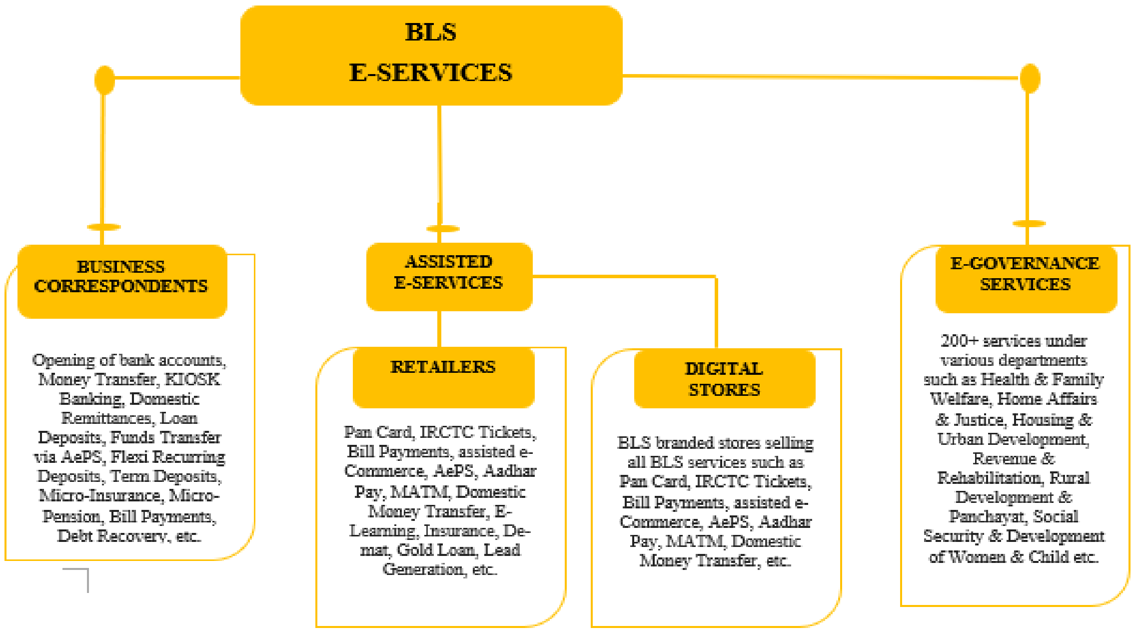
Overview

We are a leading technology enabled digital service provider, providing (i) Business Correspondents services to major banks in India, (ii) Assisted E-services; and (iii) E-Governance Services at grass root levels in India. Through our robust network we provide access points for delivery of essential public utility services, social welfare schemes, healthcare, financial, educational, agricultural and banking services for governments (G2C) and businesses (B2B) alike in addition to a host of B2C services to citizens in urban, semi-urban, rural and remote areas.

Through our tech-enabled integrated business model, we provide digital and physical products and services in the G2C, B2C, B2B categories in semi-urban, rural and remote areas where penetration of internet is low and citizens need assistance in availing basic technology enabled services. We organize our business along three primary business segments, (i) Business Correspondents Services; (ii) Assisted E-services; and (iii) E-Governance Services. A key stakeholder in each of our business segments are merchants, with whom we collaborate for delivery of our products and services to the citizens. As a part of our operations, we act as business correspondents ("**Business Correspondents**") to provide banking products and services on behalf of banks to people while performing a variety of services including opening savings, recurring deposit accounts, cash deposits, withdrawals, remittance, transfer, bill collection services, through our Subsidiaries, namely ZMPL and Starfin. We also provide a variety of assisted e-services through retailers and digital stores also known as BLS Touchpoints, including PoS services, ticketing services, assisted e-commerce services, etc. Further, we facilitate delivery of various e-governance initiatives of the State Governments in India by providing various information communication technology ("**ICT**") enabled citizen centric services ("**E-Governance Services**") through our merchants also known as BLS Touchpoints to the citizens. Our E-Governance Services, enable the provision of citizen-centric and front-end services through BLS Touchpoints ranging from birth and death certificates, PAN and Aadhar registrations, property registrations, and other citizen centric services in a transparent and accountable manner. Our Company has entered into an MOU with the National e-

Governance Division ("**NeGD**") for agent assisted delivery of unified mobile application for new-age Governance ("**UMANG**") services into its digital platform, offering convenient access of E-Governance Services.

Our diversified platform allows us to harness deep synergies and provides cross-selling and upselling opportunities to both consumers and businesses. The below figure depicts the various service offerings of our Company:



Our merchants act as our interface with the consumers and play a critical role in delivery of goods and services on the ground. Presently, our merchants are organised in two categories i.e. BLS Touchpoints and BLS Stores. All merchants registered with us are treated as BLS Touchpoints and they have access to offer multiple services being extended by us. BLS Stores are BLS branded stores which offer our entire suite of offerings to the consumers including availability of select goods on a sample basis supplied by e-commerce players which can be ordered and procured by our consumers after having a touch and feel experience of such goods. As on March 31, 2023, we have 92,427 BLS Touchpoints and 402 BLS Stores.

We utilize a "phygital" strategy (i.e., physical and digital) that integrates technologically over 92,000 merchant distribution outlets (comprising of BLS Touchpoints and BLS Stores) for assisted payment solutions, remittance, travel, education and insurance products, with a one-stop digital online platform for all of our offerings. This results in a business model that is difficult to replicate, and which is intended to provide a smooth customer experience regardless of the product, service or location. Becoming "phygital" gives us the ability to offer localised services to our consumers, where trust, knowledge and 'face to face' guidance by our merchants is readily available to citizens, no matter how remotely they are located.

We also have a history of acquiring complementary businesses and integrating them into our eco-system, we are typically able to achieve growth and improved performance of the newly acquired business within a relatively short timeframe. For instance, we acquired Starfin in the month of August 2018 and ZMPL the month of June 2022, which had 1,384 active CSPs and more than 11,500 active CSPs, respectively at the time of acquisition**.** Further, in October 2022, we acquired BLS Kendras Private Limited, which had 365 Sewa Kendras, in the State of Punjab at the time of acquisition. Sewa Kendras provide E-Governance Services in two out of three zones in the State of Punjab.

Leveraging the large scale, reach, and deep engagement by merchants on our platform, we have been able to add new offerings, as well as expand into e-commerce and insurance broking services. Each of our offerings increases the scope of our business for merchants, thereby, enhancing our value. We promote sustainable livelihoods and economic self-reliance for the women, rural poor and unbanked by linking them to banking, financial and insurance services and promoting financial, social and digital inclusion. Our online portal allows us to serve citizens and businesses throughout their entire digital journeys.

Our Key Financial Performance Indicators

The following table set forth the key financial performance indicators:

(in ₹ lakhs, except percentages and ratios)

Key Financial Performance	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue From operations	24,306.07	9,669.82	6,448.72
Total revenue	24,629.27	9,839.55	6,523.36
EBITDA	3,628.96	862.07	547.29
EBITDA Margin (%)	14.73	8.76	8.39
Profit after tax	2,033.18	537.96	314.82
PAT Margin (%)	8.36	5.56	4.88
Return on Equity (ROE) (%)	33.33	43.48	38.91
Debt To Equity Ratio	0.05	1.01	1.14
Interest Coverage Ratio	8.53	7.62	3.65
Return on Capital Employed (ROCE) (%)	30.62	28.39	29.68
Current Ratio	1.10	0.96	0.67
Net Capital Turnover Ratio (%)	91.32	(17.43)	(5.94)

Notes:

(i) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.

(ii) EBITDA =EBITDA is calculated as Restated profit before exceptional items and tax plus finance cost and depreciation & amortization.

(iii) EBITDA Margin = EBITDA margin (%) is calculated as EBITDA divided by Total revenue.

(iv) 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.

(v) Return on equity (RoE) is equal to profit for the year divided by the average total equity and is expressed as a percentage.

(vi) 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).

(vii) Interest Coverage Ratio measures our ability to make interest payments from available earnings and is calculated by dividing EBIT by finance cost.

(viii) 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.

(ix) 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.

We are a subsidiary of BLS International Services Limited ("**BLS International**"), which has an established track record for providing visa, passport, consular and other citizen services to state and provincial governments across Asia, Africa, Europe, South America, North America & Middle East through its tech enabled platform and is the only listed company engaged in this domain in India. The equity shares of BLS International are listed on the BSE, NSE and MSEI. For further details, please see section "– *Our Strengths - Experienced senior management, skilled employees and strong parentage of our Promoter 'BLS International Services Limited*'".

Our Strengths

1. Asset light business model

Our merchant led models are a capital light business strategy in respect of network expansion. We have developed our own technology platform and continue to invest in it for further improvements, which allows us to service a wide pool of citizens and merchants and cater to their diversified requirements. The premises from which BLS Touchpoints and the BLS Stores operate are owned / leased by our merchants and we provide them with necessary technology and other infrastructure (as applicable) enabling them to extend our services to the end consumers. The success of our reliance on these merchants emanates from a robust mechanism of background checks and minimum qualification criteria, we undertake and their respective position in the local societies which acts as a deterrent for such merchants from delinquencies in our arrangement with them.

In addition, our focus on and use of technology throughout our business assists us in expanding our reach throughout India without incurring the relatively higher costs associated with traditional brick and mortar branch presence. We incur minimal capital expenditure in connection with on-boarding our merchants, because the on-boarding and setting up capital expenditure costs are borne by the merchant themselves, such as any existing physical premises, laptop, mobile phone, internet connectivity, micro ATM and AePS devices and fingerprint and/or IRIS scanners, and our technology significantly simplifies our merchant on-boarding and training process, making it cost effective for the merchant and efficient for both parties. However, due to the ability to offer multiple goods and services from BLS Stores and the financial inabilities of majority of our merchants to make investments for converting a BLS Touchpoint to BLS Store we intend to assist such merchants by making investments to substantially increase our BLS Stores footprint on a pan-India basis from the proceeds of the Offer. For further details, please see section titled "*Objects of the Issue*" on page 101. This approach presents opportunities to improve gross margins and limit variable costs. Further, once a merchant has been onboarded, there is a huge scope for us to offer additional products through the same merchant. Over time, the merchant develops relationships with the consumers and is able to leverage such relationships to cross-sell new or third-party products, which typically increases the revenue per customer at minimal to no cost to us, which in turn improves our operating leverage and ability to achieve profitability.

In addition to our merchant network which, as of March 31, 2023 was 92,427, to reach the underserved and unserved populations in hard to reach locations (referred to the "last mile" of delivery). Our focus on operational execution in connection with our merchants, our drive to offer a broad range of products through each of these distribution channels and the capital invested into our technology infrastructure, has resulted to be one of the effective business models.

2. We enable social and financial inclusion in India

We believe that access to technology and financial services gives power to citizens to improve their lives and impact our communities in positive ways. Semi urban, rural and remote communities are being connected with services and opportunities through digital and financial inclusion. Started in 2006-07, our Material Subsidiary, ZMPL was the first ever business correspondent in the history of Indian banking system. We provide a variety of products and services in India through our BLS Touchpoints and BC network, including PoS services, ticketing services, assisted e-commerce services, etc. Our presence in the local market and community help us to connect with citizens easily giving them better access to social and financial inclusion making it easy to establish trust and ensuring the sustainability of our business model *(Source: CRISIL Report)*. Through our business model, we are able to provide a wide range of products and greater avenues to increase client penetration and stickiness.

The key initiatives launched by the Government to promote financial inclusion are the Pradhan Mantri Jan Dhan Yojana ("**PMJDY"**) and Pradhan Mantri Jeevan Jyoti Bima Yojana (**"PMJJBY"**). Under the PMJDY, the Government's aim is to ensure that every household in India has a bank account which they can access from anywhere and avail of all financial services such as savings and deposit accounts, remittances, credit and insurance affordably. PMJJBY is a one-year life insurance scheme that offers a life cover of Rs. 0.2 million at a premium of Rs. 330 per annum per member, which can be renewed every year. The Government has also launched the Pradhan Mantri Suraksha Bima Yojana (PMSBY), an accident insurance policy that offers an accidental death and full disability cover of Rs. 0.2 million at a premium of Rs. 12 annually. As per the Government, more than 100 million people have registered for these two social security schemes. *(Source: CRISIL Report)*

We have a strong focus on targeting women entrepreneurs, who run small businesses from their homes and are hesitant to leave the confines of their houses to avail banking facilities. Our Business Correspondent services enable financially illiterate and unaware citizens understand the need to shift from informal to formal sources of finance. With our services offerings, we intend to reach out to a wider section of society, as well as underprivileged people with no access to credit or E-Governance Services. We use our understanding of the regions and provide an array of products and services keeping in mind local demands and preferences. Our dedicated B2B2C services portal which supports our merchants to earn money from various assisted e-services that they cross sell to citizens visiting their centres for G2C services. Our newly launched BLS Sewa App provides services such as BLS edutech services, domestic money transfer, pan card application, bus and air ticketing services, railway ticketing services, banking services, AePS enabled cash services, recharges, demat account opening, bill payments etc.

We believe our services offerings has led to social and financial inclusion of marginalized communities and citizens at the grass root level and we intend to continue to expand our services to more such citizens.

3. Multiple cross-selling and up-selling opportunities, network effect and wide reach for customer acquisition

Our ability to bring together the advantages of G2C, B2B and B2C models within a single platform, provide many touch points for the consumer and back-end entities, thereby enhancing the customer footfall by 3,50,000 consumers at our BLS Touchpoints and BLS Stores and to increase scalability. This, coupled with our wide range of products and services that complement each other, results in multiple cross-selling and upselling opportunities, network effects and wide reach for customer acquisition.

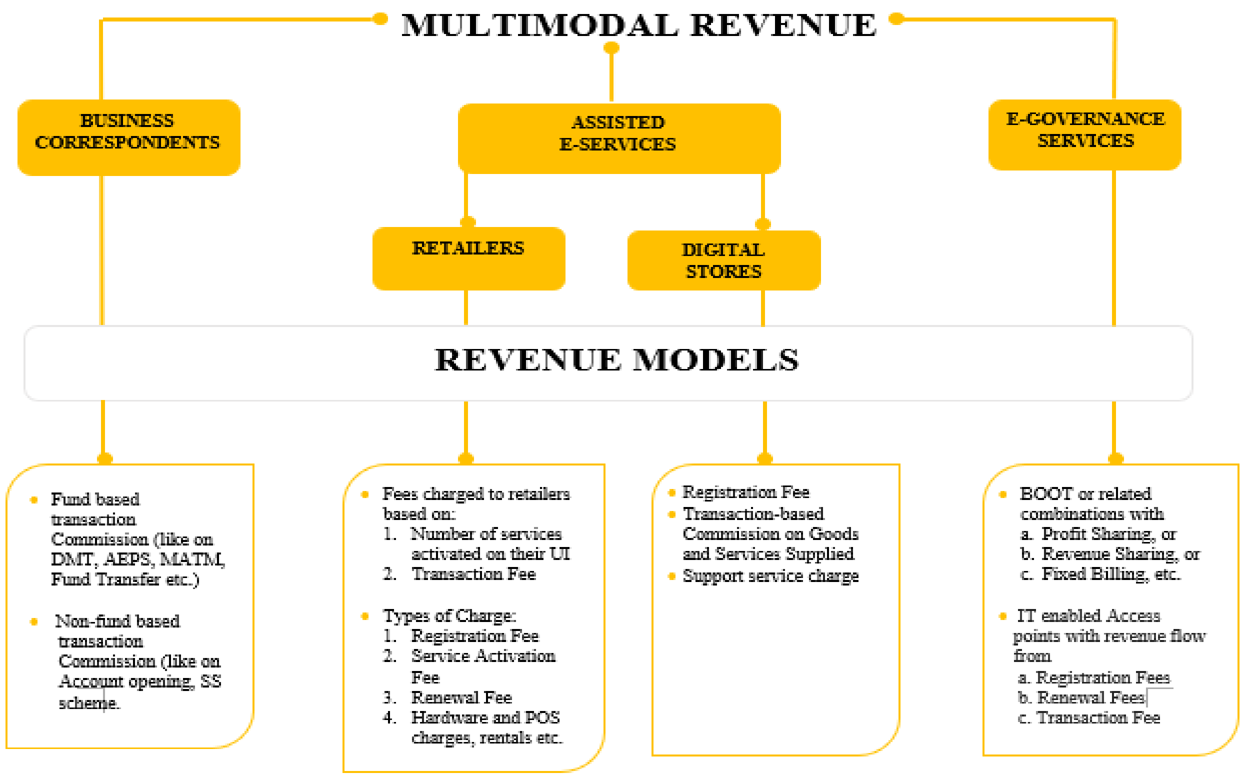
Due to our ability to cross-sell various complementary products and services, in addition to our presence in multiple industries, we typically have low marketing and business promotion expenses and thus, improved opportunities for profitability and unit economics metrics. Accordingly, we have a high operating leverage business model, allowing us to reduce customer onboarding costs over time.

Our newly launched, BLS Sewa app is a one-stop solution for all our products and services such as edutech services, domestic money transfer, pan card application, bus and air ticketing services, railway ticketing services, banking services, AePS enabled cash services, recharges, demat account opening, bill payments etc. We combine our one-stop solution approach with sophisticated data analytics capabilities to anticipate customer behaviour and profiles to generate insights for cross-selling and up-selling these products within our network. We witness significant cross-sell traction on the newly launched BLS Sewa App from consumers visiting the app for buying other products.

4. Business model with diverse sources of revenue and negligible customer acquisition and retention costs

Our revenue from operations in Fiscals 2023, 2022 and 2021 was ₹ 24,306.07 lakhs, ₹ 9,669.82 lakhs and ₹ 6,448.72 lakhs, respectively. This was primarily attributable to an increase in our array of services provided through BLS Touchpoints and BCs. Our profit before tax ("**PBT**") in Fiscals 2023, 2022 and 2021 was ₹ 2,697.94 lakhs, ₹ 677.74 lakhs and ₹ 392.22 lakhs, respectively.

We have diversified streams of revenue. Set forth below is a depiction of our multimodal revenue streams:



We charge our consumers a service fee and transactional commission for implementing our product and services offerings. Further, we charge our merchants a registration fee, renewal fee, new service activation fee, monthly portal usage fee, branding fee, training fee, wallet top up fee, certification fee, negative wallet usage fee etc other than the transaction fee for use of services available on the portal. In addition to the revenue stream from fees, we have also begun to earn merchant commissions and commission on assisted e-services sales. We work with certain State Governments and PSU Banks to offer an array of products and services to our consumers through our merchants and BC network. Under the terms of our contracts, we earn a service fee or commission for each successful transaction.

5. Successful track record of our acquisitions

We have a history of acquiring complementary businesses, that complement our existing capabilities, revenue streams and marketing presence. For instance, (i) we acquired Zero Mass Private Limited in June 2022, a business correspondent of banks for financial inclusion across the country extending basic banking services to underprivileged and unbanked populations by operating micro-banks in semi-urban, rural and remote areas of India, which have traditionally struggled with financial inclusion. It is the largest BC for the one of the largest public sector bank, it has more than 12,138 active BCs as on March 31, 2023; (ii) we acquired Starfin India Private Limited in August 2018, a business correspondent of banks for financial inclusion and (iii) we acquired BLS Kendras Private Limited on October 29, 2022, by entering into an equity swap agreement with our Promoter which had 365 Sewa Kendras, in the State of Punjab at the time of acquisition**.**

During Fiscals 2023, 2022 and 2021, our revenue from operations was ₹ 24,306.07 lakhs, ₹ 9,669.82 lakhs and ₹ 6,448.72 lakhs, respectively, out of which ZMPL has contributed 56.81% in Fiscal 2023, BLS Kendras has contributed 30.74%, 67.29% and 68.13% of our revenue from operations in Fiscal 2023, 2022 and 2021, respectively and Starfin has contributed 6.27%, 22.32% and 27.84% of our revenue from operations in Fiscal 2023, 2022 and 2021, respectively.

6. ***Experienced senior management, skilled employees and strong parentage of our Promoter "BLS International Services Limited"***

Our Promoter, BLS International Services Limited has an established track record for providing visa, passport, consular and other citizen services to state and provincial governments across Asia, Africa, Europe, South America, North America & Middle East through its tech enabled platform and is the only listed company engaged in this domain in India. It is a preferred partner for embassies and governments across the world, having a reputation for setting benchmarks in the domain of visa, passport, consular, e-governance, attestation, biometric, e-visa and retail services. It is recognized as "Best under a Billion Company" by Forbes Asia and is amongst "Fortune India's Next 500 companies". The strong parentage of our Promoter also helps us in attracting talent, exploring potential business opportunities and accessing capital. As on July 31, 2023, the market capitalisation of our Promoter was ₹ 9,960.33 crore.

Our Board comprises of Directors with experience in managing technology-based companies. Our Directors and KMPs have experience in the various industries and have been responsible in augmenting relationships with various stakeholders. We have a professional leadership team, consisting of our Chairman, Managing Director, Chief Financial Officer and other Key Managerial Personnel, each of whom have considerable experience in the field of technology, e-commerce, business correspondent services and e-governance related services. Our Non-Executive Director, Diwakar Aggarwal, promoter of BLS International Services Limited has over 30 years of experience across industry, our Chairman, Mr. Shikhar Aggarwal has over 6 years of experience across industry in providing technology enabled services to governments and citizens and our Executive Director and Chief Financial Officer, Rahul Sharma has over 10 years of experience in the field of finance and accounts. They are supported by experienced senior managers who have extensive industry knowledge and have been associated with us as well as with leading multinational companies.

For further details of our management team, please see section titled "*Our Management*" on page 245.

Our Strategies

1. Strengthening and integrating our technology backbone

The outbreak of the COVID-19 pandemic has played an important role in distorting business models and the world has witnessed a rapid evolution on various areas related to adoption of digitisation and consumer behaviour. This has in-turn triggered a chain reaction across businesses to adopt digital technology has accelerated regardless of size, sector and segment of business. We believe there would be significant ramp-up in the adoption of digital technology as an interface for provision of citizen centric services. There are several government initiatives, such as Passport Seva, DigiLocker, online public distribution system, UPI, and Aarogya Setu, which have earned universal accolades. *(Source: CRISIL Report)*

We have developed expense management tool, field management tool and business tool which has reduced the cost of resources. Further, we aim to develop solid technology and processes for effective execution, utilizing the exciting opportunities by digitalization, last mile penetration and improved service quality. To keep up with the fast digitalization, we intend to integrate our existing technology platforms to a common technology platform comprising of a common service portal and mobile application. Through our common technology platform we intend to link all channels i.e., Business Correspondents, Assisted E-Services and E-Governance Services. We are dedicated to investing in technology to derive the growth of our business. For further details on the technology upgradation, please see section titled "*Objects of the Issue*" on page 101.

Being a technology enables service provider provides us with opportunities to expand and position ourselves as an implementer of innovative technologies across Government and private sectors. We believe that these innovative technologies and proposed service delivery model have the potential to unlock large-scale economic, societal, and governance value in diverse contexts and sectors such as agriculture, health, skill, e-commerce and mobility.

2. ***Grow our merchants and BLS Stores network***

We endeavour to continue growing our merchant network across India, to provide more efficient services to citizen of India, especially to people belonging to semi-urban, rural and remote areas. We intend to upgrade our existing touchpoints which provide a variety of assisted e-services such as PoS services, banking correspondent services, ticketing services, assisted e-commerce services, agricultural products & services, health and beauty, electronics, motor/ e-bikes etc. This would also help our merchant grow their business by availing solutions that allow them to acquire and retain consumers by offering various goods and services from the same location and improve their business operations. Due to the ability to offer multiple goods and services from BLS Stores we intend to increase our BLS Stores network by converting BLS Touchpoints to BLS Stores. For further details please see section titled "*Objects of the Issue*" on page 101.

As of March 31, 2023, we had an operational presence of BLS Touchpoints in over majority districts in India, and during the last three financial years, we on boarded 90,555 new merchants in our network. With a goal to penetrate into the rural market and acquire more consumers, we intend to continue expanding our network to drive deeper penetration and sustainable operations in these regions and communities, focusing on underserved and unserved individuals and micro businesses that have limited or no access to technologies. We expect that growth will come via further expansion of our geographic footprint and deeper penetration in the regions we currently operate in. This is likely to be achieved by ensuring that more merchants are on-boarded, exit of current merchants remain low, continuing to provide merchants with opportunities to cross-sell various products and also ensuring that our payment of commission to our merchants increases per transaction.

We have developed Pan India network of BCs enabling solutions that heralded a new era in India's banking history, especially in semi-urban, rural and remote areas. Over the years, major countries acknowledged the challenges of financial inclusion and have identified programmes for financial inclusion. In an attempt to expand internationally, we are exploring partnerships with national and State Governments for delivery of ICT based citizen centric services. Our Promoter, BLS International has made applications to Government of United Kingdom, Government of South Africa, Government of Australia, Government of Vietnam, Government of Sri Lanka, Government of Singapore, Government of Philippines, Government of Mauritius, Government of Kenya, Government of Brazil; Government of Nepal and Government of Myanmar for setting up citizen services centers by providing government and non-government services to citizens by promoting local entrepreneurship, should any of these materialize, our Company will be implementing the same.

We intend to become the "Go to Market Platform" for various business verticals including fintech and digital platforms. The assisted digital convenience stores through retailers also known as "BLS Stores" or "BLS Touchpoints" or which acts as the "One-stop solution" for availing various products & services. Our consumers would get an easy access to wide array of products and services through our BLS Stores leading to better customer experience and convenience for the customer. Our BLS Stores also provides an opportunity for consumers to touch and feel the product before ordering and procuring. For further details on our expansion of our BLS Stores, please refer to section titled *"Objects of the Issue– Details of Object of the Issue - Funding initiatives for organic growth by setting up of BLS Stores"* on page 107.

3. Pursue strategic investments and acquisitions to enhance product and service capabilities

We have a successful track record of having implemented acquisition strategies to enter complementary businesses or to enter new geographies. We intend to continue making accretive acquisitions in geographies of interest and in complementary business areas, while centralizing all our core functionalities, to facilitate efficiencies and cross selling opportunities.

Given our expertise in handling a range of IT/ ITES projects and our ability to provide diversified services and solutions, we intend to offer our services selectively in jurisdictions outside India. We will look to leverage our expertise of working and developing projects for the Indian government to similar projects in countries where we are currently evaluating projects. We may also consider selective acquisitions and investments that will complement our existing infrastructure and service offerings.

4. Leverage existing market position to grow each business segments, with an aim to improve cross-selling results.

We aim to continue growing each of our business segments and with a particular focus on our cross-selling strategies, which we believe will further entrench our value proposition with our consumers and is consistent with mission to serve our consumers' entire digital journey in a comprehensive manner by merging all our product and service functionalities into a single ecosystem. While we believe that we already have strong market positions in each of our business segments and others, we believe that there is continued scope for expansion given the growing demand for the various products and services we offer and in particular, the growing demand for digital products and services in India alone. We endeavour to continue to increase the engagement and retention of our consumers on our platform by offering them relevant, innovative and integrated products. With an aim to improve cross selling opportunities, our Subsidiary Starfin, has obtained registration from Insurance Regulatory and Development Authority of India as corporate agents. We intend to become the "Go to Market Platform" for various business verticals including fintech and digital platforms. The assisted digital convenience stores (Physical Outlets) are called "BLS Touchpoints" which acts as the "One-stop solution" for availing various products & services and the digital platform is called as BLS Sewa app**.**

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.

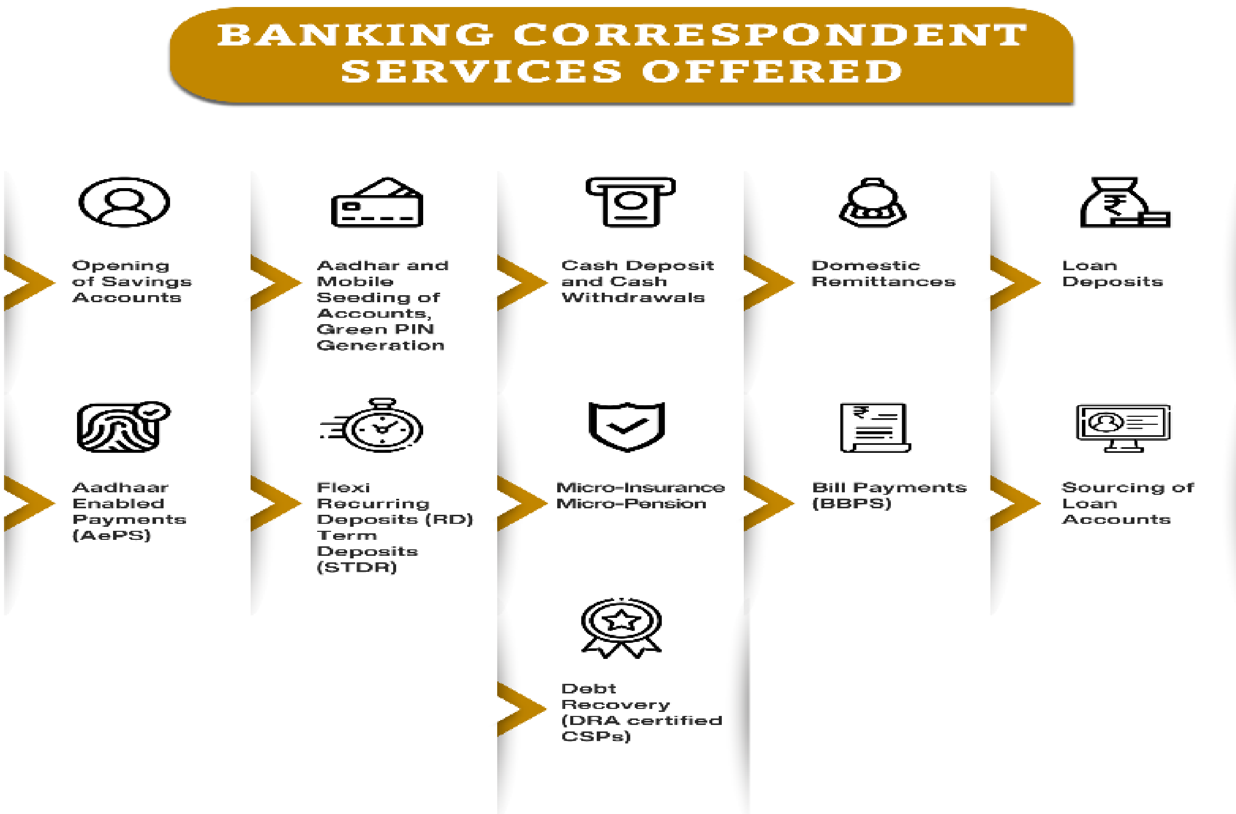
(i) Business Correspondent Services (BCs)

A Business correspondent (BC) is an entity which acts as a teller for the bank and carry out a full range of transactions on behalf of the bank, in return for commissions on the services rendered. It is a model that enables people in remote areas of India to access formal financial institutions. The RBI has also allowed banks to designate business facilitators, which can refer customer proposals or facilitate banking transactions, but are not allowed to carry out actual transactions. Business correspondents is one of the initiatives to increase financial inclusion and provide banking services to financially excluded people in all parts of the country, especially in the rural areas. The BC model can be leveraged to change the lives of people in remotest parts of the country. It is being used effectively for community development and social empowerment. BC model is also used by people in remote areas to withdraw all government payments such as DBT payments, pensions, etc. and the model makes sure that the fund reaches to the right person. Ultimately, through BCs, country's economic growth can be shared by all individuals and reduce inequality that exist by bringing more population within the financial fold.

With the objective of ensuring greater financial inclusion and increasing outreach of the banking sector, the Reserve Bank of India has allowed banks to use the services of intermediaries operating, among others, as common service centers as retail agents who represents banks and are responsible for providing financial and banking services at locations other than bank branch / ATM**.** BCs support banks in providing its limited range of banking services at affordable cost. Thus, they are pivotal in promoting financial inclusion. The BC model helps banks in bringing door-step delivery of services especially 'cash in - cash out' transactions in semi-urban, rural and remote areas, thus resolving the issue of last-mile delivery *(Source: CRISIL Report)*.

The concept of BCs is to address the needs of banks, which need to reach out to a wider section of society, as well as underprivileged people with no access to credit. With no access to credit, underprivileged people often have to invest their personal savings in health and entrepreneurial activities, leaving them highly vulnerable to adverse circumstances. Our Material Subsidiary, Zero Mass Private Limited was the first ever business correspondent in the history of Indian Banking *(Source: CRISIL Report)* where its largest client, State Bank of India holds 6.83% equity stake. Presently, we have joined hands with five nationalised banks and three regional rural banks namely to provide BC services. We have established a robust network of centers to deliver last mile banking services to unserved and underserved rural and remote populations.

The below charts exhibit all the services offered:



We act as BCs to provide banking products and services on behalf of empanelled banks and are authorised to perform and offer a variety of products and services. including opening of basic savings accounts, aadhar seeding of accounts, mobile seeding of accounts, green pin generation, cash deposit and cash withdrawals, facilitating domestic remittances, loan deposits Aadhaar Enabled Payment System “AePS”, flexi recurring deposits, term deposit, micro-insurance, bill payments, sourcing of loan accounts and cash management services (“**CMS**”). and collection of small value deposits, prompt deposits of the bank, receipt and delivery of small value remittances and other payments instruments. Our major focus is enrolling BCs from rural areas along with our other e-Government products, which enhances their viability & sustainability in a shorter period, juxtaposed to our competitors. Our Subsidiaries, ZMPL and Starfin has more than 12,138 and 5,589 active BCs as on March 31, 2023. 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.

As on March 31, 2023. our network serves over 21,00,000 basic savings bank accounts opened through the channel and available for domestic remittances, Aadhar based AEPS transactions and Debit Card transactions. As a BC, we enrol new consumers and follow up on transactions by utilizing the Bank-in-a-Box methodology. We have been engaged as national level BC since 2007**.**

The below table list our key performance indicators with respect to Business Correspondent Services***:***

Particulars	**Fiscals**		
	2023	**2022**	**2021**
No. of small savings bank accounts opened	21,64,365	9,10,626	13,01,844
No. of active merchants	15,247	14,828	15,033
No. of cross selling accounts (micro pension, micro insurance, recurring deposits, term deposits)	23,86,957	28,86,254	36,86,600
No. of customer-initiated transactions	11,76,04,770	11,74,39,285	12,04,51,826
Amount of AEPS transactions (in ₹ lakhs)	20,09,466	15,19,680	12,49,113
Amount of micro-ATM debit card transactions (in ₹ lakhs)	6,67,298	7,10,165	6,72,431
Amount of loan deposits (in ₹ lakhs)	97,827	82,220	50,699
Amount of recurring deposit remittances (in ₹ lakhs)	373	510	514
Amount of home branch cash deposits (cash in) (in ₹ lakhs)**	5,72,141	5,08,558	11,88,657
Amount of cash withdrawals (cash out) (in ₹ lakhs)**	30,40,907	27,10,977	23,80,298
Amount of non-home branch cash deposits (tatkal remittance) (in ₹ lakhs)	16,62,398	14,08,939	4,47,628
Amount of IMPS remittance (in ₹ lakhs)	57,734	1,09,082	93,032
Amount of account-to-account fund transfer (in ₹ lakhs)	2,11,652	2,20,811	2,33,304

***Amount of AEPS Transaction and Micro ATM debit card transactions are also included in cash in & cash out transaction.*

BC: Pan India Presence:

Customer Service Providers

Particulars	**Fiscals**		
	2023	**2022**	**2021**
Transaction volume (in ₹ lakhs)	1,194.34	109.93	97.28
No. of banks (Pan India)	9	6	2
Total State and UT covered	35	-	-
No. of blocks covered	6,510	1,099	734
No. of villages covered	27,604	3,344	1,476
No. of pin codes covered	6,940	1,120	794
Total No of BCs	18,304	5,052	1,915
No of BCs run by women	4,996	2,744	271
No of BCs run by men	13,308	2,308	1,644
No. of services offered	221	121	41
Rural / semi urban codes	15,225	3,840	999
Urban codes	3,079	1,212	916

(ii) Assisted E-services

While certain parts of India rely almost entirely on the e-commerce world for even the smallest of things, from buying shampoo to buying mobile phones, electronics, furniture, and other products not worth rupees, there remains population that is not yet exposed to this part of the internet space. A major reason for such ignorance is a lack of awareness and coping with the usefulness of such services. There are other causes that hinder the use of e-commerce in rural areas, such as the unavailability of good internet connections, smart devices, lack of robust distribution channel etc. This ignorance completely undermines the process of how these online purchases work. In assisted e-commerce set-up, an employee/entrepreneur assists the local population in browsing and ordering an item of their choice, within their budget, online, through open-web websites or designated websites, gets the delivery at their store and delivers it to the consumer against cash or any other form of payment methods. *(Source: CRISIL Report).*

We intend to become the "Go to Market Platform" for various business verticals including fintech and digital platforms. Through our BLS Stores we offer assisted e-commerce services for various business verticals including fintech and digital platforms, where our merchants act on behalf of the consumers in ordering and procuring the desired goods and services through third party digital platforms. Our BLS Stores act as "One-stop solution" for availing various products & services for our consumers, where our consumers are also able to touch and feel the goods and products available in our BLS Stores before ordering and procuring. Additionally, through our recently launched digital platform called BLS Sewa application, we enable our consumers to transact in-store for availing products and services such as to buy mobile recharge top-ups, travel and entertainment tickets, insurance, to make purchases from e-commerce sites, give mock test for competitive exams, get doctors consultation etc. Our consumers would get an easy access to wide array of products and services through our BLS Stores leading to better customer experience and convenience for the customer. For further details on our expansion of our BLS Stores, please refer to section titled *"Objects of the Issue- Details of Object of the Issue - Funding initiatives for organic growth by setting up of BLS Stores"* on page 107. We help our merchant grow their business by giving them solutions that allow them to acquire and retain consumers and to improve their business operations.

(iii) E-Governance Services

The "e" in e-Governance stands for 'electronic'. E-Governance provides a platform to integrate solutions and services between Government to Government (G2G), Government to Citizens (G2C), Business to Business (B2B) and Government to Employees (G2E). E-Governance refers to the use by government agencies of information technologies that possess ability to transform their relations with citizens, businesses, and various arms of government resulting in better delivery of government services to citizens, improved interactions with business and industry, citizen empowerment through access to information, or more efficient government management. *(Source: CRISIL Report)*

In addition, we believe that access to technology and financial services can give power to citizens to improve their lives and impact our communities in positive ways. We provide infrastructure, people, technology, systems and service integration to efficiently deliver government services to the citizens. We provide citizen-centric and front-end services through BLS Touchpoints ranging from birth and death certificates to property registration in a transparent and accountable manner. As our business depends on the trust in us and our platform, we are committed to protecting our consumers' personal data. We maintain strict control over access to personal data and do not permit unauthorized uses. We limit any access based on necessity and maintain records. Our privacy policy details out the manner of usage and processing of personal data for our products and services. We store personal data in accordance with applicable laws and regulations.

We operate, maintain and manage BLS Touchpoints where citizens avail essential services, ensuring delivery of services in a time-bound manner by minimizing public interaction, enhancing efficiency, eliminating middlemen and corruption. We currently operate in 3 states namely Punjab, Uttar Pradesh and West Bengal. As on March 31, 2023, we have over 19,000 touch points to provide services on behalf of the government**.**

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.

In an endeavor to provide differentiated focus and operational efficiency to our E-Governance Services, our Company has entered into a master service agreement with our Promoter i.e. BLS International Services Limited on November 19, 2020 to secure all e-governance contracts awarded and contracts that may be awarded in future to our Promoter through competitive tendering process from the various State Governments. Pursuant to the terms of the master service agreement, our Promoter is committed to a non-compete arrangement with us for not competing with us in any manner during the term of the master service agreement.

We facilitate delivery of various e-governance initiatives of the Central and State Governments in India by providing various ICT enabled citizen centric services (E-Governance Services) which we extend to the citizens across 3 states in India.

Operational Key Performance Indicators:

Particulars	Fiscal		
	2023	2022	2021
Tier wise geographical Coverage in Sq. Km	95,746	74,818	74,818
Total Gram Panchayat Covered	14,958	14,237	13,361
No. of Villages Covered	23,045	21,118	17,219
No. of Pin Codes Covered	1,208	746	716
No. of Blocks Covered	354	303	302
No. of Districts Covered	33	28	28
No. of Tehsil Covered	58	58	58
No. of Sub Tehsil covered	64	64	64
No of Kendras/ G2C self-run centres	368	368	360
No of women employed in Kendras/ G2C self-run centres	554	543	487
No. of Services offered	430	426	379
No. of Contracts with State Governments	3	2	2

Key Projects

Operate, maintain and manage Sewa Kendras in Punjab (Zone I and Zone III)

Punjab State e-Governance Society on behalf of the Government of Punjab intends to operate, manage and maintain Sewa Kendras established in urban and rural areas of the state of Punjab. The Sewa Kendras is currently providing G2C services to facilitate the citizens by charging facilitation charges for delivery of services. It aims to provide different type of services such as G2C, G2B and G2E anytime, anywhere in a hassle free, transparent and time-bound manner. Sewa Kendras offers the facility to integrate with automated back-end and also those departments which are processing the applications manually.

We were appointed as a service operator ("**Service Operator**") after a selection process from among various institutions in the country. Our responsibilities as a Service Operator commenced from July 2018 and includes: (i) operating and maintaining and managing of Sewa Kendras on revenue sharing model in the state of Punjab (Zone I and Zone III); (ii) performance and fulfilment of all other obligations as per the agreement. The said contract shall be for a period of 61.5 months from the appointed date.

The table below represents the presence of BLS Touchpoints in the following districts:

Zone I	Amritsar, Gurdaspur, Hoshiarpur, Jalandhar, Kapurthala, Pathankot and SBS Nagar
Zone III	Barnala, Bathinda, Faridkot, Fazilka, Ferozepur, Mansa, Moga, Sri Muktsar Sahib and Tarn Taran

Establishment and operations of common service centers under CSC 3.0 scheme for select districts in Uttar Pradesh.

District e-Governance Society, Government of Uttar Pradesh intends to provide convenient and speedy government services Information Technology and Communication in rural and urban areas through common service centers. The objective is to deliver citizen centric services of government at the doorstep of common man in a transparent and cost-effective manner. The idea is to link the residents, especially in the rural areas, to a basket of information and services through an IT-enabled service delivery interface.

We were appointed as a district service provider ("**District Service Provider**") after a selection process from among various institutions in the country for the following districts: (i) Ayodhya; (ii) Ballia; (iii) Balrampur; (iv) Bhadohi;

(v) Farrukhabad; (vi) Gorakhpur; (vii) Kanpur Nagar; (viii) Maharajganj; (ix) Mathura; (x) Mirzapur; (xi) Sant Kabir Nagar and (xii) Shamli. Our responsibilities as a District Service Provider commenced from November, 2020 and includes but not limited to operating existing CSCs and open new centers. The said contract shall be for a period of 3 years.

Computerization and e-governance of registration offices in the presidency zone of West Bengal under e-Nathikaran system of registration.

In an attempt to provide improved services to the public, Directorate of Registration and Stamp Revenue, under the administrative control of the Finance Department, Government of West Bengal ("**Directorate**") has proposed computerization and e-governance of registration offices in the presidency zone of West Bengal under e-Nathikaran system of registration through a public private partnership model to provide hassle free services to the citizens through the use of improved technology and infrastructure & provide better turnaround times in the receipt, process and provision of all services pertaining to registration. One of the most fundamental requirements is the availability of software to meet all the complex and varied requirements of the project. In order to address this issue, the new e-Nathikaran has been designed specifically to address the requirements of the registration Directorate of the State and all work processes related to registration have been automated. The software has taken a step in a positive direction to provide registration as a G2C (Government to Citizen) service which shall be a huge impetus for the Directorate.

We were appointed as an operator ("**Operator**") after a selection process from among various institutions in the country. Our responsibilities as an Operator commenced from July 01, 2022 and includes (i) procuring, installing, operating, maintaining the hardware network infrastructure, providing manpower services and managing the services; and (ii) at the end of term of 5 years, transfer all the assets and facilities to the Directorate. The Directorate currently has an approximate transaction volume of 16 lakh deeds per year in the 258 registration offices spanning across the state of West Bengal.

Key Performance Indicators:

	Fiscal 2023		**Fiscal 2022**		**Fiscal 2021**	
	Transaction volume (in lakhs)	**No. of Centers**	**Transaction volume (in lakhs)**	**No. of Centers**	**Transaction volume (in lakhs)**	**No. of Centers**
PSK (Punjab)	94.62	368	85.84	368	53.01	360
UPCSC (Uttar Pradesh)	31.17	19,770	42.48	15,000	12.00	10,000
West Bengal	5.62	81	-	-	-	-

BUSINESS OPERATIONS

Our Network

Distribution Network

We deliver our products and services through a variety of distribution channels depending on the primary business segment, geography and industry norms and trends. We have a "phygital" strategy, combining an extensive physical footprint with a digital platform that provides us with a wide coverage with last mile delivery reach. We are in turn also able to leverage the network across industries to advance our efforts in cross-selling and integration. Our "phygital" strategy comprises merchant networks, digital online capabilities and mobile applications.

Merchant Network

We believe that customer growth is most beneficial to us and is efficiently and sustainably achieved by expanding our merchant network into new regions and also within existing geographies where we operate. We enable each merchant with appropriate technology and knowhow to attract new, and service existing consumers. Merchants are typically small neighbourhood shops and businesses, where the owners are from the local community and therefore, benefit from a pre-existing familiarity with the people who frequent their outlets.

Our merchants act as our interface with the consumers and play a critical role in delivery of goods and services on the ground. Presently, our merchants are organised in two categories i.e. BLS Touchpoints and BLS Stores. All merchants registered with us are treated as BLS Touchpoints and they have access to offer multiple services being extended by us. BLS Stores are BLS branded stores which offer our entire suite of service offerings to the consumers including availability of select goods on a sample basis supplied by e-commerce players which can be ordered and procured by our consumers after having a touch and feel experience of such goods. As on March 31, 2023, we have 92,427 BLS Touchpoints and 402 BLS Stores.

We believe our merchant network best illustrates the interplay of our asset-light business model. The merchant-led distribution model is relatively low cost, compared to product distribution *via* traditional brick and mortar store and / or bank branches, allows us to scale-up quickly and also facilitates deeper penetration in and around locations where we have an existing presence as well as expand to newer regions where we intend to operate. Our merchants are typically neighbourhood shops such as kirana stores, dairy outlets, amongst others, where the owners of such outlets are from the local community and are open for extended periods of the day.

During the Fiscals 2023, 2022 and 2021, we on-boarded 31,395, 40,757 and 18,403 merchants, respectively and for every merchant we on-board, we target a network effect.

Merchant acquisition, on-boarding and retention

We appoint merchant by identifying outlets or distributors or influential parties by our own merchant recruitment workforce spread across pan India, using our relationship in market. In case of distributors, they further appoint retailers using their own relationship in their area of influence.

Our team shares sales pitch – products and services brochures, commercials details, distributor channel agreement, payment deposit details with interested distributors, retailers/merchants by using creative information etc. Our on-boarding process involves a merchant completing an application form that captures key information about them and their business. This form includes our standard terms and conditions (which may be updated from time to time). The information collected from a merchant is also used to meet our KYC requirements.

Merchants operate on an incentive based model and are offered a commission on every transaction which in effect creates an additional source of income. We try to ensure that each merchant receives instant commission on the products they sell or facilitate and that the technology and administration requirements are simple and easy to navigate. Our retention efforts include, making periodic calls to the merchants to understand the issues they may be experiencing. Further, we also provide training and support whenever needed.

Revenue Model

E-Governance Services: We generate revenue from the registration fees, renewal fees, transaction fees and fees from value added services in E-Governance projects.

Business Correspondents: We generate commission income based on the transaction and business volume generated under BC network for various banking and other transactions (cash and non-cash), vis-à-vis opening of saving bank account with Aadhar, opening of RD accounts, cash deposit, cash withdrawal, remittance, mobilisation of proposals under social security schemes like PMSBY, PMJJBY and APY, etc. Further, we also generate revenue from registration fees, replacement code fees, etc.

Assisted E-Services: We generate commission and revenue from registration fees, renewal fees, service subscription fees, service activation fees, commission/trading income on selling various products such as LED TV, laptops, etc., and fintech services like DMT, AEPS, PAN related services, railway ticketing, BBPS etc.

Awards, Accolades and Certifications

We have received various awards and recognitions over the years. Some of our key recent awards and recognition are:

Sr. No.	**Date of Award**	**Name of the Award**

1.	2019	Financial Inclusion excellence award under the category- campaign PMJJBY and PMSBY for period March 2019 to April 2019 awarded to our Subsidiary, ZMPL by SBI
2.	2018	Champions of rural market award for contribution in fostering rural market awarded to our Subsidiary, ZMPL by the Economic times
3.	2020	Best performing BC award for the financial year 2019-2020 awarded to our Subsidiary, ZMPL by PFRDA
4.	2020	Certificate of appreciation award for performance under APY from July 2020 to November 2020 awarded to our Subsidiary, ZMPL by SBI
5.	2020	Winner under "SSS ka Champion" Campaign for September 2020 awarded to our Subsidiary, ZMPL by SBI
6.	2022	Certificate of excellence for outstanding performance in "Increase in passbook printing (average)" during H1 2021-2022, awarded to our Subsidiary, ZMPL by SBI

Technology

We are a technology- driven Company, where our capabilities are underpinned by our in-house experts in providing timely implementation of technology-based solutions using our internal information technology infrastructure. We provide a wide range of services to our merchants spread across the country and our employees through our network.

Our front-end interface which is primarily for inclusion of merchants for providing services such as AEPS, IMPS, cash-in, cash-out, remittances, etc. To provide such services we have back-end technology software such as (i) Java, Python, C#DOT, NET and PHP for the purposes of programming of languages and frameworks for our web portal; (ii) JPA, Hibernate, Apache 2, Apache Tomcat servers for our web designing; (iii) MySql, Mongo DB and Couch DBs for providing databases for data storage; and (iv) cloud technologies for hosting web applications and gateway servers, hosting the database and for document storage server providers. Our end-to end technology stack is hosted on an online cloud infrastructure provided by third-party cloud providers.

We have an in-house application for visit & compliance, complaints & issue tracking, master data manager, expense manager, business performance analysis, working capital management, MIS and automated reporting, purchase order management, agent onboarding & agreement, ledger manager, IoT bases advertisement management, retail order & invoicing system, transaction gateway system, GST invoicing & reconciliation, payment gateway integration & reconciliation. We are continuously innovating features and service offerings, to enhance our value proposition to a seamless experience for both our merchant and employees.

Data Privacy

The Information Technology Act, 2000, and the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("**Data Privacy Rules**") gives directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. These Data Privacy Rules contain minimum standards for electronic transactions and code sets and for the privacy and security of sensitive personal data or information.

As our business depends on the trust in us and our platform, we are committed to protecting our consumers' personal data. Protecting our technology infrastructure, customer and supplier data from cyber threats is extremely important to us.

Our data privacy policy is aimed at (i) our collection of personal data is conducted in accordance with applicable laws and regulations; and (ii) personal data and non- personal information we collect are reasonable for the purposes for which they are collected;

The data privacy policy reflects the Company's commitment to protecting the privacy and security of personal and sensitive information collected through its online portal and services. We maintain strict control over access to personal data and do not permit unauthorized uses. We limit any access based on necessity and maintain records. Our privacy policy details out the manner of usage and processing of personal data for our products and services. We store personal data in accordance with applicable laws and regulations.

Anti-money Laundering and Counter-terrorism Financing Risk Management

To ensure our day-to-day operations comply with applicable anti-money laundering regulations in jurisdictions where we operate, we have put in place on-boarding and risk management practices which are being enhanced to build comprehensive anti-money laundering policies and procedures. The proposed anti-money laundering policies define the roles of the enterprise risk management team, internal audit team and business units and functional departments in managing risks related to anti-money laundering, terrorism financing, financial crimes and sanctions compliance. Based on these policies, specific anti-money laundering procedures are being enhanced, such as "know your customer" procedures, transaction monitoring and also put in place procedures for reporting of suspicious transactions, and record retention. To ensure our employees are kept up-to-date with regulatory updates and our anti-money laundering policies and procedures, we intend to provide regular training to our employees who have anti-money laundering responsibilities.

Investments and Acquisitions Risk Management

We invest in or acquire businesses that are strategically complementary to our business and aligned with our own growth strategies. We have established a dedicated team of professionals for our investments and acquisitions. These teams collaborate on investment projects and perform their respective functions, including deal sourcing, negotiations, due diligence and identification of potential risks, valuation, making investment recommendations and carrying out post investment management. Final investment decisions are subject to approval from our Board and Shareholders as necessary in accordance with our Articles of Association and internal policies.

Intellectual Property

Intellectual property rights are important to our business, and we devote significant time and resources to their development and protection. As of the date of this Draft Red Herring Prospectus, we have made trademark application for our logo. For details, see "*Government and Other Approvals*" on page 369.

Corporate Social Responsibility

We have constituted a CSR committee of our Board of Directors and have adopted and also formulated a CSR policy, pursuant to which we carry out our CSR activities. As part of our CSR initiatives and in terms of our CSR Policy, we engage in eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. Our CSR expenditure aggregated to ₹ 43.00 lakhs, ₹ 3.50 lakhs and ₹ 11.00 lakhs for Fiscal 2023, 2022 and 2021, respectively. For further details, please see section titled "*Restated Consolidated Financial Information*" on page 273.

Employees

Our work force is a critical factor in maintaining quality, and that good relations with our workforce are critical in strengthening our competitive position. As on June 30, 2023, our Company and Subsidiaries, had 3,071 employees (including 2,413 contract employees). We train our employees on a regular basis to increase the level of operational excellence, improve productivity and maintain compliance standards on quality and safety.

The following table sets forth the function wise split of our employees as on June 30, 2023:

Function	Number of employees
Field Operations/Sales	483
Operations and others	63
Finance & Accounts	43
Operations-Back Office	26
Software Development	18
HR & Admin	14
IT & Networking	8
Legal & CS	3
Contractual employees	2,413
Total	**3,071**

As indicated above, we also employ people on contract basis. None of our employees are represented by a labor union or covered by a collective bargaining agreement. We have not experienced any work stoppages.

Insurance

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurances, we maintain insurance policies such as commercial general liability policy, information & network technology errors & omissions claims made & reported insurance policy, public liability insurance, money insurance, group medishield insurance policy. These insurance policies are renewed periodically to ensure that the coverage is adequate.

Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies. For further details, please see section titled "*Risk Factors – Our insurance coverage may not adequately protect us against all losses or the insurance cover may not be available for all the losses as per the insurance policy, which could adversely affect business, financial condition and results of operations.*" on page 58.

Competition

India's digitisation efforts have evolved the digital and financial services landscape at a rapid pace. There are several existing players that are working in delivering these digital services across India. The business of the digital service providers can be classified into three broad categories.

- **Business Correspondent Services:** The companies acting as Business Correspondent offer services such as account opening, cash deposit, cash withdrawal, fund transfer, term and recurring deposits, balance enquiry, AePS, etc.

- **G2C Services:** The services related to Aadhar, pension schemes, PAN card, insurance, passport, and other government schemes are covered under this segment.

- **Other Services:** This segment includes services related to PoS, ticketing, assisted e-commerce, bill payments, skill development, tele medicine, tele agriculture, etc. These services can be further expanded to include retail and digital education businesses to ensure last mile delivery.

(Source: CRISIL Report)

We operate in a competitive environment, and we face competition across all of our product and service segments. We try to remain competitive by seeking to understand the markets in which we operate in better and identify emerging opportunities.

We also compete closely across product and service types with a wide range of entities. For instance, we compete closely with other BC operators in our domestic remittance, micro-ATM and AePS offerings as BC operators are the "last mile" service providers operating on behalf of other banks. In addition, we compete closely with regional rural banks, public sector banks and small finance banks.

For further details on our competition, please see section titled "*Industry Overview*" on page 133.

Our Properties

The details of properties held by our Company and its Subsidiaries are held on leasehold basis are as below:

Particulars	Address
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
Other Offices	8th Floor, A-842, Tower A, Bestech Business Tower, Sector – 66, Mohali, SAS Nagar, Punjab – 160059, India
	Floor no. 910, Indraprakash Building, Barakhamba Road, New Delhi – 110 001, India

KEY REGULATIONS AND POLICIES IN INDIA

Given below is a brief summary of certain sector specific and relevant statutes, rules and/or local legislations in India, which are applicable to our Company and our Subsidiaries. Taxation statutes such as the Income Tax Act, 1961 and other miscellaneous regulations and statutes such as the Trademarks Act, 1999, apply to us as they do to any Indian Company.

The information in this section has been obtained from various statutes, rules and/or local legislations available in the public domain. The description of the applicable statues, rules and/or local legislations as given below has been provided in a manner to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice. The indicative summary is based on the current provisions of applicable law, which are subject to change or modification or amended by subsequent legislative, regulatory, administrative, or judicial decisions.

Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly renew certain licenses and registrations and to seek statutory permissions to conduct our business and operations. For further details, please see section titled "Government and Other Approvals" on page 369.

Key Regulations applicable to our Company and Subsidiaries

Information Technology Act, 2000 (the "IT Act") and the rules made thereunder

The IT Act was enacted with the purpose of providing legal recognition to transactions carried out by various means of electronic data exchange involving alternatives to paper-based methods of communication and storage of information. The IT Act also seeks to facilitate electronic filing of documents and create a mechanism for the authentication of electronic records through digital signatures. The IT Act prescribes punishment for publishing and transmitting obscene material in electronic form. It provides for extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 specifically permit the Government of India to block access of any information generated, transmitted, received, stored or hosted in any computer resource by the public, the reasons for which are required to be recorded by it in writing.

We are subject to civil liability to compensate under the Information Technology Act, 2000, for causing wrongful loss or wrongful gain to any person, while possessing, dealing, or handling any sensitive personal data or information in a computer resource owned, controlled or operated by us due to negligence in implementing and/or maintaining reasonable security practices and procedures.

In April 2011, the Department of Information Technology, Ministry of Electronics and Information Technology, Government of India ("**DoIT**"), in exercise of its power to formulate rules with respect to reasonable security practices and procedures and sensitive personal data, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("**SPDI Rules**") in respect of Section 43A of the IT Act, which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. Under the SPDI Rules, sensitive personal data is defined to include personal information relating to passwords, financial information, medical records, biometric information and so on. The SPDI Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The SPDI Rules further require that all such personal data be used solely for the purposes for which it was collected, and any collection or third-party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

The Digital Personal Data Protection Bill, 2022 ("DPDP Bill")

The Ministry of Electronics and Information Technology released the new DPDP Bill on November 18, 2022. Once passed and codified, the DPDP Bill will replace the existing data protection provision (Section 43A) of the IT Act. The Bill seeks to balance the rights of individuals to protect their personal data with the need to process personal data for lawful and other incidental purposes. All data fiduciaries, determining the purpose and means of processing personal data, are mandated to provide an itemised notice in plain and clear language containing a description of the personal data sought to be collected along with the purpose of processing such data. The DPDP Bill further provides that where consent is the basis of processing personal data, the data principal providing the consent, may withdraw such consent at any time. Data principals will have the right to demand the erasure and correction of data collected by the data fiduciary. Any data processed prior to such withdrawal shall be considered lawful.

The Bill introduces the concept of 'deemed consent' in instances where the data principal provides personal data (i) to the data fiduciary voluntarily, (ii) for performance of function under any law, or service or benefit to the data principal, (iii) incompliance with a judgment or order, (iv) responding to medical emergency involving threat to life or immediate threat to health of the data principal, (v) for provision of medical treatment or health services during an epidemic, outbreak of diseases or any other public threat to public health, (vi) for taking measures to ensure safety during any disaster or any breakdown of public order, (vii) for purposes related to employment including prevention of corporate espionage, maintenance of confidentiality of trade secrets, intellectual property, classified information, recruitment, termination of employee, or (viii) in public interest as defined in the Bill. It further imposes certain obligations on data fiduciaries including (i) implementation of technical and organisational measures to ensure compliance, (ii) adopting reasonable security safeguards to prevent personal data breach, (iii) ensuring that personal data processed is accurate and complete, (iv) informing the Data Protection Board of India (the "**Data Protection Board**") regarding any personal data breach, (v) deleting or removing personal data no longer in use or necessary for legal or business purposes, (vi) publishing the business contact information of the data protection officer, (vii) implementing a grievance redressal mechanism to redress grievances of data principals, and (viii) processing of data under a valid contract. provides for the rights and duties to be complied with the data principals. The Bill provides for exclusive jurisdiction of grievances to the Data Protection Board, with a recourse to alternative dispute resolution mechanisms. Any form of non-compliance shall attract financial penalty as prescribed in Schedule I of the Bill.

Consumer Protection Act, 2019 (the "Consumer Protection Act") and the rules made thereunder

The Consumer Protection Act, which repeals the Consumer Protection Act, 1986, was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, inter alia to promote and protects the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of "consumer" has been expanded under the Consumer Protection Act to include persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. One of the substantial changes introduced by Consumer Protection Act is inclusion of the e-commerce industry under Consumer Protection Act with "e-commerce" defined to refer to the buying and selling of goods or services over digital or electronic network. Therefore, the Consumer Protection Act aims to cover entities that are involved in the process of selling goods or services online. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakhs.

Shops and establishments legislations

Under the provisions of local shops and establishments legislations applicable in the states in India where our establishments are set up and business operations exists, such establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments, including commercial establishments, and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of records, maintenance of shops and establishments and other rights and obligations of the employers and employees. These shops and establishments acts, and the relevant rules framed thereunder, also prescribe penalties in the form of monetary fine or imprisonment for violation of provisions, as well as procedures for appeal in relation to such contravention of the provisions.

The Sale of Goods Act, 1930 (the "*Sale of Goods Act*")

Sale of Goods Act governs contracts relating to sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts i.e., the Indian Contract Act, 1872. A contract for sale of goods has, however, certain peculiar features such as, transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract, conditions and warranties implied under a contract for sale of goods, etc. which are the subject matter of the provision of the Sale of Goods Act.

TAXATION LAWS

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

(i) Central Goods and Service Tax Act, 2017 and various state-wise legislations made thereunder;
(ii) Integrated Goods and Services Tax Act, 2017;
(iii) Income Tax Act, 1961, Income Tax Rules, 1962, as amended by the Finance Act in respective years;
(iv) Customs Act, 1962;
(v) Indian Stamp Act, 1899 and various state-wise legislations made thereunder; and
(vi) State-wise legislations in relation to professional tax.

EMPLOYMENT RELATED LEGISLATIONS

In addition to the aforementioned material legislations which are applicable to our Company, other labour related legislations that may be applicable to the operations of our Company include:

(i) Contract Labour (Regulation and Abolition) Act, 1970;
(ii) Payment of Wages Act, 1936;
(iii) Payment of Bonus Act, 1965;
(iv) Employees' State Insurance Act, 1948;
(v) Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
(vi) Equal Remuneration Act, 1976;
(vii) Payment of Gratuity Act, 1972;
(viii) Minimum Wages Act, 1948;
(ix) Employee's Compensation Act, 1923;
(x) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013
(xi) Apprentices Act, 1961;
(xii) Industrial Disputes Act,1947 and the Industrial Disputes (Central) Rules,1957;
(xiii) Employee's Compensation Act, 1923;
(xiv) The Maternity Benefit Act, 1961;
(xv) The Interstate Migrant Workmen Act, 1979;
(xvi) Industrial Employment (Standing Orders) Act, 1946;

In order to rationalize and reform labour laws in India, the Government of India has framed four labour codes, namely:

1. The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020, and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government. It consolidates and amends laws relating to trade unions,the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes.

2. The Code on Wages, 2019 received the assent of the President of India on August 8, 2019, and proposes to subsume fourexisting laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. It regulates, inter alia, the minimum wages payable

to employees, the manner of payment and calculation of wages and the payment of bonus to employees. The Central Government has notified certain provisions of the Code on Wages, mainly in relation to the constitution of the advisory board. Through its notification dated December 18, 2020, the GoI brought into force sections 42(1), 42(2),42(3), 42(10), 42(11), 67(ii)(s), 67(ii)(t) (to the extent that they relate to the Central Advisory Board) and 69 (to the extent that it relates to sections 7, 9 (to the extent that they relate to the GoI) and 8 of the Minimum Wages Act, 1986) of the Code on Wages, 2019.

3. The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020, and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government. It replaces 13 old central labour laws.

4. The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing social security related legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The provision concerning application of Aadhaar has already been notified by the Central Government. It governs the constitution and functioning of social security organisations such as the Employee's ProvidentFund and the Employee's State Insurance Corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees maysuffer, among others.

Intellectual Property Laws

The Trade Marks Act, 1999 ("Trademarks Act")

The Trademarks Act provides for application and registration of trademarks in India. It also provides for exclusive rights to marks such as device, brand, heading, label, ticket, name, signature, word, letter, numeral, or combination of colors or any combination thereof, and to obtain relief in case of infringement for commercial purposes as a trade description. The Trademarks Act prohibits registration of trademarks on grounds of being, inter alia, deceptively similar to other marks or being devoid of any distinctive character.

The Copyright Act, 1957 ("Copyrights Act")

The Copyrights Act governs copyright protection in India. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyrights Act acts as prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The Copyrights Act prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions.

The Patents Act, 1970 ("Patents Act")

The Patents Act governs the patent regime in India. India is a signatory to the Trade Related Agreement on Intellectual Property Rights and recognizes both product as well as process patents. The Patents Act provides for, inter alia, the following:

- patent protection period of 20 years from the date of filing the patent application;
- recognition of product patents in respect of food, medicine and drugs;
- import of patented products will not be considered as an infringement; and
- under certain circumstances, the burden of proof in case of infringement of process patents may be transferred to the alleged infringer.

HISTORY AND CORPORATE STUCTURE OF THE ISSUER

Brief history of our Company

Our Company was incorporated as *"BLS E-Services Private Limited"*, as a private limited company under the provisions of 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 the resolution passed at the meeting of the Board of Directors held on December 23, 2022, and a special resolution of the Shareholders at the Extra-ordinary General Meeting 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 to our Company.

Changes in the Registered Office of our Company

There has been no change in the registered office of our Company since the date of incorporation.

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are set forth below:

1. *To undertake any activity including but not limited to Information Technology (IT), Administration, Consulting, engineering services outsourced by any business entity including but not limited to firm, company, person, association, industry, public sector undertaking, Banks, Chamber of Commerce, Government, Semi-Government and its departments and authorities, anywhere in India and abroad.*

2. *To carry on the business of providing outsource services with respect to various nature of services including but not limited to Professional Services like legal, accounting, auditing, bookkeeping, taxation, engineering, integrated engineering, urban planning and any other professional nature of services, Research and development services of any nature, rental/leasing services, advertising services, market research and public opining polling services, technical testing and analysis services, placement and supply services of personnel, investigation and security services, management consulting service, scientific and technical consulting services, printing services, publishing services, packaging services, photographic services, convention services, communication services like audiovisual services, sound recording, radio and television services including transmission services. The outsourcing services that may be undertaken shall further include construction and related engineering services, educational services, environmental services, health related and social services, tourism and travel-related services, recreational, cultural and sporting services, transport services including but not limited to maritime transport services, air transport services, road transport services, services auxiliary to all modes of transport.*

3. *To design, develop, sell import and export, distribute market software products for all applications including manufacturing and financial and to render sales support services, to provide training on industrial and corporate software application and to render consultancy and advisory services in industrial automation, data communication, product design, software applications and data processing.*

4. *To provide all kind of services & consultancy in various fields including but not limited to Information Technology (IT), human resources management, marketing research & statistics, engineering, secretarial, financial industrial scientific technical accountancy, quality control data processing, software programming import or export licensing whether in India or abroad.*

5. *To carry on the business of providing outsourcing services for all processes, sub Processes, transactions, activities and all other work performed by business in various industries within India and across the world. This also includes those process or sub processes that are enabled by information technology including but not limited to Visa/Passport processing services, Travel insurance facilitation services, value added services in travel, electronic travel authorizations services, digitization of document services, e-commerce activities. It also*

includes data, voice and video collection and processing, call centre services including in bound and out bound calling services of all kinds, technical support, managed data centre, managed technical centre, training centre, web support back office, business or financial analysis, scientific analysis, research work and analysis, storage, disaster recovery, accounting, pay roll, inventory management, customer relationship management, enterprises resources planning and to develop software, provide consultancy, software solution and services that are normally offered by the outsourcing business and information technology services providers, the software development houses and application services providers.

6. *To carry on the business or profession of dealing in shares, securities, commodities, currencies and their derivatives, stock broker, sub-broker, authorized person, dealer, jobber, market maker, portfolio manager.*

The main objects as contained in our Memorandum of Association enables our Company to carry on the business presently being carried out and proposed to be carried out by it.

Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association since our incorporation.

Date of Shareholders' Resolution	Nature of amendment
May 19, 2023	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of our Company from ₹ 70,00,00,000 (Rupees Seventy Crore) divided into 7,00,00,000 (Seven crore) equity shares of ₹ 10 (Indian Rupees Ten) each to from ₹ 110,00,00,000 (Rupees One Hundred and Ten Crores only) divided into 11,00,00,000 (Eleven Crores) equity Shares of ₹ 10 (Rupees Ten) each.
December 29, 2022	Clause I of the Memorandum of Association was amended to reflect the change in name of our Company from '*BLS E-Services Private Limited'* to '*BLS E-Services Limited'* pursuant to the conversion of our Company from a private limited company to a public limited company.
December 29, 2022	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of our Company from ₹ 20,00,00,000 (Rupees Twenty Crore) divided into 2,00,00,000 (Two Crore) equity Shares of ₹ 10 (Rupees Ten) each to ₹ 70,00,00,000 (Rupees Seventy Crore) divided into 7,00,00,000 (Seven crore) equity shares of ₹ 10 (Rupees Ten) each.
September 20, 2022	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of our Company from ₹ 1,00,000 (Rupees One Lakh) divided into 10,000 (Ten Thousand) equity Shares of ₹ 10 (Rupees Ten) to ₹ 20,00,00,000 (Rupees Twenty Crores) divided into 2,00,00,000 (Two Crore) equity shares of ₹ 10 (Rupees Ten) each.
June 30, 2021	Clause III(A) of the Memorandum of Association reflecting the main objects of our Company was altered by adding new sub clause 6 *To carry on the business or profession of dealing in shares, securities, commodities, currencies and their derivatives, stock broker, sub-broker, authorized person, dealer, jobber, market maker, portfolio manager.*

Major events in our history and milestones

The table below sets forth below the major events and milestonesin the history of our Company:

Calendar Year	Major events and milestones
2016	Incorporation of BLS-E Services Private Limited as a private limited company.
2018	Acquisition of Starfin India Private Limited
2022	Acquisition of Zero Mass Private Limited
2022	Acquisition of shareholding in BLS Kendras Private Limited by way of equity swap
2022	Conversion of our Company from private limited company to public limited company

Awards and Recognition

As on the date of this Draft Red Herring Prospectus, we have received the following awards and recognitions.

Calendar Year	Particulars
Zero Mass Private Limited	
2022	Awarded State Bank of India Monsoon Campaign's Participation Certification for enrolments under the Pradhan Mantri Jivan Jyoti Beema Yojna, Pradhan Mantri Suraksha Bima Yojna, Pradhan Mantri Jan-Dhan Yojana schemes.
2022	Awarded State Bank of India's Certificate of Excellence Awarded for outstanding performance in increase in passbook printing.
2022	Awarded outstanding performance in passbook printing by Uttolan.
2020	Awarded with best performing Business Correspondent by the Pension Fund Regulatory and Development Authority
2020	Certificate of Appreciation awarded by State Bank of India financial inclusion's for performance under the Atal Pension Yojana
2020	Adjudged as SSS Ka Champion Campaign Awarded by the State Bank of India
2019	Awarded SBI Financial Inclusion Excellence in the category of Campaign – Pradhan Mantri Jeevan Jyoti Yojana and Pradhan Mantri and Pradhan Mantri Suraksha Bima Yojana
2018	Awarded with champions of rural markets for contribution in fostering rural markets by the Economic Times.
2017	Excellence Award Awarded by the State Bank of India for Financial Inclusion
2017	Awarded Pensiothon's Best Business Correspondent by the PFRDA and the State Bank of India
Starfin India Private Limited	
2021	Awarded with Excellence Award by the State Bank of India for all round performance in account, Atal Pension Yojana Scheme and highest enrolments in the Pradhan Mantri Jivan Jyoti Beema Yojna and Pradhan Mantri Suraksha Bima Yojna
2017	Ranked 2nd in Financial inclusion excellence award for % reduction in zero balance accounts
2016	Awarded for good performance in APY by State Bank of India Lucknow circle.
2013	Awarded certificate of excellence for the project business correspondent – covering rural unbanked villages.

Accreditations and Certifications

As on the date of this Draft Red Herring Prospectus, our Company has not received any accreditations and certifications.

Holding Company

As on the date of this Draft Red Herring Prospectus, BLS International Services Limited, our Corporate Promoter, is our holding company. For further details, please see section titled "*Our Promoter and Promoter Group*" on page 265.

Subsidiaries of our Company

As on the date of this Draft Red Herring Prospectus, our Company has three subsidiaries namely, Starfin India Private Limited, Zero Mass Private Limited and BLS Kendras Private Limited. For further details, please see section titled "*Our Subsidiaries*" on page 242.

Joint Venture/Associate of our Company

As on the date of this Draft Red Herring Prospectus, our Company does not have any Joint Venture/Associate Company.

Time or Cost Overruns

Our Company has not experienced any instances of time / cost overrun as such.

Lock-out and strikes

As on the date of this Draft Red Herring Prospectus, there have been no lock-outs or strikes at any time in our Company.

Injunctions or restraining order against our Company

There are no injunctions or restraining orders against our Company.

Revaluation of assets

Our Company has not undertaken any revaluation of its assets since incorporation.

Defaults or rescheduling/restructuring of borrowings with financial institutions/banks and conversion of loans into equity

There have been no defaults or rescheduling/restructuring of borrowings with financial institutions / banks in respect of borrowings of our Company.

Details regarding material acquisition or divestment of business/undertakings, mergers, amalgamations and revaluation of assets in the last 10 (ten) years

Except as disclosed below, our Company has not made any material acquisitions or divestments of business or undertakings, mergers, amalgamations or any revaluation of assets in the last 10 (ten) years immediately preceding the date of this Draft Red Herring Prospectus.

Share Purchase Agreement dated August 7, 2018, entered among our Company, Jitender Singh, Ravinder Singh, and Starfin India Private Limited ("Starfin SPA")

As per the Starfin SPA, our Company agreed to acquire in two tranches, 100% of the issued and paid-up share capital of Starfin India Private Limited ("**our Subsidiary**"), a company engaged in the business of providing banking business correspondent services of the State Bank of India, for an aggregate consideration of ₹12,36,40,563.

Pursuant to the above and as part of the first tranche on August 7, 2018, our Company acquired in aggregate 2,59,000 equity shares amounting to 74% (Seventy-Four per cent) of the issued and paid-up share capital of Starfin India Private limited. The total purchase consideration for this tranche was ₹ 9,23,79,000 as cash consideration. The remaining 26% of the issued and paid-up capital was held by Jitender Singh. Subsequently, as part of the second tranche, on April 16, 2019, our Company acquired 91,000 equity shares amounting to 26% of the issued and paid-up share capital of our Subsidiary. The total purchase consideration for the second and final tranche was ₹ 3,12,61,563 as cash consideration.

Share Purchase Agreement dated June 7, 2022, entered among our Company, Anurag Gupta ("ZMPL SPA"), Share Transfer Agreements dated June 7, 2022 entered among our Company, Anil Kumar Tunk, Anil Puri, APS Holding Private Limited, Neelu Gupta, Sarika Bondre, Anupama Khanna, Alok Ranjan Subudhi, Priti Agarwal, Girishbhai Naranbhai Patel, Vikas Chadha, Jyotindra Trivedi, Teena Joseph, Pullak Gupta, Puneet Goyal, Snehal Bhupendra Shah, Deepan Ashok Shah, Mahesh Ramachand Chhabria, Kavita Sony, Nishant Ravindra Parikh, Chaitanya Jaikrishna Deshpande, Anjali Mahesh Chhabria, Reena Chandan Gandhi and Lokanath Panda (collectively the "Sellers") ("ZMPL STAs") and Share Transfer Agreement dated March 14, 2023 entered among our Company, Lokanath Panda and ZMPL .

Zero Mass Private Limited ("**ZMPL**"), one of the Subsidiary of our Company is engaged as Business Correspondent of State Bank of India and has more than 12,138 active outlets, also known as Customer Service Points or CSP.

As per ZMPL SPA, our Company acquired 63.39% of the issued and paid-up share capital of ZMPL from Anurag Gupta ("**Selling Shareholder**") who was a majority shareholder in ZMPL. Pursuant to the agreement, our Company has acquired, free and clear of all encumbrances, together with all rights, benefits and entitlements thereto, 63,939 Equity Shares of ZMPL at a price of ₹ 12,000 per share amounting to ₹ 76,72,68,000. Pursuant to the ZMPL SPA, the parties mutually agreed that an amount of ₹ 5,00,00,000 shall be held back from the consideration paid to Selling Shareholder for recovery against indemnities and shall be payable after completion of 12 months period from closing date.

Further, as per ZMPL STAs, 24.76% of the shareholding were also sold and transferred in return for cash by the Sellers, and our Company acquired, free and clear of all encumbrances, together with all rights, benefits and entitlements thereto, 24,768 Equity Shares of ZMPL held by the Sellers at a price of ₹ 12,000 per share amounting to ₹ 29,72,16,000.

Subsequently, the Company has further acquired 2.23% of the paid-up share capital of ZMPL, through purchase of 2,235 Equity Shares from Lokanath Panda free and clear of all encumbrances, together with all rights, benefits and entitlements thereto, for a consideration aggregating to an amount of ₹ 3,65,44,987 pursuant to a share transfer agreement dated March 14, 2023, executed between Lokanath Panda, the Company and ZMPL.

Equity Share Swap Agreement entered among our Promoter, our Company and BLS Kendras Private Limited ("Swap Agreement")

As per the Swap Agreement dated October 27, 2022, our Company acquired 100% of the issued and paid-up share capital of BLS Kendras Private Limited i.e., 5,00,000 equity shares held by our Promoter. Pursuant to such an equity swap, our Company allotted 7,41,297 Equity shares to our Promoter as part of the consideration.

Launch of key products or services, entry in new geographies or exit from existing markets, capacity/facility creation or location of our manufacturing facilities

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity/facility creation, location of our manufacturing facilities, see "*Our Business*" on page 214.

Strategic and Financial Partnerships

As on the date of this Draft Red Herring Prospectus, our Company does not have any financial or strategic partners.

Shareholders' agreements and share subscription agreements

As on date of this Draft Red Herring Prospectus, our Company does not have any subsisting shareholders' agreements among our shareholders of our Company vis-a-vis our Company.

Details of guarantees given to third parties by promoter offering Equity Shares in the Issue

Considering that this Issue consists of a Issue only, our Promoter is not selling any Equity Shares in the Issue.

Any agreement entered into by Key Managerial Personnel or Director/ Promoter/any other employee of our Company, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company

As on date of this Draft Red Herring Prospectus, no such agreement has been entered into by Key Managerial Personnel or Director/ Promoter/any other employee of our Company.

Other Agreements

Master service agreement dated November 19, 2020 entered into between the Company and the Promoter ("Master Service Agreement" or "MSA")

Our Company and our Promoter, BLS International Services Limited have entered into the Mater Services Agreement ("**MSA**") dated November 19, 2020, to provide greater and differentiated focus and operational efficiency in the E-Governance business, our Promoter has agreed that the E-Governance business be undertaken by our Company and all the E-Governance contracts secured by our Promoter through competitive tendering process from various state governments be performed by our Company, either directly or under an operations and maintenance agreement between the parties. The Master Service Agreement is valid for the term of 5 years from the date of the agreement.

Non-compete agreement dated July 5, 2023 entered into between the Company and the Promoter ("Non-Compete Agreement")

Pursuant to the Non-Compete Agreement, BLS International Services Limited (including its promoters) agreed that they shall not, directly or indirectly, either individually or collectively, or through any person, firm, corporation, or other entity (whether as an officer, director, employee, partner, consultant, holder of equity or debt investment, lender or in any manner or capacity) or in any manner; bid for any project for which our Company, is entitled to bid. Further, our Promoter (including its Promoters) shall not during the term of Non-Compete Agreement, severally or jointly, directly or indirectly; acquire any interest in business or services competing in the Governance Service Business (as defined in the agreement) (i.e. business of providing technology enabled e-governance services and other value added services to the citizens at the grass root levels across in India). Except for the promises and mutual covenants, no separate consideration was paid for the Non-Compete Agreement. The Non-Compete Agreement became effective from July 5, 2023 and continues to be valid for a period of 5 years from the date of the agreement.

OUR SUBSIDIARIES

As on the date of this Draft Red Herring Prospectus, our Company has three Subsidiaries, namely, Starfin India Private Limited, Zero Mass Private Limited and BLS Kendras Private Limited.

Set out below are details of our Subsidiaries:

(a) Starfin India Private Limited ("Starfin")

Corporate Information

Starfin was originally incorporated as a private limited company under the Companies Act, 1956 under the name 'Oriel Marketing & Distribution Private Limited', pursuant to certificate of incorporation dated February 16, 2010, issued by the Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana. Subsequently, its name was changed to 'Starfin India Private Limited' pursuant to a fresh certificate of incorporation dated October 4, 2011, issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. The CIN of Starfin is U63000HR2010PTC040085 and its registered office is situated at Plot no. 865, Udyog Vihar, Phase – V, Gurugram, Haryana – 122016, India.

Nature of Business

Starfin is, among others, engaged in the business of national business correspondence for various national banks, customer services in e-Governance, tie up with insurance companies, facilitation of e-commerce, tie up with courier companies, utility payment services and other citizen centric services.

Capital Structure

The capital structure of Starfin as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	Aggregate nominal value (in ₹)
Authorised share capital	
11,00,000 equity shares of face value ₹ 10 each	1,10,00,000
Issued, subscribed and paid-up share capital	
5,00,000 equity shares of face value ₹ 10 each	50,00,000

Shareholding Pattern

The shareholding pattern of Starfin as on the date of this Draft Red Herring Prospectus is as follows:

S. No.	Name of the shareholder	Number of equity shares held	Percentage of total capital (%)
1.	BLS E- Services Limited	4,99,999	99.99
2.	Dinesh Sharma*	1	Negligible^
Total		**5,00,000**	**100.00**

^ Less than 0.01%
** As nominee of BLS E-Services Limited*

(b) Zero Mass Private Limited ("ZMPL")

Corporate Information

ZMPL was originally incorporated under section 25 of the Companies Act, 1956 under the name 'Zero Microfinance and Savings Support Foundation', pursuant to certificate of incorporation dated March 20, 2007, issued by the Registrar of Companies, Maharashtra at Mumbai. Subsequently, it was converted into a private limited company and its name was changed to 'Zero Microfinance and Savings Support Private Limited', pursuant to order dated August 3, 2015, passed by Regional Director, Western Region, Mumbai and a fresh certificate of incorporation dated January 21, 2016, issued by the Registrar of Companies, Maharashtra at Mumbai. Thereafter, its name was changed to its current name i.e. 'Zero Mass Private Limited' pursuant to a fresh certificate of incorporation dated October 25, 2019, issued by the Registrar of Companies, Maharashtra at Mumbai. The CIN of ZMPL is U74999MH2007PTC168756 and its registered office is situated at 201 (4th Level), Platinum Techno Park Plot No. 17 & 18, Sector-30A, Vashi, Navi Mumbai, Thane - 400703, Maharashtra, India.

Nature of Business

ZMPL is, among others, is engaged in the business of banking business correspondent and operating as the business correspondent network for various banks through active customer service points.

Capital Structure

The capital structure of ZMPL as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	Aggregate nominal value (in ₹)
Authorised share capital	
10,00,000 equity shares of face value ₹ 10 each	1,00,00,000
Issued, subscribed and paid-up share capital	
1,00,000 equity shares of face value ₹ 10 each	10,00,000

Shareholding Pattern

The shareholding pattern of ZMPL as on the date of this Draft Red Herring Prospectus is as follows:

S. No.	Name of the shareholder	Number of equity shares held	Percentage of total capital (%)
1.	BLS E- Services Limited	90,942	90.94
2.	Lokanath Panda	2,233	2.23
3.	State Bank of India	6,825	6.83
Total		**1,00,000**	**100.00**

(c) BLS Kendras Private Limited ("BLS Kendras")

Corporate Information

BLS Kendra was incorporated as a private limited company under the Companies Act, 2013, pursuant to certificate of incorporation dated March 19, 2018, issued by the Jurisdictional Registrar of Companies at Manesar. The CIN of BLS Kendras is U74999DL2018PTC331178 and its registered office is situated at G-4B-1, Extension, Mohan Co-operative Indl. Estate Mathura Road, New Delhi, South Delhi – 110044, Delhi, India.

Nature of Business

BLS Kendras is, among others, is engaged in the business of providing government to citizen services through their Sewa Kendras. The Punjab Sewa Kendra (PSK) a national e-governance project in the State of Punjab provides various citizen services of Government through Sewa Kendras at Village Level Enterprises across the state and expanding pan India presence through other states as well to provide such state various citizen tech enabled services.

Capital Structure

The capital structure of BLS Kendras as on the date of this Draft Red Herring Prospectus is as follows:

Particulars	Aggregate nominal value (in ₹)
Authorised share capital	
5,00,000 equity shares of face value ₹ 10 each	50,00,000
Issued, subscribed and paid-up share capital	
5,00,000 equity shares of face value ₹ 10 each	50,00,000

Shareholding Pattern

The shareholding pattern of BLS Kendras as on the date of this Draft Red Herring Prospectus is as follows:

S. No.	Name of the shareholder	Number of equity shares held	Percentage of total capital (%)
1.	BLS E- Services Limited	4,99,999	99.99
2.	Shikhar Aggarwal*	1	Negligible^
Total		**5,00,000**	**100.00**

^ Less than 0.01%
** As nominee of BLS E-Services Limited*

Accumulated Profits or Losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of any of our Subsidiaries that have not been accounted for by our Company in the Restated Consolidated Financial Information.

Interest in our Company

Except as disclosed in the sections titled "*Our Business*", "*History and Corporate Structure of the Issuer*", and "*Restated Consolidated Financial Information*" on pages 214, 236 and 273, respectively, none of our Subsidiaries have any business interest in our Company.

Common Pursuits

Our Subsidiaries have common pursuits with our Company and each other and are engaged in similar lines of business to that of our Company. However, we do not perceive any conflict of interest with our Subsidiaries as our Subsidiaries are controlled by us. For further details, please see section titled "*Our Business*" on page 214. We shall adopt necessary procedures and practices as permitted by law to address any situations of conflict of interest, if and when they may arise.

Other confirmations

None of our Subsidiaries have their securities listed on any stock exchange in India or abroad. Further, none of our Subsidiaries have been refused listing of their securities by any stock exchange in India or abroad.

OUR MANAGEMENT

In terms of the Companies Act and our Articles of Association, our Company is required to have a minimum of three Directors and maximum of up to fifteen Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of 7 (seven) directors of which 1(one) is an Executive Director, 2 (two) are Non- Executive Directors and 4 (four) are Independent Directors. The Board includes 1(one) woman Independent Director. The composition of the Board of Directors is in compliance of the Companies Act, 2013 and the SEBI Listing Regulations.

Details regarding our Board of Directors as on the date of this Draft Red Herring Prospectus are set forth below:

Sr. No	Name, designation, address, occupation, date of birth, current term, period of directorship and DIN	Age (years)	Other Directorships
(1)	**Rahul Sharma** ***Designation:*** Executive Director ***Address:*** B-68, Sharda Puri, Ramesh Nagar, West Delhi - 110015 ***Occupation:*** Professional ***Date of Birth:*** November 11, 1985 ***Term:*** Liable to retire by rotation ***Period of Directorship:*** For a period of three years with effect from June 26, 2023 ***DIN:*** 06879073	38	*Indian Companies/LLP* • WAG Consulting Group Private Limited • WAG Financial Services LLP *Foreign Companies* Nil
(2)	**Shikhar Aggarwal** ***Designation:*** Chairman and Non-Executive Director ***Address:*** 4, Shankaracharya Marg, Civil Lines, North Delhi, Delhi – 110054, India ***Occupation:*** Business ***Date of Birth:*** February 22, 1991 ***Term:*** Liable to retire by rotation ***Period of Directorship:*** Director since May 16, 2023 ***DIN:*** 06975729	32	*Indian Companies* • BLS International Services Limited; • Goodwork Finvest Private Limited; • Trimurti Finvest Private Limited; and • Fast Track Visa Services Private Limited *Foreign Companies* Nil
(3)	**Diwakar Aggarwal** ***Designation:*** Non- Executive Director ***Address:*** 4, Shankaracharya Marg, Civil Lines, North Delhi, Delhi – 110054, India ***Occupation:*** Business	60	*Indian Companies* • BLS International Services Limited; • Wonder Rock Finance and Investment Private Limited; • Goodwork Finvest Private Limited; • Trimurti Finvest Private Limited;

Sr. No	Name, designation, address, occupation, date of birth, current term, period of directorship and DIN	Age (years)	Other Directorships
	Date of Birth: February 25, 1963 ***Term:*** Liable to retire by rotation ***Period of Directorship:*** Director since May 16, 2023 ***DIN:*** 00144645		• Alpha Plus Credit and Securities Private Limited; • B.L. & Sons Limited; • Sunil Finvest Private Limited; • GRA Finvest Private Limited; and • Fast Track Visa Services Private Limited *Foreign Companies* • BLS International FZE; • BLS International Services Singapore PTE LTD; and • BLS International Services (UAE)
(4)	**Shivani Mishra** ***Designation:*** Independent Director ***Address:*** House no 8, Panchwati Colony, Opposite Pawan Cinema, Ghaziabad-201001, Uttar Pradesh, India ***Occupation:*** Service ***Date of Birth:*** November 22, 1989 ***Term:*** Re-appointed for a period of five years with effect from November 21, 2021 to November 20, 2026 ***Period of Directorship:*** Since November 21, 2016 ***DIN:*** 07221507	32	*Indian Companies* • BLS International Services Limited; • Zero Mass Private Limited; • BLS IT Services Private Limited; • BLS Kendras Private Limited; • Starfin India Private Limited; and • BLS E-Solutions Private Limited *Foreign Companies* • BLS International FZE; and • BLS International Services Canada Inc.
(5)	**Ram Prakash Bajpai** ***Designation:*** Independent Director ***Address:*** House Number - B-10/ 7488, Vasant Kunj, South West Delhi, Delhi 110070, India ***Occupation:*** Business ***Date of Birth:*** September 21, 1944 ***Term:*** For a term of five years commencing from December 21, 2022, not liable to retire by rotation **Period of Directorship:** Since December 21, 2022	79*	*Indian Companies* • Zero Mass Private Limited *Foreign Companies* Nil

Sr. No	Name, designation, address, occupation, date of birth, current term, period of directorship and DIN	Age (years)	Other Directorships
	DIN: 07198693		
(6)	**Rakesh Mohan Garg** ***Designation:*** Independent Director ***Address:*** H- 38, 3rd Floor, Green Park Extension, Green Park Market, South Delhi, Delhi – 110016, India ***Occupation:*** Professional Consultancy ***Date of Birth:*** December 11, 1958 ***Term:*** For a period of five years commencing from May 16, 2023, not liable to retire by rotation ***Period of Directorship:*** Director since May 16, 2023 ***DIN:*** 08970794	64	*Indian Companies* • JTL Industries Limited *Foreign Companies* Nil
(7)	**Manoj Joshi** ***Designation:*** Independent Director ***Address:*** D-36, 2nd Floor, Hauz Khas Market, Hauz Khas, South Delhi, Delhi- 110016, India ***Occupation:*** Management Consultant ***Date of Birth:*** May 14, 1957 ***Term:*** For a period of five years commencing from May 16, 2023, not liable to retire by rotation ***Period of Directorship:*** Director since May 16, 2023 ***DIN:*** 00036546	66	*Indian Companies* • Morepen Laboratories Limited *Foreign Companies* Nil

Brief profiles of our Directors

Rahul Sharma, aged 38 years, is an Executive Director and Chief Financial Officer (CFO) of our Company. He was appointed as the Chief Financial Officer of the Company since December 21, 2022. He holds a bachelors' of commerce (hons) degree from the University of Delhi. He is also a fellow member of the Institute of Chartered Accountants of India. He has been associated with BLS group since the year 2012 and has over 10 years of experience in the field of finance and accounts.

Shikhar Aggarwal, aged 32 years, is a Chairman and Non-Executive Director of the Company. He has been a Director of our Company since May 16, 2023. He holds a bachelors' degree in arts from the University of Delhi. He has over 6 years of experience in providing technology enabled services to governments and citizens with his association with BLS group of companies since 2016 and is presently, the joint managing director of BLS International Services Limited. He was also listed in the "Times 40under40" list for the year 2021.

Diwakar Aggarwal, aged 60 years, is a Non-Executive Director. He has been a Director of our Company since May 16, 2023. He holds a bachelors' degree in commerce (honours) from the University of Delhi. He has over 30 years of experience in providing technology enabled services to governments and citizens with his association with BLS group of companies since 1991 and is presently, the chairman of BLS International Services Limited.

Shivani Mishra, aged 32 years, is an Independent Director of the Company. She has been a Director of our Company since November 21, 2016. She holds a bachelors' degree in commerce from Chaudhary Charan Singh University, Meerut. She also holds a masters' degree in business administration from Punjab Technical University, Jalandhar. She has been associated with our Company since November 21, 2016. Presently, she is also associated with Bright Avenue School as a senior manager accounts and has more than nine years of experience in the field of finance and accounts.

Ram Prakash Bajpai, aged 79 years, is an Independent Director of the Company. He has been a Director of our Company since December 21, 2022. He holds a bachelors' degree in science from Agra University. He was awarded doctorate in physics from the Indian Institute Technology, Delhi and a doctorate in science from Hokkaido University, Japan. He has been associated with the Central Scientific Instruments Organisation, under the Department of Scientific & Industrial Research, Ministry of Science & Technology, the Government of India. Previously, he was a vice-chancellor of (i) Kurukshetra University, Kurukshetra, Haryana; (ii) Guru Jambheshwar University, Hissar, Haryana; and (iii) Deenbandhu Chhotu Ram University of Science and Technology, Murthal, Haryana. Also, in the past he has been a vice chancellor and also a chancellor of Vel Tech Dr. RR & Dr. SR Technical University, Chennai, Tamil Nadu.

Rakesh Mohan Garg, aged 64 years is an Independent Director. He has been a Director of our Company since May 16, 2023. He holds a bachelors' degree in arts (honours) in mathematics from Guru Nanak Dev University and masters' of business administration degree from Panjab University. He is retired as the Indian Revenue Services officer of the 1983 batch. He was also the principal chief commissioner of the Income Tax Department, Delhi region. While serving in the Government of India, he has also attended several mid-career training programs at institutes such as the Indian Institute of Management, Ahmedabad, the Indian Institute of Management, Bengaluru, the Syracuse University and the Harvard Business School on various aspects of management. Previously, he was also associated as an independent director with Dhani Services Limited (formerly Indiabulls Ventures Limited).

Manoj Joshi, aged 66 years, is an Independent Director of the Company. He has been a Director of our Company since May 16, 2023. He holds a bachelors' degree in commerce and a masters' degree in commerce from the University of Rajasthan. He has over three decades of experience in the area of board management. He is presently associated with Morepen Laboratories Limited as an independent director.

Relationship between our Directors and Key Managerial Personnel or Senior Management Personnel

Except as disclosed below, none of the Directors are related to each other, or to any of the Key Managerial Personnel or Senior Management Personnel:

S. No.	Name of the Director	Related To	Nature of Relationship
1.	Diwakar Aggarwal	Shikhar Aggarwal	Father
2.	Shikhar Aggarwal	Diwakar Aggarwal	Son

Terms of appointment of our Executive Director

Our Board of Directors at their meeting held on June 26, 2023 approved the appointment of Rahul Sharma as the Executive Director with effect from the same date. Our Shareholders approved such appointment at their EGM held on June 28, 2023.

The table below covers the remuneration which Rahul Sharma is entitled to:

Particulars	Remuneration (₹ in lakhs)
Fixed Salary	₹ 1,50,000 per month
Perquisites	Stock Options granted to him under the employee stock options scheme BLS International Employee Stock Option Scheme' 2020 of the Promoter

Payment or benefit to Directors of our Company

Details of the sitting fees or other remuneration paid to our Directors in Financial Year 2023 are set forth below:

a) *Remuneration to our Executive Director*

Details of the remuneration paid to our Executive Director in Financial Year 2023 is set forth below:

(₹ in lakhs)

S. No.	Name of the Director	Remuneration for Fiscal 2023
1.	Rahul Sharma*	4.46

** Rahul Sharma was appointed on our Board as an Executive Director on June 26, 2023. In Fiscal 2023, he received remuneration as Chief Financial Officer of our Company.*

b) *Remuneration to our Non-Executive Directors and Independent Directors*

Pursuant to the resolution passed by our Board of Directors on March 14, 2023, our Non-Executive Directors and Independent Directors are entitled to receive a (i) sitting fees of ₹ 10,000 for attending each meeting of our Board, and (ii) sitting fees of ₹ 5,000 for attending each meeting of the statutory committees of the Board of Directors with effect from April 01, 2023.

Details of remuneration paid to our Non-Executive Directors and Independent Directors in Fiscal 2023 are as follows:

(₹ in lakhs)

S. No.	Name of the Director	Sitting Fees for Fiscal 2023
1.	Shivani Mishra	Nil
2.	Ram Prakash Bajpai*	Nil
3.	Diwakar Aggarwal**	Nil
4.	Shikhar Aggarwal**	Nil
5.	Manoj Joshi**	Nil
6.	Rakesh Mohan Garg**	Nil
7.	Dinesh Sharma****	Nil
8.	Sanjeev Kumar****	Nil

** Appointed on our Board with effect from December 21, 2022.*
*** Appointed on our Board with effect from May 16, 2023.*
*****Ceased to be a director with effect from June 15, 2023.*

Remuneration paid or payable to our Directors by our Subsidiaries

Except as disclosed below, none of our Directors have received or were entitled to receive any remuneration, sitting fees or commission including contingent or deferred compensation from any of our Subsidiaries for Fiscal 2023:

(₹ in lakhs)

S.No.	Name of the Director	Remuneration for Fiscal 2023
1.	Shivani Mishra	Nil
2.	Ram Prakash Bajpai	Nil
3.	Shikhar Aggarwal	Nil
4.	Rahul Sharma*	12.09^

**Appointed as Chief Financial Officer with effect from December 21, 2022. Further, he was appointed on our Board with effect from June 26, 2023.*
^Rahul Sharma has received consultancy fees from BLS Kendras amounting to ₹ 9.84 lakhs

Bonus or profit-sharing plan of the Directors

Our Company does not have any performance linked bonus or a profit-sharing plan for our Directors.

Contingent and deferred compensation payable to our Directors

There is no contingent or deferred compensation payable to our Directors for Fiscal 2023, which does not form part of their remuneration.

Arrangement or understanding with major shareholders, customers, suppliers or others

None of our Directors have any arrangement or understanding with our major shareholders, customers, suppliers or others pursuant to which any of our Directors were appointed or selected on our Board.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares.

Other than as disclosed under the section titled *"Capital Structure – Shareholding of our Directors, Key Managerial Personnel and Senior Management Personnel in our Company"* on page 98, none of our Directors hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

Service contracts with Directors

As on the date of this Draft Red Herring Prospectus, the Company has not entered into any service contracts with any of its Directors, which provide for benefits upon termination of employment.

Interests of Directors

All our Non-Executive Directors and Independent Directors may be deemed to be interested to the extent of sitting fees and commission, if any, payable to them for attending meetings of our Board of Directors and committees thereof. Our Executive Director may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them.

None of our Directors may be deemed to be interested in the contracts, transactions, agreements or arrangements entered into or to be entered into by our Company with any company in which they hold directorships or partnership firm in which they are partners as declared in their respective capacity.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/ her to become, or to qualify him/ her as a Director, or otherwise for services rendered by him/ her or by such firm or company, in connection with the promotion or formation of our Company.

(i) Interest in the promotion or formation of our Company

Except as disclosed below, none of our Directors have any interest in the promotion or formation of our Company.

Diwakar Aggarwal is a subscriber to the MoA, and to that extent is interested in the formation of our Company. However, none of our Directors have any interest in the promotion of our Company. Our Directors may also be regarded as interested in the Equity Shares held by them or by their relatives, if any, or held by the entities in which they are associated as partners, promoter, directors, proprietors, members or trustees, or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoter, pursuant to this Issue. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any, held by them.

(ii) Interest in Property

None of our Directors have any interest in any property acquired or proposed to be acquired by our Company, or transaction for acquisition of land, construction of building and supply of machinery.

(iii) Loans to Directors

No loans have been availed by our Directors from our Company.

(iv) Business Interest

Except as disclosed in "*Restated Consolidated Financial Information - Note 40 – Related Party Disclosures*" on page 300, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in the business of our Company.

(v) Payment of benefits (non-salary related)

Other than as disclosed in "*Restated Consolidated Financial Information - Note 40 – Related Party Disclosures*" on page 300, no amount or benefit has been paid or given with the two years preceding the filing of this Draft Red Herring Prospectus or is intended to be paid to pay or give to any of our Directors except the normal remuneration for services rendered as Directors.

Changes in our Board in the last three years

S.No.	Name	Date of Appointment/ Change/ Cessation	Reason
1.	Shivani Mishra	November 21, 2021	Re-appointed as an Independent Director
2.	Ram Prakash Bajpai	December 21, 2022	Appointed as an Independent Director*
3.	Shikhar Aggarwal	May 16, 2023	Appointed as a Chairman and Non-Executive Director*
4.	Rakesh Mohan Garg	May 16, 2023	Appointed as an Independent Director*
5.	Diwakar Aggarwal	May 16, 2023	Appointed as a Non- Executive Director *
6.	Rakesh Mohan Garg	May 16, 2023	Appointed as an Independent Director*
7.	Manoj Joshi	May 16, 2023	Appointed as an Independent Director*
8.	Rahul Sharma	June 26, 2023	Appointed as an Executive Director **
9.	Dinesh Sharma	June 15, 2023	Resigned as a Non-executive Director
10.	Sanjeev Kumar	June 15, 2023	Resigned as a Non-executive Director

**Appointment regularized pursuant to resolution dated May 19, 2023.*
***Appointment regularized pursuant to resolution dated June 28, 2023.*

Borrowing Powers of our Board

Pursuant to our Articles of Association, a resolution of our Board of Directors dated February 11, 2022 and a resolution passed by our Shareholders on April 18, 2022, our Board may borrow any sum or sums of money from time to time at its discretion, for the purpose of the business of the Company, from any one or more banks, financial institutions and other persons, firms, bodies corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), subject to such aggregate borrowings not exceeding the amount which is ₹ 50,000.00 lakhs over and above the aggregate of the paid -up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose).

Confirmations

None of our Directors is or was a director of any listed company during the five years immediately preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on any stock exchange during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

None of our Directors have been identified as wilful defaulters or fraudulent borrowers, as defined under the SEBI ICDR Regulations.

Except as disclosed below, none of our Directors is or was a director of any company whose name was or has been struck off from the registrar of companies under Section 248 of the Companies Act, 2013.

S. No.	Name of the Director	Name of the Company
1.	Diwakar Aggarwal	BLS Travel and Logistics Private Limited
		XN Business Solutions Private Limited

Corporate Governance

As on the date of this Draft Red Herring Prospectus, our Board comprises of 7 (seven) directors of which 1(one) is an Executive Director, 2 (two) are Non- Executive Directors and 4 (four) are Independent Directors. The Board of Directors includes 1(one) woman Independent Director. The composition of the Board of Directors is in compliance of the Companies Act, 2013 and the SEBI Listing Regulations. The provisions of the Companies Act, 2013 along with the SEBI Listing Regulations with respect to corporate governance will be applicable to our Company immediately upon the listing of our Equity Shares with the Stock Exchanges. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of the constitution of the Board of Directors and committees thereof, and formulation and adoption of policies, as applicable. Our Company undertakes to take all necessary steps to continue to comply with all applicable requirements of the SEBI Listing Regulations and the Companies Act, 2013.

Committees of our Board

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board committees:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship Committee;
4. Corporate Social Responsibility Committee; and
5. Risk Management Committee

For the purposes of the Issue, our Board has also constituted an IPO Committee.

(1) Audit Committee

The Audit Committee was constituted by way of resolution passed by our Board of Directors on December 21, 2022. It was again re-constituted on June 26, 2023. The composition and terms of reference are in compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations.
The members of the Audit Committee are:

1. Ram Prakash Bajpai, Independent Director (Chairperson);
2. Rakesh Mohan Garg, Independent Director (Member);
3. Shivani Mishra, Independent Director (Member); and
4. Rahul Sharma, Executive Director (Member)

The Company Secretary and Compliance Officer of our Company shall act as secretary to the Audit Committee.

The terms of reference of the Audit Committee are as follows:

Powers of the Audit Committee

The powers of the Audit Committee shall include the following:

a. to investigate any activity within its terms of reference;

b. to seek information from any employee;

c. to obtain outside legal or other professional advice;

d. to call for comments of auditors or internal control systems, scope of audit, observations of Auditors and review of financial statements before recommending the same to the Board for its approval;

e. to discuss any financial issues with internal and statutory auditors and management for the purpose of preparing and issuing an audit report or related work;

f. to secure attendance of outsiders with relevant expertise, if it considers necessary; and

g. such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

Role of the Audit Committee

The role of the Audit Committee shall include the following:

a. oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;

b. recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;

c. approval of payment to statutory auditors for any other services rendered by the statutory auditors;

d. formulation of a policy on related party transactions, which shall include materiality of related party transactions;

e. reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

f. examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    1. Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
    2. Changes, if any, in accounting policies and practices and reasons for the same;
    3. Major accounting entries involving estimates based on the exercise of judgment by management;
    4. Significant adjustments made in the financial statements arising out of audit findings;
    5. Compliance with listing and other legal requirements relating to financial statements;
    6. Disclosure of any related party transactions; and
    7. Modified opinion(s) in the draft audit report.

g. reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

h. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Issue document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

i. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

j. approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

k. scrutiny of inter-corporate loans and investments;

l. valuation of undertakings or assets of the Company, wherever it is necessary;

m. evaluation of internal financial controls and risk management systems;

n. reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

o. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

p. discussion with internal auditors of any significant findings and follow up there on;

q. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

r. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

s. recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

t. looking into the reasons for substantial defaults in the payment to depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors;

u. reviewing the functioning of the whistle blower mechanism;

v. monitoring the end use of funds raised through public offers and related matters;

w. overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

x. approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

y. reviewing the utilization of loans and/or advances from / investment by the holding company in the subsidiary exceeding ₹ 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing;

z. carrying out any other functions required to be carried out as per the terms of reference of the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;

aa. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its members;

bb. to review compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and shall verify that the systems for internal control under the said regulations are adequate and are operating effectively;

cc. Such roles as may be prescribed under the Companies Act, SEBI Listing Regulations and other applicable provisions and/ or delegated by the Board of the Company.

dd. Approve all related party transactions and subsequent material modifications

ee. Further, the Audit Committee shall mandatorily review the following information:

(a) Management discussion and analysis of financial condition and results of operations;

(b) Management letters / letters of internal control weaknesses issued by the statutory auditors;

(c) Internal audit reports relating to internal control weaknesses;

(d) The appointment, removal and terms of remuneration of the chief internal auditor;

(e) Statement of deviations in terms of the SEBI Listing Regulations;

(f) Review the financial statements, in particular, the investments made by any unlisted subsidiary.

(2) Nomination and Remuneration Committee

The Nomination and Remuneration committee was constituted by way of resolution passed by our Board of Directors on December 21, 2022. It was again re-constituted on May 16, 2023.

The members of the Nomination and Remuneration Committee are:

1. Ram Prakash Bajpai, Independent Director (Chairperson);
2. Shivani Mishra, Independent Director (Member); and
3. Manoj Joshi, Independent Director (Member)

The Company Secretary and Compliance Officer of our Company shall act as secretary to the Nomination and Remuneration Committee. The composition, scope and function and terms of reference of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013, read with Regulation 19 of the SEBI Listing Regulations. Its terms of reference are as follows:

a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the "**Board**" or "**Board of Directors**") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**").

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:
(1) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
(2) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
(3) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short-term and long-term performance objectives appropriate to the working of the Company and its goals.

b. Formulation of criteria for evaluation of performance of independent directors and the Board;

c. Devising a policy on Board diversity;

d. Identifying persons who are qualified to become directors and who may be appointed as senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out effective evaluation of performance of Board, its committees and individual directors (including independent directors) to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;

e. Analysing, monitoring and reviewing various human resource and compensation matters;

f. Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

g. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

h. Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;

i. Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

j. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, if applicable;

k. Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time;

l. Administering monitoring and formulating detailed terms and conditions the employee stock option scheme/ plan approved by the Board and the members of the Company in accordance with the terms of such scheme/ plan ("ESOP Scheme"), if any;

m. Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/ or rescinding rules and regulations relating to the administration of the ESOP Scheme;

n. Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

o. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
   (1) use the services of an external agencies, if required;
   (2) consider candidates from a wide range of backgrounds, having due regard to diversity; and
   (3) consider the time commitments of the candidates.

p. Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

(3) Stakeholders' Relationship Committee

The Stakeholders' Relationship committee was constituted by way of resolution passed by our Board of Directors on May 16, 2023. The composition and terms of reference of the Stakeholders' Relationship Committee are in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations.

The members of the Stakeholders Relationship Committee are:

1. Rakesh Mohan Garg, Independent Director (Chairperson);
2. Shikhar Aggarwal, Non-Executive Director (Member); and
3. Shivani Mishra, Independent Director (Member)

The terms of reference of the Stakeholders' Relationship Committee are as follows:

a. Considering and specifically looking into various aspects of interest of shareholders, debenture holders and other security holders;

b. Resolving the grievances of the security holders of the listed entity including complaints related to transfer / transmission of shares or debentures, including non-receipt of share or debenture certificates and review of cases for refusal of transfer / transmission of shares and debentures, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;

c. Review of measures taken for effective exercise of voting rights by members;

d. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

e. Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

f. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;

g. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the members of the company; and

h. Carrying out such other functions as may be specified by the Board from time to time or specified / provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

(4) Risk Management Committee

The Risk Management Committee was constituted by way of resolution passed by our Board of Directors on May 16, 2023. It was again re-constituted on June 26, 2023. The Risk Management Committee is in compliance with Regulation 21 of the SEBI Listing Regulations. The members of the Risk Management Committee are:

1. Rakesh Mohan Garg, Independent Director (Chairperson);
2. Shikhar Aggarwal, Non-Executive Director (Member);
3. Manoj Joshi, Independent Director (Member); and
4. Rahul Sharma, Executive Director (Member)

The Risk Management Committee shall be responsible for the following:

a. To review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof;

b. To implement and monitor policies and/or processes for ensuring cyber security;

c. To frame, devise and monitor detailed risk management plan and policy of the Company which shall include:

(1) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly ESG related risks), information, cyber security risks, or any other risk as may be determined by the Committee.
(2) Measures for risk mitigation including systems and processes for internal control of identified risks.
(3) Business Continuity Plan.

d. To review and recommend potential risk involved in any new business plans and processes;

e. To review the Company's risk-reward performance to align with the Company's overall policy objectives;

f. Monitor and review regular updates on business continuity;

g. To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

h. Advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy; and

i. Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.

j. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the company;

k. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

l. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

m. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

n. To review the appointment, removal, and terms of remuneration of the Chief Risk Officer (if any).

o. Coordination of activities with other committee, in instances where there is any overlap with the activities of such committees as per the framework laid down by the Board of Directors.]

p. Carrying out such other functions as may be specified by the Board from time to time or specified / provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

(5) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was re-constituted pursuant to a resolution passed by our Board of Directors in its meeting held on June 26, 2023 and its composition and terms of reference are in compliance with Section 135 and other applicable provisions of the Companies Act, 2013. The Corporate Social Responsibility Committee currently comprises of:

1. Ram Prakash Bajpai, Independent Director (Chairperson);
2. Shivani Mishra, Independent Director (Member); and
3. Rahul Sharma, Executive Director (Member)

The Corporate Social Responsibility Committee shall be authorised to perform the following functions:

a. formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;

b. identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

c. review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and the distribution of the same to various corporate social responsibility programs undertaken by the Company;

d. delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

e. review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

f. any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board, from time to time; and

g. exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act.

(6) IPO Committee

The IPO Committee was constituted by way of resolution passed by our Board of Directors on June 26, 2023 .

The members of the IPO Committee are as follows:

1. Diwakar Aggarwal, Non-Executive Director , (*Chairperson*);
2. Shikhar Aggarwal, Non-Executive Director , (*Member*); and
3. Rahul Sharma, Executive Director, (Member)

The IPO Committee shall be responsible for the following:

a. to decide, negotiate and finalise the pricing, the terms of issue of the Equity Shares and all other related matters regarding the Pre-IPO Placement, if any, including the execution of the relevant documents with the investors, in consultation with the Book Running Lead Manager ("**BRLM**") appointed in relation to the Issue.

b. to decide in consultation with the BRLM the actual size of the Issue and taking on record the number of equity shares, having face value of ₹ 10 per equity share (the "**Equity Shares**"), and/or reservation on a competitive basis, and/or any rounding off in the event of any oversubscription and/or any discount to be offered to retail individual bidders or eligible employees participating in the Issue and all the terms and conditions of the Issue, including without limitation timing, opening and closing dates of the Issue, price band, allocation/allotment to eligible persons pursuant to the Issue, including any anchor investors, and to accept any amendments, modifications, variations or alterations thereto.

c. to appoint, instruct and enter into agreements with the BRLM, and in consultation with BRLM appoint and enter into agreements with intermediaries, co-managers, underwriters, syndicate members, brokers, escrow collection banks, auditors, independent chartered accountants, refund bankers, registrar, grading agency, monitoring agency, industry expert, legal counsel, depositories, custodians, credit rating agencies, printers, advertising agency(ies), and any other agencies or persons (including any successors or replacements thereof) whose appointment is required in relation to the Issue and to negotiate and finalize the terms of their appointment, including but not limited to execution of the mandate letters and issue agreement with the BRLM, and the underwriting agreement with the underwriters, and to terminate agreements or arrangements with such intermediaries.

d. to make any alteration, addition or variation in relation to the Issue, in consultation with the BRLM or SEBI or such other authorities as may be required, and without prejudice to the generality of the aforesaid, deciding the exact Issue structure and the exact component of issue of Equity Shares.

e. to finalise, settle, approve, adopt and arrange for submission of the draft red herring prospectus ("**DRHP**"), the red herring prospectus ("**RHP**"), the Prospectus, the preliminary and final international wrap and any amendments, supplements, notices, clarifications, reply to observations, addenda or corrigenda thereto, to appropriate government and regulatory authorities, respective stock exchanges where the Equity Shares are proposed to be listed ("**Stock Exchanges**"), the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi ("**Registrar of Companies**"), institutions or bodies.

f. to issue advertisements in such newspapers and other media as it may deem fit and proper, in consultation with the relevant intermediaries appointed for the Issue in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"), Companies Act, 2013, as amended and other applicable laws.

g. to decide the total number of Equity Shares to be reserved for allocation to eligible categories of investors, if any, and on permitting existing members to sell any Equity Shares held by them.

h. to open separate escrow accounts to receive application monies from anchor investors/underwriters in respect of the bid amounts and a bank account as the refund account for handling refunds in relation to the Issue and in respect of which a refund, if any will be made.

i. to open account with the bankers to the Issue to receive application monies in relation to the Issue in terms of Section 40(3) of the Companies Act, 2013, as amended.

j. to do all such deeds and acts as may be required to dematerialise the Equity Shares and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with the Central Depository Services (India) Limited, Registrar and Share Transfer Agents and such other agencies, as may be required in this connection, with power to authorise one or more officers of the Company to execute all or any such documents.

k. to negotiate, finalise, sign, execute and deliver or arrange the delivery of the issue agreement, syndicate agreement, cash escrow and sponsor bank agreement, underwriting agreement, agreements with the registrar to the Issue, monitoring agency and the advertising agency(ies) and all other agreements, documents, deeds, memorandum of understanding and other instruments whatsoever with the registrar to the Issue, monitoring agency, legal advisor, auditors, Stock Exchanges, BRLM and other agencies/ intermediaries in connection with Issue with the power to authorize one or more officers of the Company to execute all or any of the aforesaid documents.

l. to make any applications, seek clarifications, obtain approvals and seek exemptions, if necessary, from the Stock Exchange, the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), Registrar of Companies and such other statutory and governmental authorities in connection with the Issue, as required under applicable laws, and to accept, on behalf of the Board, such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, exemptions, permissions and sanctions as may be required, and wherever necessary, incorporate such modifications / amendments as may be required in the DRHP, RHP and the Prospectus.

m. to make in-principle and final applications for listing and trading of the Equity Shares on one or more Stock Exchanges, to execute and to deliver or arrange the delivery of the equity listing agreement(s) or equivalent documentation to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing.

n. to determine and finalize, in consultation with the BRLM, the price band for the Issue and minimum bid lot for the purpose of bidding, any revision to the price band and the final Issue price after bid closure, and to finalize the basis of allocation and to allot the Equity Shares to the successful allottees and credit Equity Shares to the demat accounts of the successful allottees in accordance with applicable laws and undertake other matters in connection with or incidental to the Issue, including determining the anchor investor portion, the Pre-IPO Placement, if any, in accordance with the SEBI ICDR Regulations.

o. to offer receipts/allotment advice/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforementioned documents.

p. to approve the code of conduct, suitable insider trading policy, whistle blower/vigil mechanism policy, risk management policy and other corporate governance requirements considered necessary by the Board or the IPO Committee or as required under applicable laws or the uniform listing agreement to be entered into by the Company with the relevant Stock Exchanges.

q. to seek, if required, the consent and waivers of the parties with whom the Company has entered into various commercial and other agreements such as Company's lenders, joint venture partners, all concerned governmental and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Issue in accordance with the applicable laws.

r. to determine the price at which the Equity Shares are issued, allocated, transferred and/or allotted to investors in the Issue in accordance with applicable regulations in consultation with the BRLM and/or any other advisors, and determine the discount, if any, proposed to be issued to eligible categories of investors.

s. to settle all questions, difficulties or doubts that may arise in relation to the Issue, as it may in its absolute discretion deem fit

t. to do all acts, deeds and things and execute all documents, agreements, forms, certificates, undertakings, letters and instruments as may be necessary for the purpose of or in connection with the Issue.

u. to authorize and approve the incurring of expenditure and payment of fees, commissions, brokerage and remuneration in connection with the Issue

v. to withdraw the DRHP or RHP or to decide not to proceed with the Issue at any stage, in consultation with the BRLM and in accordance with the SEBI ICDR Regulations and other applicable laws

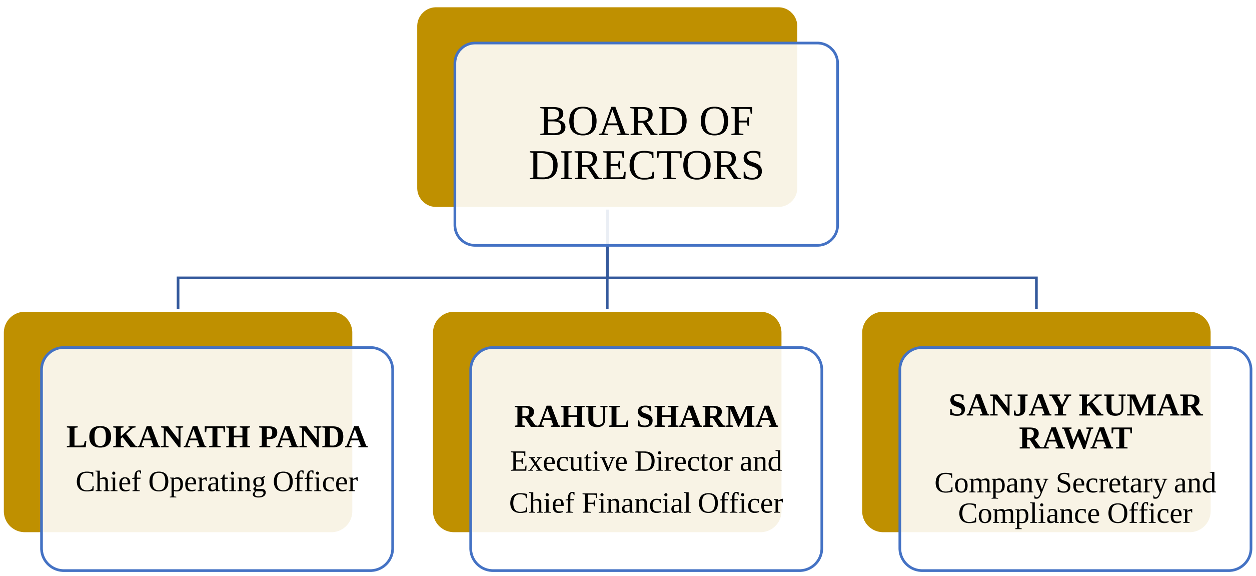
w. to determine the utilization of proceeds of the fresh issue, if applicable, and accept and appropriate proceeds of such fresh issue in accordance with the Applicable Laws;

x. to undertake, do any act which may be required to complete the proposed public issue;

y. to submit undertaking/certificates or provide clarifications to the SEBI, Registrar of Companies and the relevant Stock Exchange(s) where the Equity Shares are to be listed; and

z. to authorize and empower officers of the Company (each, an "**Authorized Officer(s)**"), for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officer(s) consider necessary, appropriate or advisable, in connection with the Issue, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreement(s) with the Stock Exchange(s), the registrar's agreement and memorandum of understanding, the depositories' agreements, the issue agreement with the BRLM (and other entities as appropriate), the underwriting agreement, the syndicate agreement with the BRLM and syndicate members, the cash escrow and sponsor bank agreement, confirmation of allocation notes, allotment advice, placement agents, registrar to the Issue, bankers to the Company, managers, underwriters, escrow agents, accountants, auditors, legal counsel, depositories, advertising agency(ies), brokers, escrow collection bankers, auditors, grading agency, monitoring agency and all such persons or agencies as may be involved in or concerned with the Issue, if any, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Issue by the BRLM and to do or cause to be done any and all such acts or things that the Authorized Officer(s) may deem necessary, appropriate or desirable in order to carry out the purpose and intent of the foregoing resolutions for the Issue; and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer(s) shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing.

Management Organization Chart



Key Managerial Personnel and Senior Management Personnel

In addition to Rahul Sharma, who is an Executive Director and Chief Financial Officer, the following is the detail of our Key Managerial Personnel as on the date of this Draft Red Herring Prospectus. For details of the brief profile of our Executive Director please see section titled *"- Brief Profiles of our Directors"* on page 247.

Brief Profiles of the Key Managerial Personnel

Sanjay Kumar Rawat, aged 40 years, was appointed as the Company Secretary & Compliance Officer of the Company since March 14, 2023. He holds a bachelors' degree in commerce (honours) from the University of Delhi. He holds a degree of law from Chaudhary Charan Singh University, Meerut**.** He is an associate member of the Institute of Companies Secretaries of India. He has over 12 years of experience in secretarial and legal compliance. Prior to joining our Company, he was associated with Terracis Technologies Limited and TaraSpan Solutions Private Limited. The remuneration paid to him during Fiscal 2023 was ₹ 0.68 Lakhs.

Senior Management Personnel of our Company

In addition to Rahul Sharma, the Chief Financial Officer of our Company and Sanjay Kumar Rawat, the Company Secretary and Compliance Officer of our Company, whose details are provided in *"- Brief Profiles of our Directors" "- Key Managerial Personnel of our Company"* on page 262, the details of our other Senior Management Personnel as of the date of this date of Draft Red Herring Prospectus are set forth below:

Lokanath Panda is the Chief Operating Officer of our Company with effect from April 12, 2023. He holds a bachelors' degree in engineering from Sambalpur University, Odisha. He has over 20 years of experience in in the field of payment systems, financial inclusion, citizen services portfolio and expansion of retail channel for other value added services and products. Presently, he is also a whole time director in our Subsidiary i.e., ZMPL. Since he was appointed in our Company with effect from April 12, 2023, he did not receive any remuneration in Fiscal 2023.

Relationship among Key Managerial Personnel and Senior Management Personnel

None of our Key Managerial Personnel or Senior Management Personnel are related to each other.

Contingent or deferred compensation payable to Key Managerial Personnel and Senior Management Personnel

There is no contingent or deferred compensation payable to our Key Managerial Personnel and Senior Management Personnel, which does not form a part of their remuneration.

Status of Key Managerial Personnel and Senior Management Personnel

All the Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

Shareholding of Key Managerial Personnel and Senior Management Personnel

None of our Key Managerial Personnel or Senior Management Personnel hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

Arrangement or understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel or Senior Management Personnel have been appointed or selected pursuant to any arrangement or understanding with our major shareholders, customers, suppliers of our Company, or others.

Remuneration paid or payable to our Key Managerial Personnel or Senior Management Personnel by our Subsidiaries

Except as disclosed below, none of our Key Managerial Personnel or Senior Management have received or were entitled to receive any remuneration, sitting fees or commission including contingent or deferred compensation from any of our Subsidiaries for Fiscal 2023:

(₹ in lakhs)

S.No.	Name of the Director	Remuneration for Fiscal 2023
1.	Lokanath Panda	68.48

Bonus or profit-sharing plans

None of the Key Managerial Personnel or Senior Management Personnel are party to any bonus or profit-sharing plan of our Company and its Subsidiaries.

Service contracts with Key Managerial Personnel and Senior Management Personnel

No officer of our Company, including the Key Managerial Personnel and Senior Management Personnel have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Retirement and termination benefits

Except applicable statutory benefits, none of our Key Managerial Personnel or Senior Management Personnel would receive any benefits on their retirement or on termination of their employment with our Company.

Interests of Key Managerial Personnel and Senior Management Personnel

Except as disclosed in the section titled *"Interests of Directors"* on page 250, our Key Managerial Personnel and Senior Management Personnel of our Company do not have any interests in our Company other than o the extent of the remuneration or benefits to which they are entitled to as per the terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Changes in our Key Managerial Personnel and Senior Management Personnel in the three immediately preceding years

Except as below and as disclosed in the section titled *"- Changes in our Board in the last three years"* on page 251, the changes in our Key Managerial Personnel and Senior Management Personnel in the three immediately preceding years to the date of this Draft Red Herring Prospectus are as follows:

S. No.	Name	Designation	Date of Change	Reason for change
1.	Rahul Sharma	Chief Financial Officer	December 21, 2022	Appointment
2.	Karan Chhabra	Company Secretary & Compliance Officer	December 21, 2022	Appointment
3.	Karan Chhabra	Company Secretary & Compliance Officer	March 14, 2023	Resignation
4.	Sanjay Kumar Rawat	Company Secretary & Compliance Officer	March 14, 2023	Appointment
5.	Lokanath Panda	Chief Operating Officer	April 12, 2023	Appointment

Further, the attrition rate of Key Managerial Personnel and Senior Management Personnel of our Company is not high as compared to our peers.

Payment or Benefit to Key Managerial Personnel and Senior Management Personnel of our Company

No non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company's employees including the Key Managerial Personnel or Senior Management Personnel within the two preceding years.

Employee Stock Option

As on the date of this Draft Red Herring prospectus, our Company does not have any employee stock option schemes.

OUR PROMOTER AND PROMOTER GROUP

BLS International Services Limited is the Promoter of our Company. As on the date of this Draft Red Herring Prospectus, our Promoter holds 4,62,56,485 Equity Shares, equivalent to 69.32% of the pre-Issue paid-up Equity Share capital of our Company. All Equity Shares issued to our Promoter were fully paid-up at the time of Allotment. For further details on shareholding of our Promoter and Promoter Group. For further details, please see section titled "*Capital Structure – Notes to the Capital Structure*" on page 89.

OUR CORPORATE PROMOTER:

BLS International Services Limited

(1) Corporate Information

BLS International was incorporated on November 7, 1983, under the laws of India under the name 'Welken Traders Limited' pursuant to a certificate of incorporation issued by Registrar of Companies, Delhi and Haryana. Thereafter, its name was changed to 'BLS Detectives Limited' pursuant to a fresh certificate of incorporation dated March 23, 2005 issued by Registrar of Companies, National Capital Territory of Delhi and Haryana. Subsequently, its name was changed to 'BLS International Services Limited' pursuant to a fresh certificate of incorporation dated October 21, 2010, issued by Registrar of Companies, National Capital Territory of Delhi and Haryana. The registered office of BLS International is situated at G-4B-1, Extension, Mohan Co-operative Indl. Estate Mathura Road, New Delhi, South Delhi – 110044, Delhi, India. The corporate identity number is L51909DL1983PLC016907.

(2) Nature of activities:

BLS International is, among others, authorised to carry on the business as a global tech-enabled services partner for governments and citizens in the domain of visa, passport, consular, citizen, e-governance, attestation, biometric, e-visa and retail services.

The equity shares of BLS International are currently listed on BSE, NSE and MSEI.

BLS International has not changed it activities since 2010.

(3) Board of Directors

As on the date of this Draft Red Herring Prospectus, the board of directors of BLS International comprises of:

Name of the director	Designation
Diwakar Aggarwal	Non-Executive Non-Independent Director and Chairperson
Nikhil Gupta	Managing Director
Shikhar Aggarwal	Executive Director
Karan Aggarwal	Executive Director
Ramsharan Prasad Sinha	Non-Executive - Independent Director
Sarthak Behuria	Non-Executive - Independent Director
Shivani Mishra	Non-Executive - Independent Director
Atul Seksaria	Independent Director

(4) Promoters of BLS International

The promoters of BLS International are Alka Aggarwal, Diwakar Aggarwal, Gaurav Aggarwal, Madhukar Aggarwal, Shikhar Aggarwal, Sushil Aggarwal and Vinod Aggarwal.

(5) Shareholding Pattern

The authorised share capital of BLS International is ₹ 50,00,00,000 divided into 50,00,00,000 equity shares of face value of ₹ 1 each and the issued and paid-up share capital of BLS International is ₹ 41,08,20,000 divided into 41,08,20,000 equity shares of face value of ₹ 1 each.

The shareholding pattern of BLS International as on June 30, 2023, is as provided below:

Category	Category of Shareholder	Number of Shareholders	Number of fully paid-up Equity Shares held	Total number of Equity Shares held	Shareholding as a % of total number of Equity Shares (calculated as per SCRR, 1957) as a % of (A+B+C2)	Number of Voting Rights	Total as a % of Total Voting right	Number of Equity Shares held in dematerialized form
(A)	**Promoter and Promoter Group**	20	29,44,64,931	29,44,64,931	71.68	29,44,64,931	71.68	29,44,64,931
(B)	**Public**	88,414	11,61,73,809	11,61,73,809	28.28	11,61,73,809	28.28	11,54,34,829
(C)	**Non-Promoter – Non-Public**	1	1,81,260	1,81,260	0.00	1,81,260	0.04	1,81,260
(C1)	**Equity Shares underlying depository receipts**	-	-	-	0.00	-	0.00	-
(C2)	**Equity Shares held by employee trusts**	1	1,81,260	1,81,260	0.04	1,81,260	0.04	1,81,260
	Total	88,435	41,08,20,000	41,08,20,000	100.00	41,08,20,000	100.00	41,00,81,020

(6) *Change in control of BLS International*

There has been no change in the control of BLS International in the last three years preceding the date of this Draft Red Herring Prospectus.

Our Company confirms that the permanent account number, bank account number, company registration number and the address of the Registrar of Companies where BLS International is registered, shall be submitted to the Stock Exchanges on which the Equity Shares are proposed to be listed, at the time of filing this Draft Red Herring Prospectus.

Change in Control of our Company

There has not been any change in the control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus. For further details of acquisition of Equity Shares by our Promoter, please see section titled "*Capital Structure - Build-up of Promoter's shareholding in our Company*" on page 93.

Other ventures of our Promoter

Except as disclosed below, our Promoter is not involved in any other venture, which is in the same line of activity or business as that of our Company:

Our Promoter has been involved in the formation and promotion of BLS E-Solutions Private Limited and BLS IT Services Private Limited, which are engaged in the same line of business as that of our Company.

Interests of our Promoter

Interest in the promotion of our Company

Our Promoter is interested in our Company to the extent (i) it has promoted our Company; (ii) of its shareholding in our Company, directly and indirectly, the dividend payable, if any, and any other distributions in respect of the Equity Shares held by it in our Company, from time to time; (iii) that our Company has undertaken transactions with it or the entities in which our Promoter hold shares or has an interest, if applicable; and (iv) it may also be deemed to be interested in certain borrowings availed by us from our Promoter. For further details, please see sections titled "*Capital Structure - Build-up of Promoter's shareholding in our Company*", "*Financial Indebtedness*" and "*Restated Consolidated Financial Information– Note no. 40 – Related Party Disclosures*" on pages 93, 361 and 310, respectively.

Interest in the property (including acquisition of land, construction of building and supply of machinery) of our Company

Our Promoter has no interest, whether direct or indirect, in any property acquired by our Company during the preceding three years from the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of filing of this Draft Red Herring Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Interest in our Company arising out of being a member of a firm or company

Our Promoter is not interested as a member of a firm or company which has any interest in our Company. Further, no sum has been paid or agreed to be paid to them or to such firm or company in cash or shares or otherwise by any person either to induce our Promoter to become, or qualify them as a director, or otherwise for services rendered by any of our Promoter or by such firm or company in connection with the promotion or formation of our Company.

Payment of benefits to our Promoter or members of the Promoter Group

Except in the ordinary course of business and as disclosed in the sections titled "*Related Party Transactions*" and "*Restated Consolidated Financial Information– Note no. 40 – Related Party Disclosures*" on pages 330 and 310, respectively, no amount or benefit has been paid or given to our Promoter or any of the members of the Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoter or any of the members of the Promoter Group other than in the ordinary course of business.

Material Guarantees given by our Promoter with respect to the Equity Shares

Our Promoter has not given any material guarantee to any third party with respect to the Equity Shares, as on the date of this Draft Red Herring Prospectus.

Confirmations

Neither our Promoter nor any member of the Promoter Group have been declared as Wilful Defaulter or Fraudulent Borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrower issued by Reserve Bank of India.

Neither our Promoter nor any member of the Promoter Group have been debarred or prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoter is not and has not been a promoter or person in control of any other company which is debarred or prohibited from accessing capital markets under any order or direction passed by SEBI.

Our Promoter is not related to any of the sundry debtors or beneficiaries of loans and advances of our Company.

Companies or Firms with which our Promoter has disassociated in the last three years

Except as disclosed below, our Promoter has not disassociated itself from any companies or firms in last three years preceding the date of this Draft Red Herring Prospectus.

Name of the Company or Firm from which Promoter has Disassociated	Reasons for and Circumstances Leading to Disassociation	Date of Disassociation
BLS International Visa Services - Austria	Entire stake of BLS International Visa Services – Austria, held by BLS International has been transferred to BLS International FZE pursuant to share purchase agreement	March 29, 2021
BLS International Visa Services -Baltic - Lithuania	Entire stake of BLS International Visa Services – Baltic - Lithuania, held by BLS International has been transferred to BLS International FZE pursuant to share purchase agreement	March 29, 2021
BLS International Visa Services Poland SP. Z.O.O.	Entire stake of BLS International Visa Services Poland SP. Z.O.O., held by BLS International has been transferred to BLS International FZE pursuant to share purchase agreement	March 29, 2021
BLS Polymers Limited	Entire stake of BLS Polymers Limited, held by BLS International has been transferred to B. L. & Sons Limited pursuant to March 29, 2021	March 29, 2021
BLS Ecotech Limited	Entire stake of BLS Ecotech Limited, held by BLS International has been transferred to B. L. & Sons Limited pursuant to March 29, 2021	March 29, 2021

Promoter Group

In addition to above, the following individual and entities form part of the Promoter Group of the Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.

- **Any person(s) whose shareholding is aggregated under the heading shareholding of the 'promoter group'**

1. Diwakar Aggarwal;
2. Shikhar Aggarwal;
3. Karan Aggarwal;
4. Gaurav Aggarwal; and
5. Nimit Aggarwal

- **Entities forming part of the Promoter Group:**

1. BLS E-Solutions Private Limited;
2. BLS IT-Services Private Limited;
3. Reired BLS International Services Private Limited;
4. Starfin India Private Limited;
5. BLS Kendras Private Limited;
6. BLS International Employees Welfare Trust;
7. Zero Mass Private Limited;
8. BLS International FZE, UAE;
9. BLS International Services, UAE;
10. BLS International Services Norway A.S.;
11. BLS International Services Singapore PTE. Limited;
12. BLS International Services Canada Inc.;
13. BLS International Services Limited, Hong Kong;
14. BLS International Services Malaysia SDN. BHD;
15. BLS Worldwide (PTY) Limited, South Africa;
16. BLS International Vize Hismetleri Limited, Sriketi, Turkey;
17. BLS International Services (UK) Limited;
18. Consular Outsourcing BLS Services Inc., USA;
19. BLS International Visa Services Austria KG;
20. BLS International Visa Services Baltics Lithuania;
21. BLS International Visa Services Poland S P Z.O.O;
22. Balozi Liasion Services International Limited (Kenya);
23. DSS Gulf Realtors Limited;
24. BLS E-Services (Bangladesh) Limited;
25. BLS Visa Services Sarl (Algeria);
26. BLS International Services S.R.L, Italy;
27. BLS International Cameroon Limited;
28. PT BLS International Service, Indonesia;
29. Limited Liability Company, BLS Kazakhstan,; and
30. BLS MOR Services, Morocco

Note: BLS VAS Singapore Pte. Limited and BLS International (pty) Limited, South Africa, our erstwhile members of the Promoter Group, have been liquidated during the Fiscal 2022.

GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term "group companies", includes (i) such companies (other than promoter and subsidiaries) with which the relevant issuer company had related party transactions, during the period for which financial information is disclosed in this Draft Red Herring Prospectus, as covered under applicable accounting standards (i.e., Ind AS 24 issued by the Institute of Chartered Accountants of India), and (ii) any other companies considered "material" by the Board of Directors.

Accordingly, for (i) above, all such companies with which the Company had related party transactions during the period covered in the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus, as covered under the applicable accounting standards, shall be considered as 'group companies' of the Company in terms of the SEBI ICDR Regulations.

Further, for (ii) above, the Board of Directors pursuant to the Materiality Policy, has determined that a company (other than the companies covered under the schedule of related party transactions as per the Restated Consolidated Financial Information) shall be considered "material" and will be disclosed as 'group companies' in this Draft Red Herring Prospectus, if it is a member of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations and has entered into one or more transactions with our company as per the latest fiscal covered in the Restated Consolidated Financial Information, that individually or cumulatively in value exceeds 10% of the total income of our Company for the latest fiscal covered in the Restated Consolidated Financial Information.

Accordingly, in terms of SEBI ICDR Regulations and the Materiality Policy, our Board has identified the following as the Group Companies of our Company:

1. BLS IT Service Private Limited; and
2. BLS E Solutions Private Limited;

Details of our Group Companies

- **BLS IT Service Private Limited**

  The registered office of BLS IT Service Private Limited is situated at G-4B-1, Extension, Mohan Co-operative Indl. Estate Mathura Road, South Delhi, New Delhi – 110044, India.

  In accordance with the SEBI ICDR Regulations, the details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of BLS IT Service Private Limited for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 are available on the website of BLS IT Service Private Limited at http://blseservices.com/upload/financialreports/DISCLOSURE_GROUP_COMPANIES.

- **BLS E-Solutions Private Limited**

  The registered office of BLS E-Solutions Private Limited is situated at G-4B-1, Extension, Mohan Co-operative Indl. Estate Mathura Road, South Delhi, New Delhi – 110044, India.

  In accordance with the SEBI ICDR Regulations, the details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of BLS E-Solutions Private Limited for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 are available on the website of BLS E-Solutions Private Limited at http://blseservices.com/upload/financialreports/DISCLOSURE_GROUP_COMPANIES.

Nature and extent of interest of our Group Companies

1. In the promotion of our Company

As on the date of this Draft Red Herring Prospectus, none of our Group Companies have any interest in the promotion or formation of our Company.

2. In the properties acquired by us in the preceding three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company

As on the date of this Draft Red Herring Prospectus, none of our Group Companies are interested in the properties acquired by us in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by us.

3. In transactions for acquisition of land, construction of building and supply of machinery

None of our Group Companies are interested in any transaction by our Company pertaining to acquisition of land, construction of building or supply of machinery.

Common Pursuits between our Group Companies and our Company

Our Group Companies are authorized by their constitutional documents to engage in a similar line of business as ours and there may be common pursuits between our Company and our Group Companies. While there may be instances of competition with our Group Companies to the extent of similar line of business, we believe that there is no conflict of interest with our Group Companies. For further details, please see section titled "*Risk Factors - Our Group Companies are authorised by their memorandum of association to engage in a similar line of business as our Company and may compete with us.*" on page 58.

Related business transactions and their significance on the financial performance of our Company

Except as disclosed in the section titled "*Restated Consolidated Financial Information – Note no. 40 – Related Party Disclosures*" on page 310, there are no related business transactions between our Group Companies and our Company.

Business interest of our Group Companies in our Company

Except as disclosed in the section titled "*Restated Consolidated Financial Information – Note no. 40 – Related Party Disclosures*" on page 310, our Group Companies have no business interest in our Company.

Litigation

As on the date of this Draft Red Herring Prospectus, our Group Companies are not a party to any pending litigations which have, or which will have a material impact on our Company.

Utilisation of Issue Proceeds

There are no material existing or anticipated transactions in relation to utilisation of the Issue Proceeds with our Group Companies.

Other confirmations

The securities of our Group Companies are not listed on any stock exchange. Our Group Companies have not made any public / rights / composite issue (as defined under the SEBI ICDR Regulations) in the three years preceding the date of this Draft Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board of Directors and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable law, including the Companies Act (together with applicable rules issued thereunder).

The dividend policy of our Company was adopted pursuant to the resolution of our Board of Directors dated June 26, 2023 (**"Dividend Policy"**). In terms of the Dividend Policy, our Board will consider various internal / financial parameters before declaring or recommending dividend to Shareholders, including, amongst others, consolidated net operating profit after tax, cash flow required to meet contingencies, the profits earned during the year, the profits available for distribution, the earnings per share, and our working capital requirements. Further, our Board will consider external factors, such as industry outlook and economic environment, statutory provisions and guidelines, and dividend pay-out ratios of companies in the same industry, before declaring dividend. For details in relation to to the risk involved, please see section titled "*Risk Factors – We cannot assure payment of dividends on the Equity Shares in the future. Our ability to pay dividends in the future will depend upon our earnings, financial condition, cash flows and capital requirements.*" on page 63.

Our Company may pay dividend by cheque, or electronic clearance service, as will be approved by our Board in the future. Our Board may also declare interim dividend from time to time.

Our Company has not declared any dividends on the Equity Shares during the last three Fiscals and the period from April 1, 2023, until the date of this Draft Red Herring Prospectus.

SECTION VI – FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL INFORMATION

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

To,

The Board of Directors
BLS E-Services Limited
(Formerly known as BLS E – Service Private Limited) (the "Company")
G-4B-1, Extension, Mohan Co-operative Indl. Estate
Mathura Road, New Delhi,
South Delhi - 110044
Delhi, India

Dear Sirs / Madams,

1. We have examined the attached restated consolidated financial information of **BLS E-Services Limited (formerly known as BLS E-Services Private Limited)** (the "**Company**" or the "**Issuer**") and its subsidiaries (the Company and its subsidiaries together referred to as the "**Group**"), comprising the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Cash Flows and the Restated Consolidated Statement of Changes in Equity for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "**Restated Consolidated Financial Information**"), as approved by the Board of Directors of the Company at their meeting held on July 10, 2023 for the purpose of inclusion in the Draft Red Herring Prospectus (the "**DRHP**") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("**IPO**") prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"); and

   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**").

2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India (the "**SEBI**"), the stock exchanges where the equity shares of the Company are proposed to be listed **("Stock Exchanges")** in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the Management of the Company on the basis of preparation stated in Note 2.1 to the Restated Consolidated Financial Information. The respective Board of Directors of the companies included in the Group are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the respective restated financial information, which have been used for the purpose of preparation of this Restated Consolidated Financial Information. The respective

Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, SEBI ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated Financial Information taking into consideration:

    a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated June 30, 2023, in connection with the proposed IPO of equity shares of the Issuer;

    b) The Guidance Note which also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

    c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

    d) The requirements of Section 26 of the Act and the SEBI ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Consolidated Financial Information includes financial information of the following entities:

    (a) BLS Kendras Private Limited (subsidiary w.e.f October 31, 2022)
    (b) Starfin India Private Limited (subsidiary w.e.f August 06, 2018)
    (c) Zero Mass Private Limited (subsidiary w.e.f. June 08, 2022)

5. These Restated Consolidated Financial Information have been compiled by the management of the Company from the audited standalone financial statements of the Company and its subsidiaries for the year ended March 31, 2021, March 31, 2022 and March 31, 2023 (as applicable) prepared in accordance with the section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, adjusted to give impact as per provisions of Ind AS – 103 " Business Combinations" and Ind As – 110 "Consolidated Financial Statements".

6. For the purpose of our examination, we have relied on:

    a) Auditor's reports issued by us dated June 14, 2021, May 05, 2022 and May 09, 2023 on the standalone financial statements of the Company for the year ended March 31, 2021 on which we have issued a modified opinion and for the year ended March 31, 2022 and March 31, 2023 respectively on which we have issued an unmodified audit opinion.

    b) Auditor's reports issued by us dated June 14, 2021, May 05, 2022 and May 09, 2023, on the financial statements of BLS Kendras Private Limited for the year ended March 31, 2021, March 31, 2022 and March 31, 2023 respectively on which we have issued unmodified audit opinion.

c) Auditor's reports issued by us dated June 14, 2021, May 04, 2022 and May 09, 2023 on the financial statements of Starfin India Private Limited for the year ended March 31, 2021, March 31, 2022 and March 31, 2023 respectively on which we have issued unmodified audit opinion.

d) Auditor's reports issued by M M Nissim & Co LLP dated May 08, 2023 on the financial statements of Zero Mass Private Limited for the year ended March 31, 2023 on which their auditors have issued unmodified audit opinion.

7. As mentioned in paragraph 6(d) above, we did not audit the financial statements of a subsidiary ,i.e., Zero Mass Private Limited whose share of total assets, total revenues, net cash inflows included in the Restated Consolidated Financial Information as at and for the year ended March 31, 2023, is tabulated below, which have been audited by other auditor (the "Other Auditors"), and whose report has been furnished to us by the Company's Management and our opinion on these Restated Consolidated Financial Information as at and for the year ended March 31, 2023, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the Other Auditors.

(Rs. in lakhs)

Particulars	**As at March 31, 2023 and for the period June 08, 2022 to March 31, 2023**
Number of Subsidiary audited by the Other Auditors	1
Total assets	8,723.25
Total revenue	13,810.55
Net cash outflow	1,903.58

Our opinion on the Restated Consolidated Financial Information as at and for the year ended March 31, 2023, is not modified in respect of this matter.

8. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the auditor's report submitted by the Other Auditors, as mentioned in paragraph 7 above, we report that the Restated Consolidated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies and regrouping/reclassifications retrospectively in the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at the end of the financial year ended March 31, 2023.

b) does not contain any qualifications requiring further adjustments; and

c) have been prepared in accordance with the Act, SEBI ICDR Regulations and the Guidance Note.

9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Financial Statements mentioned in paragraph 6 above.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India, and the Stock Exchanges in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For S. S. KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration No: 000756N

AMIT GOEL
Partner
Membership No: 500607

Place: New Delhi
Dated: July 10, 2023
UDIN: 23500607BGURNA2587

BLS E-Services Limited (formerly known as BLS E-Services Private Limited)
CIN: U74999DL2016PLC298207
Restated consolidated statement of assets and liabilities
(Amounts are in INR lakh unless otherwise stated)

		Note	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
I	**ASSETS**				
	Non-current asset				
	a. Property, plant & equipment	3	107.30	20.31	13.33
	b. Intangible assets	4	2.09	1.66	0.08
	c. Right to Use	5	492.89	634.88	-
	d. Goodwill	6	8,148.60	800.65	800.65
	e. Financial assets :				
	Other financial assets	7	1,165.74	1,030.49	829.71
	f. Deferred tax assets (Net)	8	267.58	280.42	250.07
	g. Non current tax assets (net)	9	739.28	144.22	96.48
	Total non- current assets		**10,923.48**	**2,912.63**	**1,990.32**
	Current asset				
	a. Inventories	10	55.63	-	-
	b. Financial assets				
	(i) Trade receivables	11	1,822.41	854.14	884.69
	(ii) Cash and cash equivalents	12	1,570.64	604.96	749.96
	(iii) Bank balance other than cash and cash equivalents	13	2,939.08	760.06	184.16
	(iv) Loans and advances	14	-	-	46.83
	(v) Other financial assets	15	129.88	208.04	137.72
	c. Other current assets	16	505.47	253.10	65.05
	Total current assets		**7,023.11**	**2,680.30**	**2,068.41**
	TOTAL ASSETS		**17,946.59**	**5,592.93**	**4,058.73**
II	**EQUITY & LIABILITIES**				
	Equity				
	a. Equity share capital	17	6,672.65	1.00	1.00
	b. Other equity	18	4,021.38	678.39	139.60
	c. Share capital pending alotment	19	-	827.30	827.30
	Total equity		**10,694.03**	**1,506.69**	**967.90**
	Non controlling Interest		451.18	**-**	**-**
	Liabilities				
	Non current liabilities				
	a. Financial liabilities :-				
	(i) Borrowings	20	-	726.05	-
	(ii) Lease Liability	21	387.30	552.69	-
	b. Provisions	22	26.17	24.32	15.53
	Total non-current liabilities		**413.47**	**1,303.06**	**15.53**
	Current liabilities				
	a. Financial liabilities :				
	(i) Borrowings	23	-	150.00	1,101.57
	(ii) Lease Liability	24	131.01	93.02	-
	(iii) Trade payables	25			
	Total oustanding dues of micro enterprises and small enterprises and		-	-	-
	Total oustanding dues to creditors other than micro enterperprises and small enterprises		249.18	794.36	161.07
	(iv) Other financial liabilities	26	5,336.42	1,522.98	1,682.58
	b. Provisions	27	1.93	1.02	3.13
	c. Other current liabilities	28	669.37	221.80	126.95
	Total current liabilities		**6,387.91**	**2,783.18**	**3,075.30**
	TOTAL EQUITY AND LIABILITIES		**17,946.59**	**5,592.93**	**4,058.73**

Corporate information and Significant accounting policies **1-2**
The accompanying notes referred to above formed an integral part of these restated consolidated summary statements

As per our report of even date attached
For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number: 000756N

For and on behalf of the board of directors of
BLS E- Services Limited

Amit Goel
Partner
Membership number: 500607

Shikhar Aggarwal
Chairman
DIN No. 06975729

Sanjay Kumar Rawat
Company Secretary

Rahul Sharma
Executive Director
cum Chief Financial Officer

Place : New Delhi
Date : July 10, 2023

BLS E-Services Limited (formerly known as BLS E-Services Private Limited)
CIN: U74999DL2016PLC298207
Restated consolidated statement of profit and loss (including other comprehensive income)
(Amounts are in INR lakh unless otherwise stated)

		Note	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
I	Revenue from operations	29	24,306.07	9,669.82	6,448.72
II	Other income	30	323.20	169.74	74.63
	TOTAL INCOME (I+II)		**24,629.27**	**9,839.56**	**6,523.35**
III	**EXPENSES:**				
	Cost of services	31	16,156.48	6,351.60	4,194.80
	Employee benefits expense	32	2,322.53	640.87	381.23
	Finance cost	33	392.82	102.32	147.73
	Depreciation and amortisation expense	34	278.21	82.01	7.33
	Other expenses	35	2,521.29	1,985.02	1,400.04
	TOTAL EXPENSES		**21,671.33**	**9,161.82**	**6,131.13**
IV	**Profit before exceptional items & tax**		**2,957.94**	**677.74**	**392.22**
	Exceptional items		260.00		
	Profit before tax		2,697.94	677.74	392.22
V	**Tax expense:**				
	a) Current tax		645.87	168.06	79.52
	b) Deferred tax		89.51	(30.63)	(2.47)
	c) Tax expense for earlier years		(70.62)	2.35	0.35
	TOTAL TAX EXPENSE		**664.76**	**139.78**	**77.40**
VI	**PROFIT FOR THE YEAR (IV-V)**		**2,033.18**	**537.96**	**314.82**
VII	**OTHER COMPREHENSIVE INCOME (OCI)**				
	A) Items that will not be reclassified to profit or loss				
	(a) Re-measurements of defined benefit plans		19.55	1.11	3.90
	(b) Tax on Re-measurements of defined benefit plans		(4.92)	(0.28)	(0.98)
	B) Items that will be reclassified to profit or loss (net of tax)				
	TOTAL OTHER COMPREHENSIVE INCOME		**14.63**	**0.83**	**2.92**
VIII	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR**		**2,047.81**	**538.79**	**317.74**
IX	**Earnings per equity share: basic and diluted (Rs.)**	36	**3.02**	**0.89**	**0.52**
	Profit attributable to :				
	Owner of the company		1,888.02	537.96	314.82
	Non-controlling interests		145.16	-	-
	Profit for the year		**2,033.18**	**537.96**	**314.82**
	Other Comprehensive income attributable to:				
	Owner of the company		13.58	**0.83**	**2.92**
	Non-controlling interests		1.05		
	Other Comprehensive income for the year		**14.63**	**0.83**	**2.92**
	Total Comprehensive income attributable to:				
	Owner of the company		1,901.60	538.79	317.74
	Non-controlling interests		146.21	-	-
	Total Comprehensive income for the year		**2,047.81**	**538.79**	**317.74**

Corporate information and Significant accounting policies 1-2
The accompanying notes referred to above formed an integral part of the restated consolidated summary statements

As per our report of even date attached
For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number: 000756N

For and on behalf of the board of directors of
BLS E- Services Limited

Amit Goel
Partner
Membership number: 500607

Shikhar Aggarwal
Chairman
DIN No. 06975729

Sanjay Kumar Rawat
Company Secretary

Rahul Sharma
Executive Director
cum Chief Financial Officer

Place : New Delhi
Date : July 10, 2023

BLS E-Services Limited (formerly known as BLS E-Services Private Limited)
CIN: U74999DL2016PLC298207
Restated consolidated statement of cash flow
(Amounts are in INR lakh unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities			
Profit for the period (Before tax)	2,697.94	677.74	392.22
Adjustments to reconcile net profit to net cash by operating activities			
Exceptional Items	260.00	-	-
Depreciation & amortization expense	278.21	82.01	7.33
Finance costs	392.82	102.32	147.73
Interest Income	(95.12)	(78.21)	(62.62)
Bad debts	31.03	-	-
Balance Write off	26.76	-	-
Profit on Sale of Investment	(39.21)	-	-
Profit on sale of Property, plant & equipment	(2.75)	-	-
Operating profit before working capital change	**3,549.68**	**783.86**	**484.66**
Adjustments for:			
(Increase)/ decrease in inventories	11.64	-	-
(Increase)/ decrease in trade receivables	644.80	30.55	(0.94)
(Increase)/ decrease in other financial current assets	230.23	(29.16)	(8.61)
(Increase)/ decrease in other current assets	(9.87)	(188.07)	34.66
(Increase)/ decrease in other non-current Financial assets	(46.34)	(56.18)	(0.70)
(Increase)/ decrease in provision	(0.87)	7.80	6.93
(Increase)/ decrease in other non Current liabilities	-	552.69	-
(Increase)/ decrease in trade payables	(1,723.62)	633.29	(20.51)
(Decrease)/ increase in other financial current liabilities	171.96	362.78	389.41
(Decrease)/ increase in other current liabilities	447.56	94.84	41.88
Cash from/(used in) operations	3,275.17	2,192.40	926.78
Direct taxes paid	(387.86)	(218.15)	(62.73)
Net cash flow (used in)/from operating activities(A)	2,887.31	1,974.25	864.05
Cash flow from investing activities			
Purchase of property, plant and equipment and Intangible assets	(86.23)	(21.72)	(7.60)
Purchase of intangible assets	(2.51)	(703.72)	-
Acquisition of a subsidiary, net of cash acquired	(7,663.15)	-	-
Proceeds from sale of investments	3,170.00	-	-
Proceeds from Property, plant & equipment	3.69	-	-
Investments in term deposits	(2,172.00)	(664.98)	(72.29)
Interest incomes	186.97	28.37	22.73
Net cash flow (used in)/from investing activities(B)	**(6,563.23)**	**(1,362.05)**	**(57.16)**
Cash flow from financing activities			
Proceeds from non-current borrowings	-	726.05	-
Proceeds/ (Repayment) of current borrowing (Net)	(1,268.62)	(951.57)	(431.65)
Proceeds/ (Repayment) of Short Term Borrowings (net)	(726.05)	-	-
Proceeds from Issue of share	7,275.62	-	-
Repayment of lease liabilities	(257.93)	-	-
Interest paid	(381.42)	(531.68)	(49.25)
Net cash Flow (used in)/from financing activities(C)	**4,641.60**	**(757.20)**	**(480.90)**
Net increase /(decrease) in cash and cash equivalents (A+B+C)	965.68	(145.00)	325.99
Cash and cash equivalents at the beginning of the year	604.96	749.96	423.97
Cash and cash equivalents at the end of the year	**1,570.64**	**604.96**	**749.96**
Cash on hand	46.65	74.18	50.41
With Bank - on current account	1,523.99	530.78	699.55
Total cash and cash equivalents	**1,570.64**	**604.96**	**749.96**

Notes:
(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7)- Statement of Cash Flows.

(b) Figures in bracket represents cash outflow.

	Opening Balance as at April 01, 2022	Cash inflow/(outflows)	Closing Balance as at March 31, 2023
Non Current Borrowings	726.05	(726.05)	-
Current borrowings	150.00	(150.00)	-

BLS E-Services Limited (formerly known as BLS E-Services Private Limited)
CIN: U74999DL2016PLC298207
Restated consolidated statement of cash flow
(Amounts are in INR lakh unless otherwise stated)

	Opening Balance as at April 01, 2021	Cash inflow/(outflows)	Closing Balance as at March 31, 2022
Non Current Borrowings	-	726.05	726.05
Current borrowings	1,101.57	(951.57)	150.00

	Opening Balance as at April 01, 2020	Cash inflow/(outflows)	Closing Balance as at March 31, 2021
Non Current Borrowings	-	-	-
Current borrowings	1,533.22	(431.65)	1,101.57

The accompanying notes referred to above formed an integral part of the consolidated financial statements.

As per our report of even date attached
For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number: 000756N

For and on behalf of the board of directors of
BLS E- Services Limited

Amit Goel
Partner
Membership number: 500607

Shikhar Aggarwal
Chairman
DIN No. 06975729

Sanjay Kumar Rawat
Company Secretary

Rahul Sharma
Executive Director
cum Chief Financial Officer

Place : New Delhi
Date : July 10, 2023

1. Corporate information

BLS E-Services Limited (formerly known as BLS E-Services Private Limited) is a public limited company domiciled and incorporated in India under Indian Companies Act 2013.The registered office of the company is loacted at G-4B-1, Extension, Mohan Co-Operative Indl. Estate Mathura Road New Delhi. It was incorporated on 12 April 2016 under the Companies Act,2013 vide Corporate Identification Number (CIN) U74999DL2016PTC298207.

The Restated Consolidated Financial Information comprise of Financial Statements of BLS E-Services Private Limited (the company) and its subsidiaries Starfin India Private Limited, BLS Kendras Private Limited, Zero Mass Private Limited (collectively, "the Group") for the year ended March 31, 2023 and years ended March 31, 2022 and March 31, 2021.

The Group is primarily engaged in the business of an e-governance project and B2C.

The company was converted into a public limited company under the Companies Act, 2013 on 10 April' 2023 and consequently, the name was changed to BLS E-Services Limited.

2 (a) Basis of preparation

A. Statement of compliance

The Restated Consolidated Financial Information of the Group comprise the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Cash Flows and the Restated Consolidated Statement of Changes in Equity for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 and significant accounting policies and other explanatory information (collectively, the 'Restated Consolidated Financial Information'), have been prepared solely for the purpose of inclusion in the Draft Red Herring Prospectus to be filed by BLS E-Services Limited ('the Holding Company') with the Securities and Exchange Board of India ("SEBI") in connection with proposed initial public offer of equity shares of ₹ 10 each of the Holding Company ("Proposed IPO").

The Restated Consolidated Financial Information have been approved by the Board of Directors of the company on and have been prepared in all material respects with the requirements of:

• Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act"), as amended from time to time
• Relevant provision of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, (the "SEBI ICDR Regulations"), as amended from time to time
• The Guidance Note on Report in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India

These Restated Consolidated Financial Information have been compiled by the management of the Company from the audited standalone financial statements of the Company and its subsidiaries for the year ended March 31, 2021, March 31, 2022 and March 31, 2023 (as applicable) adjusted to give impact as per provisions of Ind As – 103 " Business Combinations" and Ind As – 110 "Consolidated Financial Statements" . These restated consolidated financial statements have been approved by the Board of Directors at their meetings held on July 10, 2023.

The underlying financial statements as at and for the years ended March 31, 2023, 2022 and 2021, mentioned above, are collectively referred as Historical Audited Financial Statements.

B. Basis of measurement

The Restated Consolidated Financial Information have been prepared on the historical cost basis except for the following items:

(a) Certain financial assets and liabilities (including derivatives instruments) Fair value
(b) Net defined benefit (asset)/ liability Fair value of plan assets less present value of defined benefit obligations

C. Basis of consolidation

(i) Business Combination (other than comon control transaction)

In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognized directly in equity as capital reserve. Acquisition related costs are expensed as incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognized in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. The determination of the amount to be included in consideration transferred is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre combination service.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI, as appropriate.

Common control business combinations

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognized at their carrying amounts.

(ii) Subsidiaries

Subsidiaries are entities controlled by the company. The company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iii) Non controlling interests (NCI)
An entity has a choice on a combination-by-combination basis to measure any NCI that represents present ownership interest in the acquiree at either fair value or the proportionate share of the acquiree's net identifiable assets.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iv) Loss of control
A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners

Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities

(v) Equity accounted investees
The Group's interests in equity accounted investees comprise interests in associates and joint ventures.

When the Group has with other parties joint control of the arrangement and rights to the net assets of the joint arrangement, it recognises its interest as joint ventures. Joint control exists when the decisions about the relevant activities require unanimous consent of the parties sharing the control. When the Group has significant influence over the other entity, it recognises such interests as associates. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control over the entity. The results, assets and liabilities of joint ventures and associates are incorporated in the consolidated financial statements using equity method of accounting after making necessary adjustments to achieve uniformity in application of accounting policies, wherever applicable.

An investment in joint venture or associate is initially recognised at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the joint venture or associate. Gain or loss in respect of changes in other equity of joint ventures or associates resulting in divestment or dilution of stake in the joint ventures and associates is recognised in the Statement of Profit and Loss. On acquisition of investment in a joint venture or associate, any excess of cost of investment over the fair value of the assets and liabilities of the joint venture and associate, is recognised as goodwill and is included in the carrying value of the investment in the joint venture and associate. The excess of fair value of assets and liabilities over the investment is recognised directly in equity as capital reserve. The unrealised profits/losses on transactions with joint ventures and associates are eliminated by reducing the carrying amount of investment. The carrying amount of investment in joint ventures and associates is reduced to recognise impairment, if any, when there is evidence of impairment.

When the Group's share of losses of a joint venture or an associate exceeds the Group's interest in that joint venture or associate (which includes any long term interests that, in substance, form part of the Group's net investment in the joint venture or associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate.

(vi) Consolidation procedure
(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Historical Audited Financial Statements at the acquisition date.
(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiar Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Historical Audited Financial Statements.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(vii) Uniform accounting policies
Historical Audited Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Historical Audited Financial Statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company.

D. Measurement of fair values
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using other valuation technique. In estimating the fair value of an the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair values for measurement and/ or disclosure purposes are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 - This includes financial instruments measured using quoted prices.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. Derived from prices).

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

2 (b) Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these Restated Consolidated Financial Information.

(i) Revenue recognition
The company derives primarily from sale of goods, products and related Services.

Revenue from contract with customers is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

Revenue from sale of services is recognized as per the terms of contract with customers at the time when the outcome of transactions involving rendering of services can be estimated reliably.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.

Revenue is measured based on the transaction price, which is the consideration, adjusted for turnover discounts to customer as specified in the contract with the customers. When the level of discount varies with increase in levels of revenue transactions, the group recognises the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognised until the payment is probable and the amount can be estimated reliably. the group recognises changes in the estimated amount of obligations for discounts in the period in which the change occurs. Revenue also excludes taxes collected from customers.

Revenue in excess of invoicing are classified as contract assets while invoicing in excess of revenues are classified as contract liabilities

Other Income
-Interest income
Interest income is recognized on time proportion basis using the effective interest method.
-Dividend Income
Dividend income is recognized when the right to receive payment is established, which is generally when shareholders approve the same

(ii) Financial instruments:

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents.

At initial recognition, all financial assets are measured at fair value. Such financial assets are subsequently classified under following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.

Financial Assets at Amortised Cost

At the date of initial recognition, financial assets are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Financial Assets at Fair value through Other Comprehensive Income

At the date of initial recognition, financial assets are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the effective interest rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

Financial Assets at Fair value through Profit or Loss
At the date of initial recognition, financial assets are held for trading, or which are measured neither at Amortised Cost nor at fair value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

Investment in Equity Shares

Investments in Equity Securities are initially measured at cost. Any subsequent fair value gain or loss is recognized through Profit or Loss if such investments in Equity Securities are held for trading purposes. The fair value gains or losses of all other Equity Securities are recognized in Other Comprehensive Income.

Investments in Subsidiaries & Joint Ventures
Investment in subsidiaries, associates and joint ventures are carried at cost less accumulated impairment, if any.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(iii) Current versus non-current classification

All Assets and Liabilities have been classified as current or non-current as per the group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the group and their realisation in cash and cash equivalent, the group has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(iv) Property, plant and equipment

Property, plant and equipment acquired after the transition date are stated at cost net of tax, less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price and also other cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the group and the costs to the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gain or losses are recognized in the statement of profit and loss.

Depreciation

Depreciation is provided on written down value method over the useful lives of property, plant and equipment as estimated by management. Pursuant to Notification of Schedule II of the Companies Act, 2013 depreciation is provided prorata basis on written down value at the rates determined based on estimated useful lives of property, plant and equipment where applicable, prescribed under Schedule II to the Companies Act 2013. The residual value, useful lifes and method of depreciation of property, plant and equipment is reviewed at each financial year and adjusted prospectively, if appropriate.

Amortization

Goodwill is not amortised and is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

(v) Goodwill and other intangible assets

(a) Other intangible assets

Intangible Assets are recognised, when it is probable that if the future economic benefits attributable to the assets are expected to flow to the group and cost of the asset can be measured reliably. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible asset with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

(b) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised fo rnon-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisitiondate. If the reassessments till results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gainis recognised in OCI and accumulated in equity as capital reserve.However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI. Subsequent measurement is at cost less any accumulated impairment losses.

(vi) Impairment

The carrying amount of Property, plant and equipment's, Intangible assets and Investment property are reviewed at each Balance Sheet date to assess impairment if any, based on internal / external factors. An asset is treated as impaired, when the carrying cost of asset exceeds its recoverable value, being higher of value in use and net selling price. An impairment loss is recognised as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed, if there has been an improvement in recoverable amount.

(vii) Borrowing costs

Borrowing cost that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale. Borrowing cost consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing cost are recognized as expense in the period in which they are incurred.

(viii) Leases

Group as a Lessee

The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:
i. the contact involves the use of an identified asset
ii. the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
iii. the Group has the right to direct the use of the asset.

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases witha lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.
Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

• fixed lease payments (including in-substance fixed payments), less any lease incentives;
• variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
• the amount expected to be payable by the lessee under residual value guarantees;

• the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
• payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Restated Consolidated Statement of Assets and Liabilities. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

• the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
• the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
• a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease paymentsusing a revised discount rate.

The right-of-use assets are presented as a separate line in the Restated Consolidated Statement of Assets and Liabilities. The right-of-use assets are initially recognised at cost which comprises of the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-ofuse asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

(ix) Current tax
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year after taking credit of the benefits available under the Income Tax Act and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Group:
i) has a legally enforceable right to set off the recognised amounts; and
ii) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(x) Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used for taxation purposes.
Deferred tax is not recognised for:
i) temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences and tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.
Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:
i) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

(xi) MAT Credit
Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is probable evidence that the group will pay normal income tax in future. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(xii) Cash & Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(xiii) Provisions, Contingent Assets & Contingent Liabilities:

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognised but are disclosed in notes. Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

(xiv) Cash Flow Statements
Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

(xv) Operating Segments

(i) Identification of segments
The Group operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

(ii) Unallocated items
Unallocated items include general corporate income and expense items which are not allocated to any business segment.

(iii) Segment accounting policies
The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the group as a whole.

(xvi) Use of estimates

In preparing these Restated Consolidated Financial Information, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

In the process of Restated Consolidated Financial Information applying the accounting policies, management has made the following estimates, assumptions and judgements which have significant effect on the amounts recognized in the financial statement:

(a) Contingencies
Judgment of the Management is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the group as it is not possible to predict the outcome of pending matters with accuracy.

(b) Allowance for uncollected accounts receivable and advances
Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectible. Impairment is made on ECL, which are the present value of the cash shortfall over the expected life of the financial assets.

(c) Defined Benefit Plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These Includes the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(xvii) Inventories
Finished Goods are valued at lower of cost and net realisable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

The amount of any write-down of inventories to NRV and all abnormal losses of inventories are recognized as expense in the Statement of Profit and Loss in the period in which such write-down or loss occurs. The amount of any reversal of the write-down of inventories arising from increase in the NRV is recognized as a reduction from the amount of inventories recognized as an expense in the period in which reversal occurs.

Recent pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. the group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. the group is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

Accounting Policies, Changes in Accounting Estimates and Errors The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. the group does not expect this amendment to have any significant impact in its financial statements.

BLS E-Services Limited (formerly known as BLS E-Services Private Limited)
CIN: U74999DL2016PLC298207
Restated consolidated statement of changes in equity
(Amounts are in INR lakh unless otherwise stated)

A. Equity Share Capital

	Amount in INR
As at March 31, 2020	1.00
Changes in equity shares capital during the year	-
As at March 31, 2021	1.00
Changes in equity shares capital during the year	-
As at March 31, 2022	1.00
Changes in equity shares capital during the year	6,671.65
As at March 31, 2023	6,672.65

B. Other Equity

Particulars	Reserve & Surplus				Total
	Retained Earnings	Capital Reserve	Security Premium	Other Comprehensive Income	
Balance as at March 31, 2020 (a)	595.73	(777.30)	-	3.43	(178.14)
Profit for the year	314.82	-	-		314.82
Other Comprehensive Income (net of tax)	-	-	-	2.92	2.92
Total comprehensive income for the year 2020-21 (b)	**314.82**	**-**	**-**	**2.92**	**317.74**
Balance as at March 31, 2021 (a+b) = (c)	**910.55**	**(777.30)**	**-**	**6.35**	**139.60**
Profit for the year	537.96	-	-	-	537.96
Other Comprehensive Income (net of tax)	-	-	-	0.83	0.83
Total comprehensive income for the year 2021-22 (d)	**537.96**	**-**	**-**	**0.83**	**538.79**
Balance as at March 31, 2022 (c+d) = (e)	**1,448.51**	**(777.30)**	**-**	**7.18**	**678.39**
Profit for the year	1,888.02	-	-	-	1,888.02
Acquisition of Non Controlling Interest	(249.88)	-	-	-	(249.88)
Other Comprehensive Income (net of tax)		-	-	13.58	13.58
Security premium on equity shares issued		-	7,629.39	-	7,629.39
Utilised for issue of bonus shares	(600.00)	-	(5,338.12)	-	(5,938.12)
Non- Controlling Interest		-	-	-	-
Share capital pending allotment		-	-	-	-
Total comprehensive income for the year 2022-23 (f)	**1,038.14**	**-**	**2,291.27**	**13.58**	**3,342.99**
Balance as at March 31, 2023 (e+f) = (g)	**2,486.65**	**(777.30)**	**2,291.27**	**20.76**	**4,021.38**

Corporate information and Significant accounting policies **1-2**

As per our report of even date attached
For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number: 000756N

For and on behalf of the board of directors of
BLS E- Services Limited

Amit Goel
Partner
Membership number: 500607

Shikhar Aggarwal
Chairman
DIN No. 06975729

Sanjay Kumar Rawat
Company Secretary

Rahul Sharma
Executive Director
cum Chief Financial Offic

Place : New Delhi
Date : July 10, 2023

BLS E-Services Limited (formerly known as BLS E-Services Private Limited)
CIN: U74999DL2016PLC298207
Consolidated Statement of notes and other explanatory information
(Amounts are in INR lakh unless otherwise stated)

3 PROPERTY, PLANT & EQUIPMENT

Gross Carrying Value	Computers	Office Equipments	Plant & Machinery	Furniture & Fixtures	Vehicles	Total
As at March 31, 2020	**17.47**	**5.31**	**-**	**14.98**	**22.98**	**60.74**
Additions	7.52	0.08	-	-	-	**7.60**
Disposals	-	-	-	-	-	-
As at March 31, 2021	**24.99**	**5.39**	**-**	**14.98**	**22.98**	**68.34**
Additions	16.31	5.42	-	-	-	**21.73**
Disposals	-	-	-	-	-	-
As at March 31, 2022	**41.30**	**10.81**	**-**	**14.98**	**22.98**	**90.07**
Additions	31.25	1.69	-	4.16	50.12	**87.22**
Addition on account of Business combination (refer note no. 43)	20.67	11.38	0.09	11.83	-	**43.97**
Disposals	-	-	-	-	9.12	**9.12**
As at March 31, 2023	**93.22**	**23.88**	**0.09**	**30.97**	**63.98**	**212.14**
Accumulated Depreciation						
As at March 31, 2020	**14.49**	**4.87**	**-**	**9.34**	**19.15**	**47.85**
Charge for the year	4.25	0.23	-	1.50	1.18	**7.16**
Disposals	-	-	-	-	-	-
As at March 31, 2021	**18.74**	**5.10**	**-**	**10.84**	**20.33**	**55.01**
Charge for the year	11.32	1.55	-	1.06	0.82	**14.75**
Disposals	-	-	-	-	-	-
As at March 31, 2022	**30.06**	**6.65**	**-**	**11.90**	**21.15**	**69.76**
Addition on Acquistion of Equity share	-	-	-	-	-	-
Charge for the year	23.37	6.86	-	4.01	9.02	**43.21**
Disposals	-	-	-	-	8.18	**8.18**
As at March 31, 2023	**53.43**	**13.51**	**-**	**15.91**	**21.99**	**104.84**
Net Block as at March 31, 2021	**6.25**	**0.29**	**-**	**4.14**	**2.65**	**13.33**
Net Block as at March 31, 2022	**11.24**	**4.16**	**-**	**3.08**	**1.83**	**20.31**
Net Block as at March 31, 2023	**39.79**	**10.37**	**0.09**	**15.06**	**41.99**	**107.30**

BLS E-Services Limited (formerly known as BLS E-Services Private Limited)
CIN: U74999DL2016PLC298207
Consolidated Statement of notes and other explanatory information
(Amounts are in INR lakh unless otherwise stated)

4 Intangible Assets

Gross Carrying Value	Software	Trademark	Total
As at March 31, 2020	**0.52**	**-**	0.52
Additions	**-**	**-**	-
Disposals	-	-	-
As at March 31, 2021	**0.52**	**-**	**0.52**
Additions	**3.70**	**-**	3.70
Disposals	**-**	**-**	
As at March 31, 2022	**4.22**	**-**	**4.22**
Addition on account of Business combination (refer note no. 43)	0.77	-	0.77
Additions	0.14	2.36	2.50
Disposals	-	-	-
As at March 31, 2023	**5.13**	**2.36**	**7.49**

Accumulated Amortisation	Software	Trademark	Total
As at March 31, 2020	**0.27**	**-**	**0.27**
Charges for the year	0.17	-	0.17
Disposals	-	-	-
As at March 31, 2021	**0.44**	**-**	**0.44**
Charges for the year	2.12	-	2.12
Disposals	-	-	-
As at March 31, 2022	**2.56**	**-**	**2.56**
Charges for the year	1.55	1.29	2.84
Disposals	-	-	-
As at March 31, 2023	**4.11**	**1.29**	**5.40**

Net Block as at March 31, 2021	0.08	-	0.08
Net Block as at March 31, 2022	1.66	-	1.66
Net Block as at March 31, 2023	1.02	1.07	2.09

(Amounts are in INR lakh unless otherwise stated)

5 Right of Use Assets

Gross Carrying Value	**Right to Use**
As at March 31, 2020	**-**
Additions	-
Disposals	-
Assets Write off	-
As at March 31, 2021	**-**
Additions	**700.02**
Disposals/ Adjustments	-
Assets Write off	-
As at March 31, 2022	**700.02**
Addition on account of Business combination (refer note no. 43)	51.28
Additions	38.87
Disposals	-
As at March 31, 2023	**790.17**

Accumulated Amortisation	**Right to Use**
As at March 31, 2020	**-**
Additions	-
Disposals	-
As at March 31, 2021	**-**
Charges for the year	65.14
Disposals	-
As at March 31, 2022	**65.14**
Charges for the year	232.14
Disposals	-
As at March 31, 2023	**297.28**

Net Block as at March 31, 2021	-
Net Block as at March 31, 2022	634.88
Net Block as at March 31, 2023	492.89

(Amounts are in INR lakh unless otherwise stated)

6 Goodwill

Gross Carrying Value	Goodwill
As at March 31, 2020	**800.65**
Additions	-
Disposals	-
As at March 31, 2021	**800.65**
Additions	-
Disposals	-
As at March 31, 2022	**800.65**
Additions	**7,347.95**
Disposals	-
As at March 31, 2023	**8,148.60**

Accumulated Amortisation	Goodwill
As at March 31, 2020	-
Charges for the year	-
Disposals	-
As at March 31, 2021	-
Charges for the year	-
Disposals	-
As at March 31, 2022	-
Charges for the year	-
Disposals	-
As at March 31, 2023	-

Net Block as at March 31, 2021	**800.65**
Net Block as at March 31, 2022	**800.65**
Net Block as at March 31, 2023	**8,148.60**

(Amounts are in INR lakh unless otherwise stated)

7 Other financial assets: Non Current

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Carried at amortised cost			
Security deposits	114.37	68.03	11.84
Fixed deposit with bank with original maturity more than 12 months	993.98	811.86	722.78
Interest accrued on fixed deposit	57.39	150.60	95.09
Total	**1,165.74**	**1,030.49**	**829.71**

8 Deferred tax assets & (liabilities) (Net)

	As at March 31, 2023	(Charge)/credit for the year	Other Comprehensive Income	Acquistion on Business Combination	As at March 31, 2022
Deferred tax assets on:					
Timing difference on depreciation and amortisation	47.84	(1.87)		44.31	5.40
Timing difference on employee benefits	5.85	(22.44)	(4.92)	26.83	6.38
Timing difference on lease liability	125.59	(45.39)		8.47	162.51
Timing difference on preliminary expenses	0.04	-			0.04
Timing difference on provision for doubtful	-	(1.98)		1.98	-
Timing difference on carry forward of losses	207.58	(58.10)			265.68
	386.90	**(129.78)**	**(4.92)**	**81.59**	**440.01**
Deferred tax liability on:					
Timing difference on right of use asset	(119.32)	40.27			(159.59)
	(119.32)	**40.27**	**-**	**-**	**(159.59)**
Total deferred tax assets/(liability)(net)	**267.58**	**(89.51)**	**(4.92)**	**81.59**	**280.42**

Deferred tax assets & (liabilities) (Net)

	As at March 31, 2022	(Charge)/credit for the year	Other Comprehensive Income	As at March 31, 2021
Deferred tax assets on:				
Timing difference on depreciation and amortisation	5.40	0.52		4.88
Timing difference on employee benefit	6.38	1.96	(0.28)	4.70
Timing difference on lease liability	162.51	162.51		-
Timing difference on preliminary expenses	0.04	(0.05)		0.09
Timing difference on provision for doubtful	-	(240.40)		240.40
Timing difference on carry forward of losses	265.68	265.68		-
	440.01	**190.22**	**(0.28)**	**250.07**
Deferred tax liability on:				
Timing difference on right of use asset	(159.59)	(159.59)		-
	(159.59)	**(159.59)**	-	-
Total deferred tax assets/(liability)(net)	**280.42**	**30.63**	**(0.28)**	**250.07**

9 Non current tax assets

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Advance tax (net of tax paid)	739.28	144.22	96.48
Total	**739.28**	**144.22**	**96.48**

10 Inventories

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Traded Goods (carried at cost and net relisable value whichever is less)	55.63	-	-
	55.63	-	-

11 Trade receivables: Current

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Unsecured Considered good;	396.34	846.79	884.69
Unbilled revenue	1,426.07	7.35	-

Total	**1,822.41**	**854.14**	**884.69**

(Amounts are in INR lakh unless otherwise stated)

Ageing for trade receivables- outstanding as on March 31, 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Revenue	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 yrs	
(i) Undisputed Trade Receivables - considered good	1,426.07	396.34	-	-			1,822.41
(ii) Undisputed Trade Receivables - which have significant increase in credit risk							
(iii) Undisputed Trade Receivables - credit impaired							
(iv) Disputed Trade Receivables-considered good							
(v) Disputed Trade Receivable - which have significant in increase in credit risk							
(vi) Disputed Trade Receivables - credit impaired							
Less: Allowance for doubtfultrade receivables	-	-	-	-	-	-	-
Total Trade receivables	**1,426.07**	**396.34**	**-**	**-**	**-**	**-**	**1,822.41**

Ageing for trade receivables- outstanding as on March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Revenue	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 yrs	
(i) Undisputed Trade Receivables - considered good	7.35	842.96	1.03	2.80	-	-	854.14
(ii) Undisputed Trade Receivables - which have significant increase in credit risk							
(iii) Undisputed Trade Receivables - credit impaired							
(iv) Disputed Trade Receivables-considered good							
(v) Disputed Trade Receivable - which have significant in increase in credit risk							
(vi) Disputed Trade Receivables - credit impaired							
Less: Allowance for doubtfultrade receivables	-	-	-	-	-	-	-
Total Trade receivables	**7.35**	**842.96**	**1.03**	**2.80**	**-**	**-**	**854.14**

Ageing for trade receivables- outstanding as on March 31, 2021 is as follows:

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Revenue	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 yrs	
(i) Undisputed Trade Receivables - considered good	-	151.04	1.83	731.82	-	-	**884.69**
(ii) Undisputed Trade Receivables - which have significant increase in credit risk							
(iii) Undisputed Trade Receivables - credit impaired							
(iv) Disputed Trade Receivables-considered good							
(v) Disputed Trade Receivable - which have significant in increase in credit risk							
(vi) Disputed Trade Receivables - credit impaired							
Less: Allowance for doubtful trade receivables	-	-	-	-	-	-	-
Total Trade receivables	**-**	**151.04**	**1.83**	**731.82**	**-**	**-**	**884.69**

12 Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Balance with banks			
Current account	1,523.99	530.78	699.55
Cash on hand	46.65	74.18	50.41
Total	**1,570.64**	**604.96**	**749.96**

13 Bank balance other than cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Fixed deposits (with original maturity period of more than three month)*	2,939.08	760.06	184.16
Total	**2,939.08**	**760.06**	**184.16**

* Pledge against OD Rs 85,000/-

14 Loans and advances

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Loan and advances to related parties	-	-	46.83
Total	**-**	**-**	**46.83**

(Amounts are in INR lakh unless otherwise stated)

15 Other Financial Assets

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good			
-Receivables from Punjab Govt (Punjab State e Governance Society)	-	0.25	61.70
-Advance to employees	10.24	7.61	6.63
Security deposits	0.10	0.10	0.10
Wallet Assets	60.28	182.91	38.94
Other receivable	57.85	17.11	24.63
Interest accrued on Fixed Deposit	1.41	0.06	5.72
Total	**129.88**	**208.04**	**137.72**

16 Other Current Assets

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Advances against services	175.73	63.11	23.68
Prepaid expenses	26.14	10.59	10.05
Balance with statutory/ government authorities	303.60	179.40	31.32
Other receivable			
Total	**505.47**	**253.10**	**65.05**

(Amounts are in INR lakh unless otherwise stated)

18 Other equity

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Balance of retained earnings	1,448.51	910.55	595.73
Profit for the year	1,888.02	537.96	314.82
Utilised for issue of bonus shares	(600.00)	-	-
On acquistion of Non controlling interest	(249.88)	-	
Balance of retained earnings at the end of reporting period (a)	**2,486.65**	**1,448.51**	**910.55**
Other comprehensive income			
Balance at the beginning of reporting period	7.18	6.35	3.43
Other comprehensive income (OCI)	13.58	0.83	2.92
Balance at the end of reporting period (b)	**20.76**	**7.18**	**6.35**
		-	-
Capital Reserve			
Balance at the beginning of reporting period	(777.30)	(777.30)	(777.30)
On acquistion of BLS Kendras	-	-	-
Balance at the end of reporting period (c)	**(777.30)**	**(777.30)**	**(777.30)**
Security Premium			
Security premium on equity shares issued	7,629.39	-	-
Utilised for issue of bonus shares	(5,338.12)	-	-
Balance at the end of reporting period (d)	**2,291.27**	**-**	**-**
Balance of retained earnings at the end of reporting period (a+b+c+d)	**4,021.38**	**678.39**	**139.60**

Securities premium reserve

Securities premium reserve represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

Retained earnings

All the profits or losses made by the Company are transferred to retained earnings from statement of profit and loss and it also includes pre-acquisition profits of entities acquired under common control business combination.

Re-measurement of defined benefit plans

This represents the actuarial gains/losses recognised in other comprehensive income.

Capital reserve

This represents the capital reserve on accounting for common control business combinations. The amount of capital reserve represents the difference between the consideration paid for acquisition and the Net Assets of the acquired entities.

19 Share capital pending allotment

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of reporting period(refer note no. 43)	827.30	827.30	827.30
Add: Transferred to share capital account	(827.30)	-	-
Balance at the end of reporting period	**-**	**827.30**	**827.30**

20 Borrowings : Non-Current

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Unsecured			
Loan from fellow subsidiary*	-	726.05	-
Total	**-**	**726.05**	**-**

*The loan is repayable in thirty six month and carry interest rate of 7% p.a. Repayment will start from April' 2023.

21 Lease Liability - Non-Current

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Lease liability	387.30	552.69	-
Total	**387.30**	**552.69**	**-**

(Amounts are in INR lakh unless otherwise stated)

22 Provisions - Non- Current

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Provisions for gratuity (refer note no. 47)	26.17	24.32	15.53
Total	**26.17**	**24.32**	**15.53**

23 Borrowings : Current

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Loans from holding company*	-	-	1,101.57
Loan from fellow subsidiaries*	-	150.00	-
Total	**-**	**150.00**	**1,101.57**

*loan taken for business activities which is unsecured bearing 7% p.a. interest and repayable on demand.

24 Lease Liabilty - Current

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Lease Liabilty	131.01	93.02	-
Total	**131.01**	**93.02**	**-**

25 Trade Payables

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Dues to micro enterprises and small enterprises	-	-	-
Dues to creditors other than micro enterprises and small enterprises	249.18	794.36	161.07
Total	**249.18**	**794.36**	**161.07**

Ageing for trade payable outstanding as at March 31, 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 yr	1-2 yr	2-3 yr	More than 3 yrs	
(i) MSME	-	-	-	-	-
(ii) Others	247.73	0.55	-	-	248.28
(iii) Diputed dues-MSME	-	-	-	-	-
(iv) Diputed dues-Others	-	0.16	-	0.74	0.90
Total	**247.73**	**0.71**	**-**	**0.74**	**249.18**

Ageing for trade payable outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 yr	1-2 yr	2-3 yr	More than 3 yrs	
(i) MSME	-	-	-	-	-
(ii) Others	794.32	0.04	-	-	794.36
(iii) Diputed dues-MSME	-	-	-	-	-
(iv) Diputed dues-Others	-	-	-	-	-
					-
Total	**794.32**	**0.04**	**-**	**-**	**794.36**

Ageing for trade payable outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 yr	1-2 yr	2-3 yr	More than 3 yrs	
(i) MSME	-	-	-	-	-
(ii) Others	160.73	0.34	-	-	161.07
(iii) Diputed dues-MSME	-	-	-	-	-
(iv) Diputed dues-Others	-	-	-	-	-
					-
Total	**160.73**	**0.34**	**-**	**-**	**161.07**

(Amounts are in INR lakh unless otherwise stated)

26 Other financial liabilities

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Interest accured due but not paid			
on borrowing from holding company	-	-	441.59
on borrowing from fellow subsidiary	-	12.23	-
Others			
- Expenses payable	1,620.82	720.87	587.91
- Employees dues payables	99.63	65.70	47.51
Wallet top up liability	2,848.11	543.28	476.97
Others Payables	523.76	15.72	6.19
Security Deposit received	244.10	165.18	122.41
Total	**5,336.42**	**1,522.98**	**1,682.58**

27 Provisions-Current

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Provisions for gratuity (refer note no. 47)	1.93	1.02	3.13
Total	**1.93**	**1.02**	**3.13**

28 Other Current Liabilities

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	553.83	220.67	126.95
Advance from customers	115.54	1.13	-
Total	**669.37**	**221.80**	**126.95**

(Amounts are in INR lakh unless otherwise stated)

17 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Authorized Share Capital			
7,00,00,000 (March 31, 2023) equity shares of Rs. 10/- each	7,000.00	1.00	1.00
Issued, subscribed and fully paid-up			
6,67,26,485 (March 31, 2023) equity shares of Rs. 10/- each	6,672.65	1.00	1.00
Total	**6,672.65**	**1.00**	**1.00**

a.) Reconciliation of shares outstanding at the beginning and at the end of the year

EQUITY SHARES	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	10,000	1.00	10,000	1.00	10,000	1.00
Add: Shares issued during the year	6,67,16,485	6,671.65	-	-	-	-
Balance at the closing of the year	6,67,26,485	6,672.65	10,000	1,00,000	10,000	1,00,000

b) Rights, preferences and restrictions attached to shares

The Group has only one class of equity shares having a par value of Re. 10 per share. Each holder of equity shares is entitled to one vote per share and ranlking pari passu with each other. There are no restriction in terms of applicable provisions of the companies act, 2013 attached to any of the equity shares and further no special or diffrential voting rights.

c.) Number of shares held by Holding Company

Name of shareholder	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class
BLS International Services Limited along with nominee	4,62,56,485	69.32%	10,000	100.00%	10,000	100.00%

d.) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of shareholder	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class
BLS International Services Limited along with nominee	4,62,56,485	69.32%	10,000	100.00%	10,000	100.00%
Diwakar Aggarwal	86,05,000	12.90%				
Shikhar Aggarwal	63,55,000	9.52%				
Sunabh Consultancy Private Limited	41,35,000	6.20%				

e). The company has issued and alloted following equity shares during current financial year ended March 31, 2023:

i. Allotment of 60,00,000 Bonus Equity Shares of the face value of Rs. 10/- each fully paid up, in the ratio of 600:1 on October 01, 2022 to the existing shareholders whose names appear in the register of member / Beneficial owner's position of the company on October 01, 2022 ("Record Date") ranking pari passu with existing shares.

ii. Allotment of 25,00,000 Equity Shares of face value of Rs. 10/- each on October 04, 2022 to Holding Company, for Rs. 100/- each equity share on the basis of the Right Issue to existing equity shareholders, including premium of Rs. 90/- per shares for an aggregate amount of Rs. 25,00,00,000/-, ranking pari passu with existing shares.

iii. Allotment of 7,41,297 Equity Shares of face value of Rs. 10/- each, on the right basis on October 31, 2022, to BLS International Services Limited as Share Swap Consideration against the Transfer of 500,000 Equity Shares held by BLS International Services Limited in BLS Kendras Private Limited to BLS E-Services Limited, ranking pari passu with existing shares.

iv. Allotment of 20,94,000 Equity Shares of face value of Rs. 10/- each, on December 21, 2022, on Preferential & Private Placement basis to various shareholders, for Rs. 123/- each including premium of Rs. 113/- per shares for an aggregate amount of Rs. 25,75,62,000/-, ranking pari passu with existing shares

v. Allotment of 20,00,000 Equity Shares as Sweat Equity Shares of face value of Rs. 10/- each on December 21, 2022. 10,00,000 sweat equity shares to Mr. Diwakar Aggarwal and 10,00,000 sweat equity shares Mr. Shikhar Aggarwal, Directors of the Holding Company. Further, in the terms revised form of consideration from “consideration other than cash” to a “cash consideration” as duly approved by the Shareholders in their extra-ordinary general meeting held on March 27, 2023; it was considered as issued for Rs. 110/- each including a premium of Rs. 100 for an aggregate amount of Rs. 22,00,00,000/-, ranking pari passu with existing shares.

vi. Allotment of 5,33,81,188 Bonus Equity Shares of face value of Rs. 10/- each fully paid up, in the ratio of 4:1 on December 30, 2022, to the existing shareholders whose names appear in the register of member / Beneficial owner's position of the company on 29th December, 2022 ("Record Date") , ranking pari passu with existing shares.

f.) Shareholding of promoters

The details of the shares held by promoters as at March 31, 2023 are as follow:

Promoter name	No. of Shares	% of total shares	% change during the year
BLS International Services Limited	4,62,56,485	69.32%	-30.68%

The details of the shares held by promoters as at March 31, 2022 are as follow:

Promoter name	No. of Shares	% of total shares	% change during the year
BLS International Services Limited	10,000	100%	-

The details of the shares held by promoters as at March 31, 2021 are as follow:

Promoter name	No. of Shares	% of total shares	% change during the year
BLS International Services Limited	10,000	100%	-

(Amounts are in INR lakh unless otherwise stated)

29 Revenue from operations

	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from Operations			
Sale of Services	23,805.88	9,661.46	6,448.72
Sale of Products	500.19	8.36	-
Total	**24,306.07**	**9,669.82**	**6,448.72**

	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Timing of revenue recognition			
Services/products transferred at a point in time	24,306.07	9,669.82	6,448.72
Services/products transferred over period of time			
Total revenue from contracts with customers	24,306.07	9,669.82	6,448.72
Contract balances			
Trade receivables	1,822.41	854.14	884.69
Contract liabilities	115.54	1.13	-
	1,937.95	855.27	884.69
Movement of contract liabilities			
Contract liabilities at the beginning of the year	1.13	-	-
Amount received/ adjusted against contract liability during the year net of Performance obligations satisfied in current year	114.41	1.13	-
Amounts included in contract liabilities at the end of the year	115.54	1.13	-
Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price			
Revenue as per contracted price	24,306.07	9,669.82	6,448.72
Less: Discount	-	-	-
	24,306.07	**9,669.82**	**6,448.72**

30 Other income

	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Interest Income			
on Fixed Deposits with banks	95.12	78.21	62.62
on security deposits	3.62	2.00	-
on Income Tax Refund	29.54	5.24	-
Profit on Sale of Property, Plant & Equipment	2.75	-	-
Profit on Sale of Investments	39.21	-	-
Rental Income	72.00	-	-
Miscellaneous income	80.97	84.29	12.01
Total	**323.21**	**169.74**	**74.63**

31 Cost of services/product sold

	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Purchases	826.74	259.62	19.14
Operational expenses	15,318.10	6,091.98	4,175.66
Change in Inventory	11.64	-	-
Total	**16,156.48**	**6,351.60**	**4,194.80**

(Amounts are in INR lakh unless otherwise stated)

32 Employee benefits expenses

	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and incentives	2,111.27	592.03	361.42
Contribution to provident fund and other funds	147.41	27.83	15.95
Staff welfare expenses	63.84	21.01	3.86
Total	**2,322.52**	**640.87**	**381.23**

33 Finance Cost

	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Interest on borrowings	351.79	66.73	109.43
Interest others	6.63	0.76	6.09
Other financials charges	10.77	17.50	32.21
Interest on lease liability	23.63	17.33	-
Total	**392.82**	**102.32**	**147.73**

34 Depreciation and amortization expenses

	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant & equipment	43.21	14.75	7.16
Amortization on intangible assets	2.85	2.12	0.17
Amortization on Right of use Asset	232.14	65.14	-
Total	**278.20**	**82.01**	**7.33**

35 Other Expenses

	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Bank charges	6.51	3.48	2.18
Telephone & internet expenses	173.62	132.01	109.50
Sewa kendra expenses	784.17	567.67	461.50
Conveyance expenses	457.90	136.25	93.97
Software expense	48.70	24.39	25.52
Professional consultancy charges	275.13	425.61	457.15
Rent expense	28.65	5.60	23.83
Repair & maintenance expense	158.26	251.04	123.71
Bad Debts	31.03	-	0.14
Electricity & Water	36.82	11.54	0.34
Business Promotion	22.05	197.69	0.52
Rate and Taxes	91.41	0.12	0.38
Sundry Balance written off	26.76	13.73	-
Insurance	19.38	8.35	7.92
Printing & Stationery	147.82	96.10	65.47
CSR expense	35.05	3.50	11.00
Miscellaneous expenses	178.03	107.94	16.91
Total	**2,521.29**	**1,985.02**	**1,400.04**

35.1 Auditors Remuneration

	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Statutory audit fees	20.05	6.00	6.00
Limited review fees	-	-	-
Reimbursement of expenses	-	-	-
Total	**20.05**	**6.00**	**6.00**

(Amounts are in INR lakh unless otherwise stated)

36 Earning Per share (EPS)

	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Net profit after tax as per statement of profit and loss attributable to equity shareholders (Rs.)	1,888.02	537.96	314.82
Number of equity shares at the beginning of the reporting period	10,000	10,000	10,000
Add: Bonus issued during the year	5,93,81,188	5,93,81,188	5,93,81,188
Add: Share application money pending allotment	7,41,297	7,41,297	7,41,297
Add: Weighted average number of equity shares issued during the year	23,58,888	-	-
	6,24,91,373	**6,01,32,485**	**6,01,32,485**
Total weighted average number of equity shares used as denominator for calculating basic and diluted EPS	6,24,91,373	6,01,32,485	6,01,32,485
Basic EPS (Rs.)	3.02	0.89	0.52
Diluted EPS (Rs.)	3.02	0.89	0.52
face value per equity share (Rs.)	10	10	10

37 Contingent liabilities and commitments (to the extent not provided for)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Guarantees issued by the bank on behalf of the Company	2,000.00	2,000.00	2,000.00
Guarantees given to bank for providing fund based facilities to CSP's	273.79	-	-

38 The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Principal amount remaining unpaid at the end of the year	-	-	-
Interest due thereon remaining unpaid at the end of the year	-	-	-
Delayed payment of Principal amount paid beyond appointed date during the entire financial year	-	-	-
Interest actually paid under Section 16 of the Act during the entire accounting year	-	-	-
Amount of Interest due and payable for the period of delay in making the payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under this Act	-	-	-
Amount of Interest due and payable for the period (where principal has been paid but interest under the MSMED Act not paid)	-	-	-
Interest accrued and remaining unpaid at the end of the year	-	-	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the Micro and Small Enterprises for the purpose of disallowances as deductible expenditure under Section 23 of this Act	-	-	-

(Amounts are in INR lakh unless otherwise stated)

39 FINANCIAL INSTRUMENTS

39.1 CATERGORY-WISE CLASSIFCATION OF FINANCIALS INTRUMENTS

	March 31, 2023	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value
A.	**Financial assets measured at amortised cost**				
(i)	Bank balance other than cash and cash equivalents	-	-	2,939.08	2,939.08
(ii)	Other financial asset- Non Current	-	-	1,165.74	1,165.74
(iii)	Cash & cash equivalents	-	-	1,570.64	1,570.64
(iv)	Trade receivables	-	-	1,822.41	1,822.41
(v)	Other financial current assets	-	-	129.88	129.88
	Total	**-**	**-**	**7,627.75**	**7,627.75**
B.	**Financial liabilities measured at amortised cost**				
(i)	Trade payables	-	-	249.18	249.18
(ii)	Other financial liabilities-Current	-	-	5,336.42	5,336.42
(iii)	Lease Liability	-	-	518.31	518.31
	Total	**-**	**-**	**6,103.91**	**6,103.91**

	March 31, 2022	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value
A.	**Financial assets measured at amortised cost**				
(i)	Bank balance other than cash and cash equivalents	-	-	760.06	760.06
(ii)	Other financial asset- Non Current	-	-	1,030.49	1,030.49
(iii)	Cash & cash equivalents	-	-	604.96	604.96
(iv)	Trade receivables	-	-	854.14	854.14
(v)	Other financial current assets	-	-	208.04	208.04
	Total	**-**	**-**	**3,457.69**	**3,457.69**
B.	**Financial liabilities measured at amortised cost**				
(i)	Borrowings : Non-Current	-	-	726.05	726.05
(ii)	Borrowings : Current	-	-	150.00	150.00
(iii)	Trade payables	-	-	794.36	794.36
(iv)	Other financial liabilities-Current	-	-	1,522.98	1,522.98
(v)	Lease Liability	-	-	645.71	645.71
	Total	**-**	**-**	**3,839.10**	**3,839.10**

	As at March 31, 2021	FVTPL	FVTOCI	Amortised Cost	Total Carrying Value
A.	**Financial assets measured at amortised cost**				
(i)	Bank balance other than cash and cash equivalents	-	-	184.16	184.16
(ii)	Other financial asset- Non Current	-	-	829.71	829.71
(iii)	Cash & cash equivalents	-	-	749.96	749.96
(iv)	Trade receivables	-	-	884.69	884.69
(v)	Other financial current assets	-	-	137.72	137.72
(vi)	Loans and advance	-	-	46.83	46.83
	Total	**-**	**-**	**2,833.07**	**2,833.07**
B.	**Financial liabilities measured at amortised cost**				
(i)	Borrowings : Current	-	-	1,101.57	1,101.57
(ii)	Trade payables	-	-	161.07	161.07
(iii)	Other financial liabilities-Current	-	-	1,682.58	1,682.58
	Total	**-**	**-**	**2,945.22**	**2,945.22**

The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1 Fair Value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

2 Financial instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

3 There are no transfers between Level 1, 2 and 3 financial instruments.

(Amounts are in INR lakh unless otherwise stated)

a) Risk management framework

The group board of directors has the overall responsibility for the management of these risks and is supported by Senior Management that advises on the appropriate financial risk governance framework. The Company has the risk management policies and systems in place and are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's audit committee oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of risk management framework in relation to the risks faced by the Company. The framework seeks to identify, asses and mitigate financial risk in order to minimise potential adverse effects on the company's financial performance.

The group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk; and
- Market risk

b) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises from the operating activities primarily (trade receivables) and investing activities including deposits with banks and other corporate deposits. The company establishes an allowance for impairment that represents its estimate of expected losses in respect of financial assets. A default of financial assets is when there is a signiant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the company certain about the non- recovery. The Credit risk exposure is given in note no. 7, 10, 12, 13, 14 and 15.

The Company provides for expected credit loss based on lifetime expected credit loss mechanism for loans and advances, deposits and other investments-

March 31, 2023

Particulars	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	-	-	1,570.64
Other bank balance	-	-	2,939.08
Trade receivables	-	-	1,822.41
Other financial assets	-	-	1,295.62
Loans and advances	-	-	-

March 31, 2022

Particulars	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	-	-	604.96
Other bank balance	-	-	760.06
Trade receivables	-	-	854.14
Other financial assets	-	-	1,238.53
Loans and advances	-	-	-

March 31, 2021

Particulars	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	-	-	749.96
Other bank balance	-	-	184.16
Trade receivables	-	-	884.69
Other financial assets	-	-	967.44
Loans	-	-	46.83

(i) Trade & other receivables:

Customer credit risk is managed based on company's established policy, procedures and controls. The company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Credit risk is reduced by receiving pre-payments. The company has a well defined sales policy to minimize its risk of credit defaults. Outstading customer receivables are regularly monitored and assessed. Impairement analysis is performed pased on historical data at each reporting date on an individual basis. However a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

Expected Credit loss under simplified approach for Trade receivables:

Ageing	As at March 31,2023	As at March 31,2022	As at March 31,2021
Ageing of gross carrying amount			
Unbilled Revenue	1,426.07	7.35	-
less than 180 days	396.34	842.96	151.04
181-365 days	-	1.03	1.83
More than 1 year	-	2.80	731.82
Gross Carrying amount	1,822.41	854.14	884.69
Expected Credit loss		-	-
Net carrying amount	**1,822.41**	**854.14**	**884.69**

(Amounts are in INR lakh unless otherwise stated)

(ii) Financial instruments and cash deposits :

The credit risk for cash deposits with banks and cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognized commercial banks and are not past due. The carrying amounts disclosed above are the Company's maximum possible credit risk exposure in relation to these deposits.

Other financial assets being security deposits and others are also due from several counter parties and based on historical information about defaults from the counter parties, management considers the quality of such assets that are not past due to be good.

Impairment on cash and cash equivalents, deposits and other financial instruments has been measured on the 12-month expected credit loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of counterparties.

Based on the assessment there is no impairment in the above financial assets.

c) Liquidity Risk

Liquidity risk is defined as the risk that the group will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for maintenance of liquidity, continuity of funding as well as timely settlement of debts. In addition, policies related to mitigation of risks are overseen by senior management. Management monitors the Company's net liquidity position on the basis of expected cash flows vis a vis debt service fulfilment obligation.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

	Less than 1 year	1-5 years	Total
As at March 31, 2023			
Loan from related party	-	-	-
Trade payables	247.73	1.45	249.18
Other financial liabilities-Current	5,336.42	-	5,336.42
Lease liability	170.80	437.12	607.92
As at March 31, 2022			
Loan from related party-Current	150.00	726.05	876.05
Trade payables	794.32	0.04	794.36
Other financial liabilities-Current	1,522.98	-	1,522.98
Lease liability	234.42	588.62	823.04
As at March 31, 2021			
Loan from related party	1,101.57	-	1,101.57
Trade payables	160.73	0.34	161.07
Other financial liabilities-Current	1,682.58	-	1,682.58
Lease liability	-	-	-

d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types of risk i.e. currency rate , interest rate and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and financial instruments. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

i) Interest Rate Risk and Sensitivity

The company has borrowing with the related parties at a fixed rate of interest. Therefore there is no interest rate risk.

39.2 Capital Management

The Group policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The primary objective of the Group Capital management is to maximise shareholder's value. The Company manages its capital and makes adjustment to it in light of the changes in economic and market conditions.

The Company manages capital using gearing ratio, which is total debt divided by total equity. The gearing at the end of the reporting period was as follows:

Particulars	**As at March 31,2023**	**As at March 31, 2022**	**As at March 31, 2021**
Borrowings (Non current)		726.05	-
Borrowings (Current)	-	150.00	1,101.57
Less: Cash and cash equivalents including bank balances	(1,570.64)	(604.96)	(749.96)
Total Debt (A)	**(1,570.64)**	**271.11**	**351.61**
Total Equity (B)	10,694.03	1,506.69	967.90
Capital and Net debt(C=A+B)	9,123.39	1,777.80	1,319.51
Gearing ratio A/C	**-17.22%**	**15.25%**	**26.65%**

(Amounts are in INR lakh unless otherwise stated)

40 Related Party Disclosures

Related party disclosures , as required by Ind AS 24 is as below:

A) Ultimate Holding Company

BLS International Services Limited

B) Subsidiary Company

Starfin India Private Limited
BLS Kendras Private Limited (w.e.f. October 31, 2022)
Zero Mass Private Limited (w.e.f June 07, 2022)

C) Fellow Subsidiaries

BLS IT- Services Private Limited
BLS E- Solution Private Limited
BLS Kendras Private Limited (till October 30, 2022)
Reired BLS International Private Limited
BLS International FZE
BLS International Services, UAE^
BLS International Services Canada INC.^
BLS International Services Norway AS^
BLS International Services Singapore PTE LTD.^
BLS International Services (UK) Limited^
Consular Outsourcing BLS Services Inc.(USA)^
BLS International Vize Hizmetleri Ltd. Sti.(Turkey)^
BLS International Services Limited (Hongkong)^
BLS International (pty) Limited(South africa)^
Balozi Liaison Services International Limited(kenya) (w.e.f 01 April' 2022)^
BLS International Services SRL (Italy) (w.e.f. 01 April'2022)**
BLS International Services Malaysia SDN BHD^
BLS International Employee Welfare Trust

^ Subsidiary of BLS International FZE
** Subsidiary of BLS International Services (UK) Limited

D) Key Management Personnel (KMP)	**Designation**
Mr. Rahul Sharma (w.e.f 21.12.2022)	CFO
Mr. Sanjay Rawat (w.e.f 14.03.2023)	Company Seceratary

E) Non-executive director	
Mr. Dinesh Sharma (w.e.f 23.10.2017)	Director
Mr. Sanjeev Kumar (w.e.f 23.10.2017)	Director
Ms. Shivani Mishra (w.e.f 21.11.2016)	Director
Mr. Ram Prakash Bajpai (w.e.f 21.12.2022)	Director

F) Relative of key management person of holding company	
Mr. Gaurav Aggarwal	Nephew of Diwakar Aggarwal
Ms. Riya Aggarwal	Daughter of Diwakar Aggarwal
Mr. Abhinav Goel	Nephew of Diwakar Aggarwal
Mr. Karan Aggarwal	Son of Sushil Aggarwal

G) Directors of Holding Company	
Mr. Diwakar Aggarwal	Non-Executive Director
Mr. Shikhar Aggarwal	Joint Managing Director
Mr. Karan Aggarwal	Executive Director

(Amounts are in INR lakh unless otherwise stated)

Related Party Disclosures

The following transactions were carried out with the related parties in the ordinary course of business:

BLS E-Service Limited

S. No.	Particulars	Nature of Transaction	2022-23	2021-22	2020-21
1	BLS International Services Limited	Consultancy services	-	0.69	-
		Registration Fee	0.05	-	-
		Interest expense	158.10	53.14	95.77
		Repayment of Interest on Loan	-	476.12	-
		Loan received during the year	6,414.00	-	-
		Loan repaid during the year	-6,414.00	1,101.57	130.10
		Other payables (paid)	-	4.10	15.00
		Reimbursement of Expenses (Payable)	276.42	2.50	-
		Reimbursement of Expenses (Recoverab	0.12	0.19	-
		Office Administrative Income	128.00	-	-
		Closing Balances:			
		Loan payable	-	-	1,101.57
		Interest payable	-	-	428.29
		Other payables	-	-	0.89
		Balance recoverable	-	0.12	-
		Off balance sheet items			
		Corporate guarantee taken	-	-	2,000.00
2	BLS IT Service Private Limited	Loan/ Advance received	2,865.00	-	3.50
		Loan/ Advance repaid	-2,865.00	41.85	2.25
		Reimbursement of Exp received	0.02	0.01	-
		Reimbursement of Exp paid	0.08	-	-
		Management Consultancy Income	90.00		
		Interest on Loan	94.47	-	-
		Repayment of Interest on Loan	85.02		
		Closing Balances:			
		Balance receivables	97.26	-	41.85
		Balance Payable	-	0.00	-
3	BLS E Solutions Private Limited	Loan/ Advance received	1,230.00	-	4.98
		Loan/ Advance repaid	-1,956.05	50.00	-
		Long term Loan/ Advance Received	-	776.05	-
		Loan/ Advance recovered	-	4.98	-
		Management Consultancy Income	70.00	-	-
		Reimbursement of Expenses	0.25	0.01	-
		Reimbursement of Expenses Received	-0.09	-	-
		Interest on Loan	90.49	12.87	-
		Repayment of Interest on Loan	93.03		
		Closing Balances:			
		Balance receivables	75.76	-	4.98
		Balance Payable	-	726.05	-
		Interest Payable	-	11.58	-

BLS E-Services Limited (formerly known as BLS E-Services Private Limited)
CIN: U74999DL2016PLC298207
Consolidated Statement of notes and other explanatory information
(Amounts are in INR lakh unless otherwise stated)

4	BLS Kendras Private Limited	E-wallet top up	61.25	625.85	-445.32
		Commission paid	-	3.23	-1.95
		Commission received	6.98	4.24	0.34
		E-wallet transaction done	-	622.32	438.49
		Franchisee fee	-	-	110.00
		Management Consultancy	150.00		
		Interest on Loan	39.36	-	-
		Loan/ Advance Received	1,836.25	-	-
		Loan/ Advance repaid	-1,317.51	-	-
		Discount received	0.26	-	-
		Purchase	60.60	-	-
		Sale	-	4.59	-
		Other Receivable Received	-4.64	-	-
		Other Receivable Paid	-164.94		
		Loan/ Advance Received	-	145.00	-
		Loan/ Advance repaid	-	145.00	-
		Reimbursement of Expenses	-	0.02	-
		Other Payable (rent)	0.72	0.72	-
		Closing Balance			
		UP E- wallet top up	67.88	-	50.08
		Interest Payable	35.42	-	-
		Loan Payable	518.75	-	-
		Balance payable	-	0.85	-
		Wallet	-	-	0.45
5	Starfin India Private Limited	Sale of wallet top up	-	46.53	1.07
		Loan & Advances Received	200.00	-	0.50
		Loan & Advances paid	-200.00		
		Balance payable paid	174.45	-	-
		Interest on Loan	11.88	-	-
		Repayment of Interest on Loan	10.69		
		Other Receivable	0.11	-	-
		Other Receivable received	-0.11		
		Manpower Services	-	100.00	-
		Technical Services	-	50.00	-
		Reimb. Of Expense	-	0.11	-
		Closing Balance			
		Balance Payable	-	174.45	-
		Wallet Top up liability	-	-	46.59
		Loan & Advances	-	-	0.50
6	Zero Mass Pvt. Ltd.	Loan & Advances Received	4,448.00	-	-
		Loan & Advances Paid	-1,474.48	-	-
		Information Tech. Income	400.00		
		Interest on Loan	150.17	-	-
		Other payable	0.09	-	-
		Other payable (paid)	0.56		
		Repayment of Interest on Loan	50.00		
		Closing Balance			
		Loan Payable	2,973.52	-	-
		Interest Payable	85.16	-	-
7	BLS international Services Private Limited	Bonus Shares	4,300.52	-	-
		Right Issue	2,500.00	-	-
		Swap Issue	827.29		
8	Diwakar Aggarwal	Private Placement	886.83	-	-
		Sweat Equity	1,230.00	-	-
		Rent Expense	0.90	-	-
		Bonus Shares	688.64	-	-

(Amounts are in INR lakh unless otherwise stated)

9	Shikhar Aggarwal	Private Placement	333.33	-	-
		Sweat Equity	1,230.00	-	-
		Bonus Shares	508.40		
10	Karan Aggarwal	Private Placement	333.33	-	-
		Bonus Shares	108.40		
11	Gaurav Aggarwal	Private Placement	2.46	-	-
		Bonus Shares	0.80		
12	Nimit Aggarwal	Private Placement	2.46	-	-
		Bonus Shares	0.80		
13	Rahul Sharma	Managerial Remuneration	4.46	-	-
		Reimbursement of Expense (Paid)	0.94	-	-
		Closing Balances:			
		Balance Receivables	0.02	-	-
14	Sanjay Kumar Rawat	Managerial Remuneration	0.68	-	-

BLS Kendras Private Limited

S. No.	Particulars	Nature of Transaction	2022-23	2021-22	2020-21
1	BLS International Services Limited	Management consultancy services	-	230.00	112.06
		Loan/ Advance received	-	-	40.00
		Loan/ Advance repaid	-	-	341.55
		Interest expenses	-	-	13.67
		Reimbursement of Expense (Paid)	-	-	-
		Repayment of Interest on loan	-	13.30	-
		Other payables paid	169.60	-	-
		Closing Balance			
		Loan payable	-	-	-
		Interest payable	-	-	13.30
		Other payables	-	54.00	74.10
		Others receivable	-	-	-
		Off balance sheet item			
		Corporate guarantee taken	2,000.00	2,000.00	2,000.00
2	BLS IT Service Private Limited	Loan/ Advance taken	-	50.86	-
		Loan/ Advance paid	-150.00	200.86	-
		Rental Income	0.72		
		Other Receivable (Rent) paid	2.10	0.72	-
		Interest Exp.	8.01	0.72	-
		Closing Balance			
		Balance receivables	0.31	150.00	-
		Interest payable	-	0.65	-
		Other Receivable (Rent)	-	0.85	-
3	BLS E -Service Private Limited	Loan/ Advance given	1,836.25	145.00	-
		Loan/ Advance recovered	-1,317.51	145.00	-
		Reimbursement of Expenses	0.01	0.02	-
		Reimbursement of Expenses paid	-0.01	-	-
		Other payable	-164.94	7.20	-
		Other Receivable paid	-4.64	-	-
		Interest Income	39.36	-	-
		Management Consultancy	150.00	-	-
		Purchase of E-wallet top up	-	625.85	442.32
		E-wallet transaction done	-	622.32	435.60
		Wallet Topoup Received	61.25	-	-
		Commission Income	-	3.23	1.95
		Commission Expense	6.98	4.24	0.05
		Rental Income	0.72		
		Franchisee fees	-	-	110.00

(Amounts are in INR lakh unless otherwise stated)

		Discount	0.26	-	-
		Purchase	-	4.59	-
		Sale	60.60	-	-
		Closing Balances:			
		Interest Recoverable	35.42	-	-
		Loan Receivable	518.75	-	-
		Balance receivables	-	-	50.54
		Wallet payable	67.88	-	-
		Other Receivable (Rent)	-	0.85	-
4	BLS E Solutions Private Limited	Loan/ Advance Given	-	-	-
		Rental Income	0.72		
		Insurance Receivable	0.99	-	-
		Other Receivable (Rent)	0.23	-	-
		Closing Balances:			
		Balance receivables	0.62	-	-
		Other Receivable (Rent)	-	-	-
5	Starfin India Private Limited	Loan/ Advance paid	-	-	-
		Loan/ Advance received	-	-	-
		Other Receivable (Received)	243.89	-	-
		Technical Services	148.00	-	-
		Closing Balance			
		Balance Payable	123.50	-	-
6	Gaurav Aggarwal	Professional Consultancy fee	26.00	34.94	-
7	Riya Aggarwal	Professional Consultancy fee	32.00	43.00	-
8	Abhinav Goel	Professional Consultancy fee	12.00	11.00	-
9	Karan Aggarwal	Salary	6.00	6.00	-

Starfin India Private Limited

S.no	Particulars	Nature of Transaction	2022-23	2021-22	2020-21
1	**BLS E -Service Private Limited**	Manpower Services	-	100.00	-
		Information Technology Service Income	-	50.00	-
		Other Receivable (Received)	174.45	46.53	-
		Interest Income	11.88	-	-
		Interest Income (Received)	10.69		
		Reimburse of Expense (paid)	-	0.11	-
		Wallet-BLS E Services	0.11	-	-
		Wallet-BLS E Services (Paid)	-0.11		
		Loan & Advance given	200.00	-	-
		Loan & Advance repaid	-200.00		
		Closing Balance			
		Receivable	-	174.45	-
		Loan Receivable	-	-	0.50
		Wallet-BLS E Services	-	-	46.59
2	**BLS International Services Limited**	Rental Income	72.00	8.00	-
		Management Consultancy Fees	-	30.00	145.00
		Sale of Mini PC	-	8.36	-
		Information Technology Service Income	-	100.00	-
		Commission Onboarding CSP	45.20	-	-
		Payment Received	292.14	-	-
		Reimbursement of Expense	0.04		
		Closing Balance			
		Balance Payable	-	-	49.73
		Balance Receivable	-	118.16	-

(Amounts are in INR lakh unless otherwise stated)

3	**BLS Kendras**	Other Receivable (Received)	243.89	-	-
		Loan & Advance Received	-	55.24	-
		Loan & Advance paid	-	55.24	-
		IT Service Income	148.00	166.00	-
		Closing Balance			
		Balance Receivable	123.50	192.56	-
4	**Diwakar Aggarwal**	Rent Expense	144.00	48.00	-
		Security Deposit	-	36.00	-
		Rent (Payable) Paid	191.52	-	-
		Closing Balance			
		Balance Receivable	51.84	87.84	-

Zero Mass Private Limited

S.NO	Particulars	Nature of Transaction	2022-23	2021-22	2020-21
1	**BLS E-Services Private Limited**	Reimbursement of expenses	-	-	-
		Loan & Advance given	4,448.00	-	-
		Repayment of loans given	-1,474.48	-	-
		Information Tech. Expense	400.00		
		Interest paid on loans given	150.17	-	-
		Interest received on loan given	50.00		
		Other receivable	0.09		
		Other payable	0.57		
		Transactions in current account	-	-	-
		Other Reimbursement	-	-	-
		Closing Balances-	-	-	-
		Current account	-	-	-
		Loan & Advance given	2,973.52	-	-
		Interest Receivable	85.16	-	-
2	**BLS International Services Limited**	Reimbursement of expenses	-	-	-
		Loan & Advance given	-	-	-
		Repayment of loans given	-	-	-
		Interest paid on loans given	-	-	-
		Collection on behalf of BLS International	7.32	-	-
		Transfer to BLS International	7.32	-	-
		Other Reimbursement	-	-	-
		Closing Balances-			
		Current account	-	-	-
		Loan & Advance given	-	-	-
		Interest Receivable	-	-	-
3	**Key Managerial person (KMP)**		-	-	-
	i) Short-term employee benefits		-	-	-
	- Lokanath Panda	Managerial Remuneration	68.48	-	-
	- Anurag Gupta	Managerial Remuneration	-	-	-
	ii) Reimbursement of Expenses		-	-	-
	- Lokanath Panda	Reimbursement of Expenses	1.07	-	-
	- Anurag Gupta	Reimbursement of Expenses	-	-	-
	iii) Sale of Investment in A Little World Private Limited		-	-	-
	- Anurag Gupta		3,170.00	-	-
			-	-	-

(Amounts are in INR lakh unless otherwise stated)

41 Income Taxes

a. Amount recognised in Statement of Profit and Loss

	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Current Income Tax			
Current year	645.87	168.06	79.52
Adjustment in respect of current income tax for earlier year	(70.62)	2.35	0.35
Total	**575.25**	**170.41**	**79.87**
Deferred Tax	89.51	(30.63)	(2.47)
Total	**664.76**	**139.78**	**77.40**

b. Income taxes on other comprehensive income

	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Deferred tax			
Re-measurements of defined benefit plans	(4.92)	(0.28)	(0.98)
Total	**(4.92)**	**(0.28)**	**(0.98)**

c. Reconciliation of Tax expense

	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Reconciliation of effective tax rate			
Profit before tax	2,697.94	677.74	392.22
Enacted income tax rate*	25.17%	25.17%	25.17%
Tax amount on enacted income tax rate in India	679.02	170.57	98.71
Add/(deduct) impact of:			
Expenses not allowable in income tax	137.21	6.21	4.36
Expenses allowable in income tax	(75.99)	(17.49)	(0.05)
Change in tax rate	-	-	-
Effect of carried forward losses	(64.64)	-	-
Tax Expense of earlier years	(70.62)	2.35	0.35
Others	59.78	(21.86)	(25.97)
Effect of income tax that is exempt for tax	-	-	-
Tax Expense	**664.76**	**139.78**	**77.40**

* Tax rate of 25.168% includes corporate tax of 22%, surcharge 10% and health and education cess of 4% on the tax amount

(Amounts are in INR lakh unless otherwise stated)

42 Leases

42.1 The leases primarily consist of leasing of office premises with the lease term of more than 12 months

42.2 The Following is the movement in lease liabilities

Lease Liability	As at March 31' 2023	As at March 31' 2022	As at March 31' 2021
As at beginning of the year	**645.71**	-	-
Additions	25.47	697.71	-
On account of Business Combination	68.03	-	-
Deletions	-	-	-
Accretion of interest	23.63	17.33	-
Payments	(244.53)	(69.33)	-
As at end of the year	**518.31**	**645.71**	**-**
Current	131.01	93.02	-
Non-current	387.30	552.69	-

42.3 The following are recognised in the statement of profit and loss

	As at March 31' 2023	As at March 31' 2022	As at March 31' 2021
Depreciation expense of right of use assets	232.14	65.14	-
Interest expense on lease liabilities	23.63	17.33	-
Expense relating to short tem lease	28.65	5.60	23.83
Total amount recognised in restated consolidated statement of profit or loss	**284.42**	**88.07**	**23.83**

43 **Business combinations**

A. Business combination during the year ended 31 March 2023.

i. Acquisition of Zero Mass Private Limited
The Group acquired 88.707% stake in Zero Mass Private Limited on June 7, 2022 for a consideration of ₹ 1,0644.84 Lakhs.Through Share Purchase Agreement (SPA). The transaction was accounted under Ind AS 103 “Business Combinations” as a business combination with the fair value of Zero Mass Private Limited being allocated to identifiable assets and liabilities at fair value. ZMPL has been operating the largest BC network for State Bank of India ("SBI") with around 11,500 active CSPs (~15% of all the SBI BCs). The company has pan-India presence with CSPs located across all States and Union Territories of India. Apart from SBI, ZMPL has contracts with Utkal Grameen Bank and Karur Vysya Bank. Incorporated in 2007, ZMPL accounts for 5%-6% of the bank accounts, deposit base and aggregate value of transaction of the BC system in India.Through this acquisition, BLS E-Services Limited intends to expand and consolidate its BC Business. The date of acquisition is 07 June 2022 based on the effective date of transfer of control ("Valuation date").

Subsequently on March 14 2023, the company acquired the shareholding of 2.235% held by minority shareholders for a consideration of ₹ 365.45 lakhs.

From the date of acquisition, Zero Mass Private Limited has contributed ₹ 13807.65 lakhs of revenue from operations and ₹1642.31 lakhs to the profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue from operations would have been ₹16752.69 lakhs and the profit before tax from continuing operations for the Group would have been ₹ 2055.65 lakhs.

ib. Identificable assets acquired and liabilities assumed

The following table summarises the recognised amount of assets acquired and liabilities assumed on the date of acquisition:

In lakhs of INR	***Amount as on June 07,2022***
Property, plant & equipment	43.97
Intangible assets	0.77
Long term loan and advances	831.45
Inventory	67.27
Trade receivables	6.27
Right of use asset	51.28
Deferred tax assets (net)	81.59
Current investments	3,130.79
Cash and cash equivalents	3,036.27
Short term loan and advances	256.50
Other current assets	1,754.18
Short term borrowings	-1,118.62
Long term provisions	-5.51
Trade payables	-1,178.43
Short term provisions	-17.68
Lease Liability	-68.03
Other current liabilities	-3,155.46
Less: Non-controlling interests measured at fair value	-419.72
Total net identifiable assets acquired^	**3,296.89**

ic. Goodwill

In lakhs of INR	***Amount***
Consideration transferred	10,644.84
Fair value of net identifiable assets^	3,296.89
Goodwill	**7,347.95**

B. Business combination during the year ended 31 March 2023

i. Accounting for Business Combination under Common Control

As per Ind AS 103, common control business transaction include transactions, such as transfer of subsidiaries, between entities within the Group and the business combination under common control is being accounted for using pooling of interest method.

The following accounting has been followed:

a) The assets and liabilities of the combining entities are reflected at their carrying amounts.

b) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

c) The financial information in the financial statements in respect of prior periods has been restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of actual date of combination.

Acquisition of BLS Kendras Private Limited
On 31 October' 2022, group has acquired 100% in fellow subsidiary BLS Kendra Private Limited from BLS International Services Limited. The transaction was accounted under IND AS 103 "Business Combination" under common control since the group under the common control of BLS International Services Limited.

ia. Consideration transferred

In lakhs of INR	***Amount***
Shares	827.30
Deferred Consideration -	-
Total consideration for business combination	**827.30**

The consideration have been accounted in share pending issuance on April 01, 2020 and has been considered for calculation of earning per share

ib. Carrying Amount of Identifiable Net Assets^ *In lakhs of INR*

Particulars	**Amount**
Assets taken over (A)	
Property, plant and equipment	2.09
Intangible Assets	0.24
Other Financial Asset	618.61
Deferred tax assets (net)	2.80
Trade receivables	9.21
Cash and cash equivalents	238.74
Other Financial Asset	65.44
Other current assets	63.08
Current tax assets	3.89
Total Assets	**1,004.10**
Liabilities taken over (B)	
Provisions	9.16
Borrowings	301.55
Trade payables	47.30
Other financial liabilities	447.64
Other current liabilities	16.17
Provision	0.97
Total liabilities	**822.79**
Carrying amount of Identifiable Net Assets (A-B)^	**181.31**
Reserves of the Transferor Companies	
Retained earnings	**131.31**
Equity Share capital of the Transferor Companies eliminated (D)	**-**
Investment in the transferee company eliminated (E)	-
Net balance transferred to capital reserve F= (D-E)	**-**

ic. Capital Reserve

In lakhs of INR

Particulars	**Amount**
Consideration transferred	827.30
Carrying amount of identifiable net assets^	181.31
Retained earnings	131.31
Capital reserve	**777.30**

As per para i(c) above, for the purpose of preparation of consolidated financial statements, the financial statements of previous period are restated and the entitfellow subsidiary BLS Kendras Private Limited are included in the restated consolidated financial statements when they came under common control with effect from April 01,2020.

(Amounts are in INR lakh unless otherwise stated)

44 Corporate social responsilbility

As per Section 135 of the Act, a group, meeting the applicability threshold, needs to spend at least 2% at its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the group as per the Act.

Disclosure of CSR is s follows:

Particulars	As at March 31' 2023	As at March 31' 2022	As at March 31' 2021
Amount required to be Spent by the group during the period	43.00	3.30	10.92
Amount of expenditure incurred	43.00	3.50	11.00
Unpaid amount as at period end		-	-
Shortfall/excess paid as at end of the period		-	-
Reason for Shortfall		-	-
Nature of CSR Activities	Donation to Sum Dristhi Education Society- Education	Donation to Sum Dristhi Education Society- Education	Donation to Sum Dristhi Education Society- Education

BLS E-Services Limited (formerly known as BLS E-Services Private Limited)
CIN: U74999DL2016PLC298207
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45 Statement of adjustments to the consolidated audited financial statement

Part A: Reconciliation between audited equity and restated equity

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Total equity (as per audited financial statements) (A)	**10,694.03**	**1,506.69**	**1,682.73**
Adjustments :			
Adjustment for Audit Qualification	-	-	(714.84)
Total impact on adjustments (B)	**-**	**-**	**-714.84**
Total equity as per Restated consolidated statement of assets and liabilities (A+B)	**10,694.03**	**1,506.69**	**967.89**

Part B: Reconciliation between audited profit/(Loss) and restated profit/(Loss)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit/(Loss) (as per audited financial statements) (A)	**2,033.18**	**(176.88)**	**314.82**
Adjustments:			
Adjustment for Audit Qualification	-	955.26	-
Less: Deffered Tax Assets on (bad Debts)	-	(240.42)	-
Total impact on adjustments (B)	**-**	**714.84**	**-**
Restated profit/(Loss) (A+B)	**2,033.18**	**537.96**	**314.82**

Notes to adjustments :

1) Adjustment for Audit Qualification
The difference between the audited and the restated figures are recognised as restatement adjustments (i.e termination of master service agreement with BLS E-Services Ltd by PSEG's) during the year ended March 31, 2021.

2) Non adjusting items
a) Qualifications of Statutory Auditors which have not been given effect to in the Restated Consolidated Financial Information
There are no auditor Qualifications which have not been given effect to in the Restated Consolidated Financial Information.

b) Statements/comments included in the Companies (Auditor's Report) Order, 2016, which do not require any corrective adjustments in the Restated Consolidated Financial Information
In addition to the audit opinion on the consolidated financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order,2020 ("the CARO") issued by the Central Government of India under sub-section (11) of Section 143 of Companies Act, 2013 on the standalone financial statements as at and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively. Certain statements/comments included in the CARO in the standalone financial statements, which do not require any adjustments in the Restated Consolidated Financial Information are reproduced below in respect of the financial statements presented.

Clause (ix) (d) of paragrapgh 3 of the CARO, 2020
According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that the company has used funds raised on short term basis aggregating to Rs. 3871 Lakh for long-term purposes.

c) Emphasis of matters not requiring adjustments to restated consolidated financial information

1. **Emphasis of matter for the period ended March 31, 2023**
   NIL

2. **Emphasis of matter for the period ended March 31, 2022**
   The Company has made assessment of impact of COVID- 19 related lockdown on fixed assets, receivables and cash flows and concluded that there is no material adjustment required in these financial statements. The Company will continue to monitor any material changes to the future economic condition.

3. Emphasis of matter for the period ended March 31, 2021

The Company has made assessment of impact of COVID- 19 related lockdown on fixed assets, receivables and cash flows and concluded that there is no material adjustment required in these financial statements. The Company will continue to monitor any material changes to the future economic condition.

3) Material regrouping/reclassification

Appropriate regrouping/reclassification have been made in the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the Audited Consolidated Financial Statements for the year ended March 31, 2023 prepared in accordance with Schedule III (Division II) of the Act, requirements of Ind AS 1 - 'Presentation of financial statements' and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

4) Material errors

There are no material errors that require any adjustment in the Restated Consolidated Summary Statements.

For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number: 000756N

For and on behalf of the board of directors of
BLS E- Services Limited

Amit Goel
Partner
Membership number: 500607

Shikhar Aggarwal
Chairman
DIN No. 06975729

Sanjay Kumar Rawat
Company Secretary

Rahul Sharma
Executive Director
cum Chief Financial Officer

Place : New Delhi
Date : July 10, 2023

BLS E-Services Limited (formerly known as BLS E-Services Private Limited)
CIN: U74999DL2016PLC298207
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46 Disclosure net asset/ liability and profit/loss

As on March 31' 2023	Net Assets		Share in Restated profit/(loss)		Share in Restated other Comprehensive income	
Name of the Entity in th Group	**As % of Consolidated net assets**	**Amount**	**As % of Consolidated profit/(loss)**	**Amount**	**As % of Consolidated other comprehensive income**	**Amount**
Parent Company						
BLS E-Services Limited	57%	9,226.70	5%	103.07	0%	-
Subsidiary Company						
BLS kendras Private Limited	8%	1,275.64	31%	626.99	8%	1.12
Starfin India Private Limited	4%	591.48	2%	39.35	20%	2.93
Zero Mass Private Limited	31%	4,990.96	62%	1,263.77	72%	10.58
	100%	**16,084.78**	100%	**2,033.18**	100%	**14.63**
Total as per consolidated financial statement		**10,694.03**		**2,033.18**		**14.63**
Consolidation adjustment		**5,390.75**		-		-

As on March 31' 2022	Net Assets		Share in Restated profit/(loss)		Share in Restated other Comprehensive income	
Name of the Entity in th Group	**As % of Consolidated net assets**	**Amount**	**As % of Consolidated profit/(loss)**	**Amount**	**As % of Consolidated other comprehensive income**	**Amount**
Parent Company						
BLS E-Services	39%	760.71	12%	62.17	0%	-
Subsidiary Company						
BLS kendras Private Limited	33%	647.53	56%	299.73	5.50%	0.05
Starfin India Private Limited	28%	549.19	0.33	176.06	94.50%	0.78
	100%	**1,957.43**	100%	**537.96**	100%	**0.83**
Total as per consolidated financial statement		**1,506.69**		**537.96**		**0.83**
Consolidation adjustment		**450.74**		-		-

As on March 31' 2021	Net Assets		Share in Restated profit/(loss)		Share in Restated other Comprehensive income	
Name of the Entity in th Group	**As % of Consolidated net assets**	**Amount**	**As % of Consolidated profit/(loss)**	**Amount**	**As % of Consolidated other comprehensive income**	**Amount**
Parent Company						
BLS E-Services Private Limited	49%	698.54	27%	85.78	0%	-
Subsidiary Company						
BLS kendras Private Limited	25%	347.75	52%	164.44	68%	1.99
Starfin India Private Limited	26%	372.35	21%	64.60	32%	0.93
	100%	1,418.64	100%	314.82	100%	**2.92**
Total as per consolidated financial statement		967.90		314.82		**2.92**
Consolidation adjustment		450.74		-		-

(Amounts are in INR lakh unless otherwise stated)

47 EMPLOYEE BENEFITS (Disclosures) (Consolidated)

Table Showing Changes in Present Value of Obligations:

Period	**For the period ended March 31, 2023**	**For the period ended March 31, 2022**	**For the period ended March 31, 2021**
Present value of the obligation at the beginning of the period	253.47	18.66	15.48
Interest cost	18.91	1.33	1.06
Current service cost	38.97	9.36	6.02
Past service cost	-	-	-
Benefits paid (if any)	-37.76	-2.90	-
Actuarial (gain)/loss	-24.13	-1.11	-3.90
Present value of the obligation at the end of the period	253.26	25.34	18.66

-

The amount to be recognized in the Balance Sheet	**As on March 31, 2023**	**As on March 31, 2022**	**As on March 31, 2021**
Present value of the obligation at the end of the period	253.26	25.34	18.66
Fair value of plan assets at end of period	233.04	-	-
Net liability/(asset) recognized in Balance Sheet and related analysis	20.22	25.34	18.66
Funded Status- Surplus/(Deficit)	-20.22	-25.34	-18.66

-

Expense recognized in the statement of Profit and Loss	**For the period ended March 31, 2023**	**For the period ended March 31, 2022**	**For the period ended March 31, 2021**
Interest cost	18.91	1.33	1.06
Current service cost	38.97	9.36	6.02
Past Service Cost	-	-	-
Expected return on plan asset	-16.16	-	-
Expenses to be recognized in the statement of P&L accounts	**41.72**	**10.69**	**7.08**

Other comprehensive (income)/expenses (Remeasurement) -

Period	**For the period ended March 31, 2023**	**For the period ended March 31, 2022**	**For the period ended March 31, 2021**
Cumulative unrecognized actuarial (gain)/loss- Opening balance	**(8.47)**	**(7.36)**	**(3.46)**
Actuarial (gain)/loss - obligation	(19.55)	(1.11)	(3.90)
Actuarial (gain)/loss - plan assets	-	-	-
Total Actuarial (gain)/loss C/F	(19.55)	(1.11)	(3.90)
Cumulative total actuarial (gain)/loss .C/F	(28.03)	(8.47)	(7.36)
	-	-	

Summary of membership data at the date of valuation and statistics based thereon: -

Period	**As on March 31, 2023**	**As on March 31, 2022**	**As on March 31, 2021**
Number of employees	645	144	103
Total monthly salary	108.44	28.78	22.20
Average Past Service(Years)	2.90	2.5	2.2
Average Future Service (yrs)	25.18	23.9	23.2
Average Age(years)	36.33	35.1	35.9
Average monthly salary	1.28	0.56	0.60

The assumptions employed for calculations are tabulated:

Discount rate	7.50%	7% - 7.25%	6.5% - 7%
Salary Growth Rate	5% - 7%	5% - 7%	5% - 7%
Mortality	IALM2012-14	IALM2012-14	IALM2012-14
Withdrawal Rate (per annum)	5% - 15.00% p.a.	5% - 10.00% p.a.	5% - 10.00% p.a.

Current Liability (It is probable outlay in next 12 months as required by the Companies Act) : -

Period	**As on March 31, 2023**	**As on March 31, 2022**	**As on March 31, 2021**
Current Liability (Short Term)	2.75	1.02	3.13
Non Current Liability (Long Term)	26.17	24.32	15.53
Total Liability	**28.92**	**25.34**	**18.66**

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48 Ratios

S. NO.	Ratio	Numerator	Denominator	FY 2022-23	FY 2021-22	FY 2020-21	As at March 31' 2023	As at March 31' 2022	As at March 31' 2021	% of variance	% of variance	Reason for variation more than 25%
1	Current ratio	Current Assets	Current Liabilities	7,023.11	2,680.30	2,068.41	1.10	0.96	0.67	14.16%	43.18%	Increase in Current assets
				6,387.91	2,783.18	3,075.30						
2	Debt-equity ratio	Total Debt = (Long Term borrowings + Short Term Borrowings + Lease liability)	Shareholders Equity = Equity Share Capital + Reserves & Surplus	518.31	1,521.77	1,101.57	0.05	1.01	1.14	-95.20%	-11.26%	Repayment of Loans
				10,694.03	1,506.69	967.90						
3	Debt service coverage ratio	Earnings available for debt service = PAT + Non cash operating expenses + Interest on Borrowings+Interest on lease liability	Debt Service = Interest Payment+ Principal Repayments+Lease payment	2,686.81	704.03	431.58	0.20	0.55	0.74	-63.39%	-26.38%	Increase in Repayment of borrowings
				13,422.40	1,287.62	581.08						
4	Return on equity ratio	Net pofit after taxes	Average Shareholder's equity	2,033.18	537.96	314.82	33.33%	43.48%	38.91%	-23.34%	11.73%	Increase due to acquistiion
				6,100.36	1,237.29	809.03						
5	Trade receivable turnover ratio	Net Credit Sales = Gross credit sales - sales return	Average Trade Receivable	24,306.07	9,669.82	6,448.72	18.16	11.12	7.29	63.30%	52.50%	Increase due to acquistiion
				1,338.28	869.41	884.22						
6	Trade payable turnover ratio	Net Credit Purchase = Gross purchase - purchase return + Cost of services+change in inventory	Average Accounts payable	16,156.48	6,351.60	4,194.80	9.55	5.61	5.92	70.14%	-5.30%	Increase due to acquistiion
				1,692.62	1,132.11	708.04						
7	Net capital turnover ratio	Net Sales = Total sales - sales return	Average Working Capital = (Current Assets - Current Liabilites)/2	24,306.07	9,669.82	6,448.72	91.32	-17.43	-5.94	-624.03%	193.31%	Increase due to acquistiion
				266.16	-554.88	-1,085.37						
8	Net profit ratio	Net profit after tax	Net Sales = Total sales - sales return	2,033.18	537.96	314.82	8.36%	5.56%	4.88%	50.36%	13.96%	Increase in revenue
				24,306.07	9,669.82	6,448.72						
9	Return on capital employed	Earnings before Interest & Taxes	Capital Employed = Total Assets - Current Liabilites-Non current liability+total debt+lease liability+Deffered tax (net)	3,090.76	780.06	539.95	28.24%	28.39%	29.68%	-0.52%	-4.35%	Increase in shareholder fund
				10,944.76	2,748.03	1,819.39						
10	Inventory Turnover Ratio	Cost of Goods sold	Average Inventory	771.11	-	-	27.72	-	-			There is no inventories in the previous year. Hence not required to report
				27.82								

(Amounts are in INR lakh unless otherwise stated)

49 Segment information

Information about primary segment

The group has engaged in the business of providing citizen services under an e-governance projects of various state Govt. and has only reportable segment in accordance with IND AS-108 'Operating Segment'. The information relating to this operating segment is reviewed regularly by the Group's Key managerial personnel ('KMP') to make decisions about resources to be allocated and to assess its performance. The accounting principles used in the preparation of the consolidated financial statements are consistently applied to record revenue and expenditure in the segment, and are as set out in the significant accounting policies.

Geographical Information

The group has engaged in the business under e-governace and digital projects of various state government of India. Hence doing business within the India.

Revenue from operation

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Within India	24,306.07	9,669.82	6,448.72
Outside India	-	-	-
	24,306.07	**9,669.82**	**6,448.72**

Non-Current Assets

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Within India	10,923.48	2,912.63	1,990.32
Rest of world	-	-	-
	10,923.48	**2,912.63**	**1,990.32**

Information about services rendered by the Group

Revenues from external customers in respect of each category of services rendered by the Group are as follows:

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Sale of Services	23,805.88	9,661.46	6,448.72
Sale of Product	500.19	8.36	-

Major Customers

The customers that individually contribute for more than the 10% of the revenues are as follows:

	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Customer 1		1,439.53	1,758.27
Customer 2	13,062.92		

50 A. Qualifications of Statutory Auditors which have not been given effect to in the Restated Consolidated Financial Information

There are no auditor Qualifications which have not been given effect to in the Restated Consolidated Financial Information.

51 Emphasis of Matter

The Company has made assessment of impact of COVID- 19 related lockdown on fixed assets, receivables and cash flows and concluded that there is no material adjustment required in these financial statements. The Company will continue to monitor any material changes to the future economic condition.

52 The Group do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

53 The Group has not availed any facilities from banks on the basis of security of current assets.

54 The Group is not declared Wilful Defaulter by any Bank or any Financial Instituition.

55 The Group do not have any Immovable property which is not held in the name of any group Company.

56 The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

57 There is no revaluation of Property, Plant and Equipment and Intangible Assets during the period/year ended March 31, 2023, March 31, 2022, March 31, 2021.

58 The Group have not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

59 The Group have not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

60 The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

61 The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

62 The Group do not have any transactions with struck-off companies.

63 No whistle blower complaints have been received during the year.

64 **Subsequents Events**

Subsequent to the year ending March 31, 2023, status of the Parent Company was changed from private to public company. Consequently, the name of BLS E-Services Private Limited was changed to BLS E-Services Limited and a fresh certificate of incorporation pursuant to change of name was issued by the Registrar of Companies(ROC) on April 10, 2023.

As per our report of even date attached
For S S Kothari Mehta & Company
Chartered Accountants
Firm's registration number: 000756N

For and on behalf of the board of directors of
BLS E- Services Limited

Amit Goel
Partner
Membership number: 500607

Shikhar Aggarwal
Chairman
DIN No. 06975729

Sanjay Kumar Rawat
Company Secretary

Rahul Sharma
Executive Director
cum Chief Financial Officer

Place : New Delhi
Date : July 10, 2023

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Basic EPS (in ₹)[1]	3.02	0.89	0.52
Diluted EPS (in ₹)[2]	3.02	0.89	0.52
Return on net worth (%)[3]	16.11%	36.93%	34.30%
Net asset value per equity share (in ₹)[4]	18.76	2.42	1.53
Reserves (Other equity), as restated (₹ in lakhs)	4,021.38	678.39	139.60
Net worth, as restated (₹ in lakhs)	11,721.21	1,456.69	917.89
EBITDA (in ₹lakhs)[5]	3,628.96	862.06	547.29

Notes: The ratios have been computed as under:

1. *Basic Earnings per share (₹): Net profit as restated, attributable to equity shareholders divided by weighted average number of equity shares*

2. *Diluted Earnings per share (₹): Net profit as restated, attributable to equity shareholders divided by Weighted average number of dilutive equity shares*

3. *Return on net worth (%): Net profit after tax to the owner of the Company, as restated divided by Net worth (Share Capital+ Other Equity- Capital Reserve) at the end of the period*

4. *Net Asset Value (NAV) per equity share (₹): Net worth excluding minority interest as restated at the end of the period divided by weighted average numbers of equity shares outstanding at the end of the period*

5. *EBITDA: Profit / (loss) after tax + tax expense + interest on borrowings + depreciation and amortization expense + Exceptional Item.*

In accordance with the SEBI ICDR Regulations the audited standalone financial statements of the Company for the financial years ended March 31, 2023, March 31, 2022, and March 31, 2021 (collectively, the "**Audited Financial Statements**") are available on our website at http://blseservices.com/financial-reports.php.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing to or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. Due caution is advised when accessing and placing reliance on any historic or other information available in the public domain.

None of our Company or any of its advisors, nor any BRLM nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For further details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS24 ‘Related Party Transactions’ read with SEBI ICDR Regulations for the three years ended March 31, 2023, March 31, 2022, and March 31, 2021 as reported in the Restated Consolidated Financial Information, please see section titled “*Restated Consolidated Financial Information – Note no. 40 - Related Party Disclosures*” on page 310.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2023, on the basis of our Restated Consolidated Financial Information, and as adjusted for the Issue. This table should be read in conjunction with the sections titled "*Risk Factors*", "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 39, 273 and 332, respectively.

(*in ₹ lakhs, except ratio*)

Particulars	**Pre-Issue as at March 31, 2023**	**As adjusted for the issue#**
Total equity		
Equity share capital*	6,672.65	[●]
Other equity*	4,021.38	[●]
Total Equity (A)	10,694.03	[●]
Total borrowings		
Current borrowings*	Nil	[●]
Non-current borrowings (including current maturity and interest accrued and due on borrowings)*	Nil	[●]
Total Borrowings (B)	Nil	[●]
Total (A+B)	10,694.03	[●]
Non-current borrowings (including current maturity and interest accrued and due on borrowings)/Total Equity ratio	0.00%	[●]
Total borrowings/ Total equity ratio	0.00%	[●]

* *These terms shall carry the meaning as per Schedule III of the Companies Act 2013.*
#The corresponding post Offer capitalisation data in the above table is not determinable at this stage pending the completion of the book building process for the Offer and hence, the same have not been provided in this statement

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations is based on, and should be read in conjunction with, our Restated Consolidated Financial Information, included in the section titled "Financial Information" beginning on page 273 of this Draft Red Herring Prospectus.

Our Restated Consolidated Financial Information has been derived from our audited consolidated financial statements and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note. Our financial statements are prepared in accordance with Ind AS, notified under the Companies (Indian Accounting Standards) Rules, 2015, and read with Section 133 of the Companies Act, 2013 to the extent applicable. Ind AS differs in certain material respects from IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. For further details, please see section titled "Risk Factor - Significant differences exist between Ind AS and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our financial condition." on page 70.

Unless otherwise indicated or the context requires otherwise, the financial information for Fiscals 2023, 2022 and 2021 included herein have been derived from Restated Consolidated Financial Information.

Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

Some of the information contained in this section, including information with respect to our strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled "Forward Looking Statements" on page 26 of this Draft Red Herring Prospectus for a discussion of the risks and uncertainties related to those statements and also the sections titled "Risk Factors" and "Our Business" on pages 39 and 214, respectively, of this Draft Red Herring Prospectus for discussion of certain factors that may affect our business, results of operations and financial condition. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

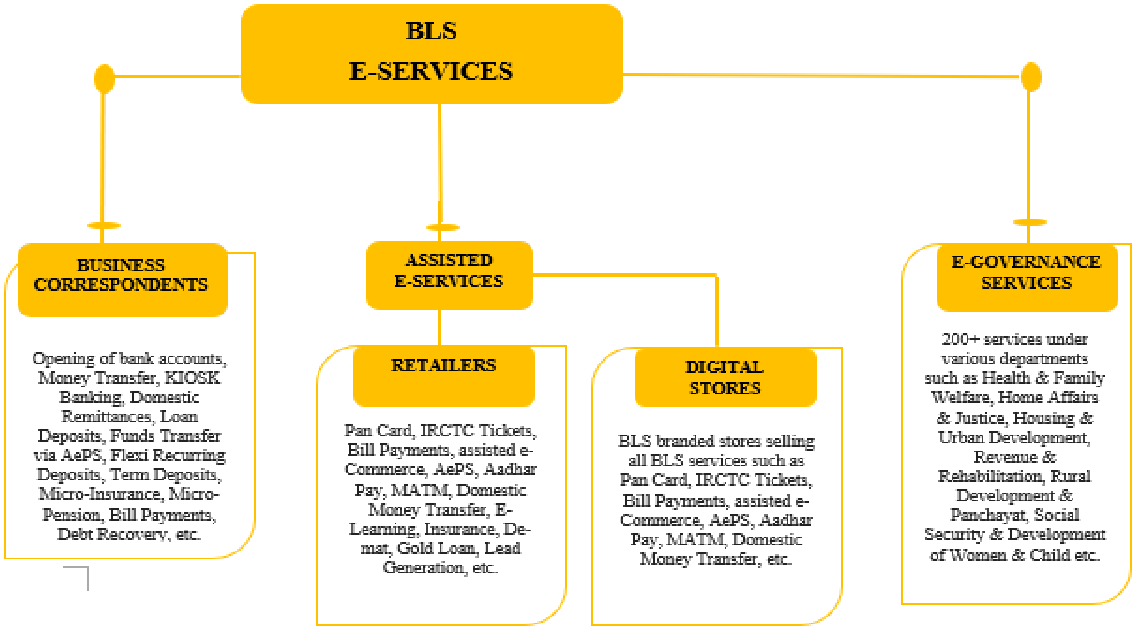
*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Assessment of Business Correspondents, E-Governance, and other Digital Services in India" dated July 2023 (the "**CRISIL Report**"), prepared and issued by CRISIL, appointed by us on June 27, 2023 and exclusively commissioned and paid for by us in connection with the Offer. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purpose of presentation. There are no parts, data or information (which may be relevant for the proposed issue), that have been left out or changed in any manner. A copy of the CRISIL Report is available on website of our Company at http://blseservices.com/industry-report.php. For more information, please see section titled "Risk Factors – Certain sections of this Draft Red Herring Prospectus contain information from CRISIL Report, which has been commissioned and paid for by our Company and any reliance on such information for making an investment decision in the Issue is subject to inherent risks." Also see sections titled "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" on page 22. Further, we have also included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which may not be derived from our Restated Consolidated Financial Information or otherwise subjected to an examination, audit or review by our Statutory Auditors.*

Overview

We are a leading technology enabled digital service provider, providing (i) Business Correspondents services to major banks in India, (ii) Assisted E-services; and (iii) E-Governance Services at grass root levels in India. Through our robust network we provide access points for delivery of essential public utility services, social welfare schemes, healthcare, financial, educational, agricultural and banking services for governments (G2C) and businesses (B2B) alike in addition to a host of B2C services to citizens in urban, semi-urban, rural and remote areas.

Through our tech-enabled integrated business model, we provide digital and physical products and services in the G2C, B2C, B2B categories in semi-urban, rural and remote areas where penetration of internet is low and citizens need assistance in availing basic technology enabled services. We organize our business along three primary business segments, (i) Business Correspondents Services; (ii) Assisted E-services; and (iii) E-Governance Services. A key stakeholder in each of our business segments are merchants, with whom we collaborate for delivery of our products and services to the citizens. As a part of our operations, we act as business correspondents ("**Business Correspondents**") to provide banking products and services on behalf of banks to people while performing a variety of services including opening savings, recurring deposit accounts, cash deposits, withdrawals, remittance, transfer, bill collection services, through our Subsidiaries, namely ZMPL and Starfin. We also provide a variety of assisted e-services through retailers and digital stores also known as BLS Touchpoints, including PoS services, ticketing services, assisted e-commerce services, etc. Further, we facilitate delivery of various e-governance initiatives of the State Governments in India by providing various information communication technology ("**ICT**") enabled citizen centric services ("**E-Governance Services**") through our merchants also known as BLS Touchpoints to the citizens. Our E-Governance Services, enable the provision of citizen-centric and front-end services through BLS Touchpoints ranging from birth and death certificates, PAN and Aadhar registrations, property registrations, and other citizen centric services in a transparent and accountable manner. Our Company has entered into an MOU with the National e-Governance Division ("**NeGD**") for agent assisted delivery of unified mobile application for new-age Governance ("**UMANG**") services into its digital platform, offering convenient access of E-Governance Services.

Our diversified platform allows us to harness deep synergies and provides cross-selling and upselling opportunities to both consumers and businesses. The below figure depicts the various service offerings of our Company:



Our merchants act as our interface with the consumers and play a critical role in delivery of goods and services on the ground. Presently, our merchants are organised in two categories i.e. BLS Touchpoints and BLS Stores. All merchants registered with us are treated as BLS Touchpoints and they have access to offer multiple services being extended by us. BLS Stores are BLS branded stores which offer our entire suite of offerings to the consumers including availability of select goods on a sample basis supplied by e-commerce players which can be ordered and procured by our consumers after having a touch and feel experience of such goods. As on March 31, 2023, we have 92,427 BLS Touchpoints and 402 BLS Stores.

We utilize a "phygital" strategy (i.e., physical and digital) that integrates technologically over 92,000 merchant distribution outlets (comprising of BLS Touchpoints and BLS Stores) for assisted payment solutions, remittance, travel, education and insurance products, with a one-stop digital online platform for all of our offerings. This results in a business model that is difficult to replicate, and which is intended to provide a smooth customer experience regardless of the product, service or location. Becoming "phygital" gives us the ability to offer localised services to our consumers, where trust, knowledge and 'face to face' guidance by our merchants is readily available to citizens, no matter how remotely they are located.

We also have a history of acquiring complementary businesses and integrating them into our eco-system, we are typically able to achieve growth and improved performance of the newly acquired business within a relatively short timeframe. For instance, we acquired Starfin in the month of August 2018 and ZMPL the month of June 2022, which had 1,384 active CSPs and more than 11,500 active CSPs, respectively at the time of acquisition**.** Further, in October 2022, we acquired BLS Kendras Private Limited, which had 365 Sewa Kendras, in the State of Punjab at the time of acquisition. Sewa Kendras provide E-Governance Services in two out of three zones in the State of Punjab.

Leveraging the large scale, reach, and deep engagement by merchants on our platform, we have been able to add new offerings, as well as expand into e-commerce and insurance broking services. Each of our offerings increases the scope of our business for merchants, thereby, enhancing our value. We promote sustainable livelihoods and economic self-reliance for the women, rural poor and unbanked by linking them to banking, financial and insurance services and promoting financial, social and digital inclusion. Our online portal allows us to serve citizens and businesses throughout their entire digital journeys.

Our Key Financial Performance Indicators

The following table set forth the key financial performance indicators:

(in ₹ lakhs, except percentages and ratios)

Key Financial Performance	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue From operations	24,306.07	9,669.82	6,448.72
Total revenue	24,629.27	9,839.56	6,523.35
EBITDA	3,628.96	862.07	547.29
EBITDA Margin (%)	14.73	8.76	8.39
Profit after tax	2,033.18	537.96	314.82
PAT Margin (%)	8.36	5.56	4.88
Return on Equity (ROE) (%)	33.33	43.48	38.91
Debt To Equity Ratio	0.05	1.01	1.14
Interest Coverage Ratio	8.53	7.62	3.65
Return on Capital Employed (ROCE) (%)	30.62	28.39	29.68
Current Ratio	1.10	0.96	0.67
Net Capital Turnover Ratio (%)	91.32	(17.43)	(5.94)

Notes:

1) *Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.*
2) *EBITDA =EBITDA is calculated as Restated profit before exceptional items and tax plus finance cost and depreciation & amortization.*
3) *EBITDA Margin = EBITDA margin (%) is calculated as EBITDA divided by Total revenue.*
4) *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.*
5) *Return on equity (RoE) is equal to profit for the year divided by the average total equity and is expressed as a percentage.*
6) *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).*
7) *Interest Coverage Ratio measures our ability to make interest payments from available earnings and is calculated by dividing EBIT by finance cost.*
8) *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.*
9) *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.*

We are a subsidiary of BLS International Services Limited ("**BLS International**"), which has an established track record for providing citizen services to state and provincial governments across Asia, Africa, Europe, South America, North America & Middle East and is only listed company engaged in this domain in India. The equity shares of BLS International are listed on the BSE and NSE.

Significant factors affecting our financial condition and results of operations

A number of factors affect our financial condition and results of operations of which, the factors discussed below are particularly significant:

Diversified offerings and solutions and pricing

Our revenue, gross margins and profit vary among our offerings. Among the risks associated with the introduction of new offerings and solutions are delays in implementation, reduction in pricing, difficulty in predicting demand for new offerings and solutions, quality or other defects.

Our revenue growth and margin performance depend on the potential demand for our solutions and from the verticals in which we operate. As particular markets experience more (or less) growth, we would expect these trends to be reflected in our results in those areas. The growth in the healthcare industry is supported by increased demand due to the COVID-19 pandemic and government initiatives like access-free drugs and diagnostics under the Ayushman Bharat programme, increased spending under healthcare, and increased penetration of insurance and increased awareness about regular health check-ups.

Inorganic growth through strategic acquisitions

We rely, in part, on inorganic growth to increase our revenue and expand our geographic presence. We have a history of acquiring complementary businesses and integrating them into our eco-system, we are typically able to achieve growth and improved performance of the newly acquired business within a relatively short timeframe. We intend to continue to pursue strategic acquisitions of companies in geographies of interest and in complementary business areas, while centralizing core functionalities to facilitate efficiencies and cross-selling opportunities. As a business operating strategy, we seek to ensure that the acquired company systems and processes are integrated into our standard systems and processes while centralizing the acquired company's core functionalities such as human resources, administration, information technology, finance, marketing, legal, software development, branding and banking. This enables us to achieve growth and improved performance of the newly acquired businesses. For further details, please see section titled "*Our Business – Our Strategies – Pursue strategic investments and acquisitions to enhance product and service capabilities*" on page 221.

For instance, we acquired Starfin in the month of August 2018 and ZMPL the month of June 2022, which had 1,384 active CSPs and more than 11,500 active CSPs, respectively at the time of acquisition**.** Further, in October 2022, we acquired BLS Kendras Private Limited, which had 365 Sewa Kendras, in the State of Punjab at the time of acquisition. Sewa Kendras provide E-Governance services in two out of three zones in the State of Punjab.

Identifying suitable acquisition and partnership opportunities can be difficult, time consuming and costly. In addition, the anticipated benefit of many of our future acquisitions and partnerships may not materialize. The successful and timely integration of acquisitions will enable us to capture relevant synergies as we seek to integrate such acquired businesses into our current operations in a manner that maximizes such synergies. However, if an acquisition or partnership turns out to be unsuccessful, we may face additional costs as well as divest the acquisition or terminate the partnership, which can be costly and time-consuming. The benefits and costs arising from our acquisitions affect the results of operations and cash flows.

Scale of Operations

The scale of our operations impacts our results of operations. The scale and spread of our operations have grown since Fiscal 2021, through a mix of merchant expansion and geographic expansion which have increased brand awareness and provided us with exposure to more locations, touch points and consumers. Further, our revenues from assisted e-commerce service business are impacted by transaction volume, and we can increase our transaction volume by expanding our business.

For instance, we have entered into agreements with various State Governments, PSU banks and other service providers whereby we have created a marketplace for offering digital products & services (including G2C, BC and B2B2C services) through our business model. The marketplace includes BLS edutech services, domestic money transfer, pan card application, bus and air ticketing services, railway ticketing services, banking services, AePS enabled cash services, recharges, demat account opening, bill payments etc. Our relationship with respective State Governments and PSU banks across India provides us access to their extensive network thereby allowing us to use each location as a touch point to market our products and expand our customer base.

Notwithstanding our diversification of products and services, a significant portion of our merchants for our product and service distribution network is located in the states of Punjab, Uttar Pradesh and West Bengal. Accordingly, any adverse changes in the conditions affecting these regions can adversely affect our business, financial condition and results of operations. Please also see section titled "*Risk Factors – 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.*" on page 42.

Government policies and regulations

Our results of operations and continued growth depend on government policies and regulations. We are subject to a variety of laws, rules, directives, and regulations, as well as contractual obligations, relating to the processing of personal information, including personally identifiable information. The regulatory framework for privacy and data protection worldwide is rapidly evolving and, as a result, implementation standards and enforcement practices are likely to continue to evolve for the foreseeable future. Legislators and regulators are increasingly adopting or revising privacy and data protection laws, rules, directives, and regulations that could have a significant impact on our current and planned privacy and data protection-related practices; our processing of personal information; our current or planned business activities; and our ability to transfer data internationally.

Any change in the regulatory framework applicable to our business would affect our business, results of operations and financial condition. For instance, in the fiscals 2021 and 2022, increase in inflation rates in the state of Punjab resulted in increase of our material subsidiary, BLS Kendras minimum operational cost. Please also see section titled "*Risk Factors – Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate, labour and tax laws, may adversely affect our business, results of operations and prospects.*" on page 65.

Competition

Our business is highly competitive, and our success is dependent upon our ability to compete against other IT companies, as well as service providers, including some that have greater resources than we have. Some of our competitors have longer operating histories, greater financial, technical, product development and marketing resources and greater name recognition. Such competitors could use these resources to market or develop solutions that are more effective or less costly than our solutions or that could render any or all of our solutions obsolete. Competitive pressures could also affect the pricing of our solutions. Greater competition for particular solutions could have a negative impact on pricing. We will continue to seek to distinguish our offerings by providing quality solutions at competitive prices. In addition, we may face pressure to increase our business promotion expenses significantly, which would adversely affect our profitability.

Competition in our business is based on diversity of product and service offering, location, fee and commission structure, relationships with merchants, customer types, product quality, customization and innovation.

In addition, certain of our competitors may have greater financial resources, technology, research and development capability, greater market penetration and operations in diversified geographies, which may allow them to better respond to market trends and capture market share. Accordingly, we may not be able to compete effectively with our competitors, which may have an adverse impact on our business, financial condition, results of operations and future prospects.

Key Performance Indicators and Non-GAAP Financial Measures

Reconciliation of EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin to Profit for the year / period

The table below reconciles restated profit for the year / period to EBITDA. EBITDA is calculated as restated profit for the year / period plus tax expense, finance cost, depreciation and amortization expenses. Adjusted EBITDA calculated as EBITDA less other income, while Adjusted EBITDA Margin is the percentage of Adjusted EBITDA divided by revenue from operations.

(in ₹ lakhs)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Profit for the year / period (A)	2,033.18	537.96	314.82
Total tax Expense (B)	664.76	139.78	77.40
Profit before tax (C=A+B)	2,697.94	677.74	392.22

Adjustments:			
Add: Finance costs (D)	392.82	102.32	147.73
Add: Depreciation and amortization expense (E)	278.21	82.01	7.33
Add: Exceptional Item (F)	260.00	-	-
Earnings before interest, taxes, depreciation and amortization expenses (EBITDA) (G= C+D+E+F)	3,628.97	862.07	547.29
Less: Other income (H)	323.20	169.74	74.63
Adjusted Earnings before interest, taxes, depreciation and amortization expenses (Adjusted EBITDA) (I= G-H)	3,305.77	692.33	472.66
Revenue from operations (J)	24,306.07	9,669.82	6448.72
Adjusted EBITDA Margin (EBITDA as a percentage of Revenue from operations) (K = I/J)	13.60%	7.16%	7.33%

Key Performance Indicators

(in ₹ lakhs, except percentages and ratios)

Key Financial Performance	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue From operations	24,306.07	9,669.82	6,448.72
Total revenue	24,629.27	9,839.56	6,523.35
EBITDA	3,628.96	862.07	547.29
EBITDA Margin (%)	14.73	8.76	8.39
Profit after tax	2,033.18	537.96	314.82
PAT Margin (%)	8.36	5.56	4.88
Return on Equity (ROE) (%)	33.33	43.48	38.91
Debt To Equity Ratio	0.05	1.01	1.14
Interest Coverage Ratio	8.53	7.62	3.65
Return on Capital Employed (ROCE) (%)	30.62	28.39	29.68
Current Ratio	1.10	0.96	0.67
Net Capital Turnover Ratio (%)	91.32	(17.43)	(5.94)

Notes:

1. *Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.*
2. *EBITDA =EBITDA is calculated as Restated profit before exceptional items and tax plus finance cost and depreciation & amortization.*
3. *EBITDA Margin = EBITDA margin (%) is calculated as EBITDA divided by Total revenue*
4. *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.*
5. *Return on equity (RoE) is equal to profit for the year divided by the average total equity and is expressed as a percentage.*
6. *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).*
7. *Interest Coverage Ratio measures our ability to make interest payments from available earnings and is calculated by dividing EBIT by finance cost.*
8. *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.*
9. *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.*

For further details, please see section titled "*Basis for the Issue Price - Key Financial Performance Indicators*" on page 122.

Significant Accounting Policies

The principal accounting policies applied in the preparation of these Restated Consolidated Financial Information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

A. Statement of compliance

The Restated Consolidated Financial Information of the Company comprise the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Cash Flows and the Restated Consolidated Statement of Changes in Equity for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 and significant accounting policies and other explanatory information (collectively, the "**Restated Consolidated Financial Information**"), have been prepared solely for the purpose of inclusion in the Draft Red Herring Prospectus to be filed by BLS E-Services Limited ('**the Holding Company**') with the Securities and Exchange Board of India ("**SEBI**") and BSE Limited and National Stock Exchange of India Limited (collectively, "**Stock Exchanges**") in connection with proposed initial public offer of equity shares of ₹ 10 each of the Holding Company ("**Proposed IPO**").

The Restated Consolidated Financial Information have been approved by the Board of Directors of the company on and have been prepared in all material respects with the requirements of:

- Section 26 of Part I of Chapter III of the Companies Act 2013 (the "**Act**"), as amended from time to time;

- Relevant provision of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, (the "**SEBI ICDR Regulations**"), as amended from time to time;

- The Guidance Note on Report in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India.

The Restated Consolidated Financial Information have been compiled by the management of the Company from audited standalone financial statements of the Company and its subsidiaries for the years ended March 31, 2021, March 31, 2022 and March 31, 2023 (as applicable) adjusted to give impact as per provisions of Ind AS – 103 "Business Combinations" and Ind AS -110 "Consolidated Financial Statements". The restated consolidated financial statements have been approved by the Board of Directors at their meetings held on July 10, 2023.

The underlying financial statements as at and for the years ended March 31, 2023, 2022 and 2021, mentioned above, are collectively referred as historical audited financial statements.

B. Basis of measurement

The Restated Consolidated Financial Information have been prepared on the historical cost basis except for the following items:

(a) Certain financial assets and liabilities (including derivatives instruments) Fair value

(b) Net defined benefit (asset)/ liability Fair value of plan assets less present value of defined benefit obligations

C. Basis of consolidation

(i) Business Combination (other than common control transaction)

In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise, the gain is recognized directly in equity as capital reserve. Acquisition related costs are expensed as incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently, and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognized in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. The determination of the amount to be included in consideration transferred is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre combination service.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI, as appropriate.

Common control business combinations

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are revised. The assets and liabilities acquired are recognized at their carrying amounts.

(ii) Subsidiaries

Subsidiaries are entities controlled by the company. The company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iii) Non-controlling interests (NCI)

An entity has a choice on a combination-by-combination basis to measure any NCI that represents present ownership interest in the acquiree at either fair value or the proportionate share of the acquiree's net identifiable assets.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iv) Loss of control

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost

- Derecognises the carrying amount of any non-controlling interests

- Derecognises the cumulative translation differences recorded in equity

- Recognises the fair value of the consideration received

- Recognises the fair value of any investment retained

- Recognises any surplus or deficit in profit or loss

- Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners

Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities.

(v) Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates and joint ventures.

When the Group has with other parties joint control of the arrangement and rights to the net assets of the joint arrangement, it recognises its interest as joint ventures. Joint control exists when the decisions about the relevant activities require unanimous consent of the parties sharing the control. When the Group has significant influence over the other entity, it recognises such interests as associates. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control over the entity. The results, assets and liabilities of joint ventures and associates are incorporated in the consolidated financial statements using equity method of accounting after making necessary adjustments to achieve uniformity in application of accounting policies, wherever applicable.

An investment in joint venture or associate is initially recognised at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the joint venture or associate. Gain or loss in respect of changes in other equity of joint ventures or associates resulting in divestment or dilution of stake in the joint ventures and associates is recognised in the Statement of Profit and Loss. On acquisition of investment in a joint venture or associate, any excess of cost of investment over the fair value of the assets and liabilities of the joint venture and associate, is recognised as goodwill and is included in the carrying value of the investment in the joint venture and associate. The excess of fair value of assets and liabilities over the investment is recognised directly in equity as capital reserve. The unrealised profits/losses on transactions with joint ventures and associates are eliminated by reducing the carrying amount of investment. The carrying amount of investment in joint ventures and associates is reduced to recognise impairment, if any, when there is evidence of impairment.

When the Group's share of losses of a joint venture or an associate exceeds the Group's interest in that joint venture or associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture or associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate.

(vi) Consolidation procedure

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the historical audited financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the historical audited financial statements.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(vii) Uniform accounting policies

Historical audited financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the historical audited financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company.

D. Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using other valuation technique. In estimating the fair value of the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair values for measurement and/ or disclosure purposes are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 - This includes financial instruments measured using quoted prices.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. Derived from prices).

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these Restated Consolidated Financial Information.

(i) **Revenue recognition**

The company derives primarily from sale of goods, products and related Services.

"Revenue from contract with customers is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

Revenue from sale of services is recognized as per the terms of contract with customers at the time when the outcome of transactions involving rendering of services can be estimated reliably.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.

Revenue is measured based on the transaction price, which is the consideration, adjusted for turnover discounts to customer as specified in the contract with the customers. When the level of discount varies with increase in levels of revenue transactions, the group recognises the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognised until the payment is probable and the amount can be estimated reliably. the group recognises changes in the estimated amount of obligations for discounts in the period in which the change occurs. Revenue also excludes taxes collected from customers.

Revenue in excess of invoicing are classified as contract assets while invoicing in excess of revenues are classified as contract liabilities."

(ii) **Other Income**

Interest income

Interest income is recognized on time proportion basis using the effective interest method.

Dividend Income

Dividend income is recognized when the right to receive payment is established, which is generally when shareholders approve the same

(iii) **Financial instruments**

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets include Investments, Trade receivables, Advances, Security Deposits, Cash and cash equivalents.

At initial recognition, all financial assets are measured at fair value. Such financial assets are subsequently classified under following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.

Financial Assets at Amortised Cost

At the date of initial recognition, financial assets are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Financial Assets at Fair value through Other Comprehensive Income

At the date of initial recognition, financial assets are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the effective interest rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

Financial Assets at Fair value through Profit or Loss

At the date of initial recognition, financial assets are held for trading, or which are measured neither at Amortised Cost nor at fair value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

Investment in Equity Shares

Investments in Equity Securities are initially measured at cost. Any subsequent fair value gain or loss is recognized through Profit or Loss if such investments in Equity Securities are held for trading purposes. The fair value gains or losses of all other Equity Securities are recognized in Other Comprehensive Income.

Investments in Subsidiaries & Joint Ventures

Investment in subsidiaries, associates and joint ventures are carried at cost less accumulated impairment, if any.

(iv) **Derecognition**

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) **Current versus non-current classification**

All Assets and Liabilities have been classified as current or non-current as per the group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the group and their realisation in cash and cash equivalent, the group has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(vi) **Property, plant and equipment**

Property, plant and equipment acquired after the transition date are stated at cost net of tax, less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price and also other cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the group and the costs to the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gain or losses are recognized in the statement of profit and loss.

Depreciation

Depreciation is provided on written down value method over the useful lives of property, plant and equipment as estimated by management. Pursuant to Notification of Schedule II of the Companies Act, 2013 depreciation is provided prorata basis on written down value at the rates determined based on estimated useful lives of property, plant and equipment where applicable, prescribed under Schedule II to the Companies Act 2013. The residual value, useful lifes and method of depreciation of property, plant and equipment is reviewed at each financial year and adjusted prospectively, if appropriate.

Amortization

Goodwill is not amortised and is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

(vii) **Goodwill and other intangible assets**

a) Other intangible assets

Intangible Assets are recognised, when it is probable that if the future economic benefits attributable to the assets are expected to flow to the group and cost of the asset can be measured reliably. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible asset with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

b) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised fo rnon-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessments till results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve.However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI. Subsequent measurement is at cost less any accumulated impairment losses.

(viii) **Impairment**

The carrying amount of Property, plant and equipment's, Intangible assets and Investment property are reviewed at each Balance Sheet date to assess impairment if any, based on internal / external factors. An asset is treated as impaired, when the carrying cost of asset exceeds its recoverable value, being higher of value in use and net selling price. An impairment loss is recognised as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed, if there has been an improvement in recoverable amount.

(ix) **Borrowing costs**

Borrowing cost that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale. Borrowing cost consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing cost are recognized as expense in the period in which they are incurred.

(x) **Leases**

Group as a Lessee

The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

"To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:"

i. the contact involves the use of an identified asset

ii. the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

iii. the Group has the right to direct the use of the asset.

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

- the amount expected to be payable by the lessee under residual value guarantees;

- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Restated Consolidated Statement of Assets and Liabilities. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are presented as a separate line in the Restated Consolidated Statement of Assets and Liabilities. The right-of-use assets are initially recognised at cost which comprises of the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

(xi) **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year after taking credit of the benefits available under the Income Tax Act and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date

Current tax assets and liabilities are offset only if, the Group:

i) has a legally enforceable right to set off the recognised amounts; and

ii) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(xii) **Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used for taxation purposes.

Deferred tax is not recognised for:

i) temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

“A deferred income tax asset is recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences and tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.”

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

i) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

MAT Credit

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is probable evidence that the group will pay normal income tax in future. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realised.

(xiii) Cash & Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(xiv) **Provisions, Contingent Assets & Contingent Liabilities**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognised but are disclosed in notes. Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

(xv) **Cash Flow Statements**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

Operating Segments

(i) *Identification of segments*

The Group operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

(ii) *Unallocated items*

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

(iii) *Segment accounting policies*

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the group as a whole.

E. Use of estimates

In preparing these Restated Consolidated Financial Information, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

In the process of Restated Consolidated Financial Information applying the accounting policies, management has made the following estimates, assumptions and judgements which have significant effect on the amounts recognized in the financial statement:

(a) Contingencies

Judgment of the Management is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the group as it is not possible to predict the outcome of pending matters with accuracy.

(b) Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectible. Impairment is made on ECL, which are the present value of the cash shortfall over the expected life of the financial assets.

(c) Defined Benefit Plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These Includes the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(xvi) **Inventories**

Finished Goods are valued at lower of cost and net realisable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

The amount of any write-down of inventories to NRV and all abnormal losses of inventories are recognized as expense in the Statement of Profit and Loss in the period in which such write-down or loss occurs. The amount of any reversal of the write-down of inventories arising from increase in the NRV is recognized as a reduction from the amount of inventories recognized as an expense in the period in which reversal occurs.

Recent pronouncements

Ministry of Corporate Affairs ("**MCA**") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. the group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. the group is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

Accounting Policies, Changes in Accounting Estimates and Errors The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. the group does not expect this amendment to have any significant impact in its financial statements.

Principal Components of Statement of Profit and Loss

Income

Our total income comprises (i) revenue from operations, and (ii) other income.

Revenue from operations: Revenue from operations comprises income from the sale of services to government, sale of services to customer, commission income, information technologies service income, sale of products & services and commission for onboarding customer service point ("**CSP**").

Other income: Other income primarily comprises interest income on fixed deposits, registration fee, office administrative charges, profit on sale of car and investments, branding income, interest on security deposit, interest income on IT refund, passbook printer machine, rental income and miscellaneous income.

Expenses

Expenses consist of share of expenses from purchases, cost of services, employee benefits expense, finance costs, depreciation & amortization expense and other expenses.

Cost of services: Cost of services relates to direct cost associated with services rendered i.e. purchase of PAN coupon, recharge vouchers, channel partner commission & contractual manpower cost, operational expenses and change in inventory.

Employee benefit expense: Employee benefits expense comprises of salary, wages and incentives, contribution to provident and other funds and staff welfare expenses.

Finance costs: Finance cost comprises of interest on borrowings, other interests, other financial charges and interest on lease liability.

Depreciation and amortization expense: Depreciation and amortization expense relate to depreciation on property, plant and equipment, amortization on intangible assets and depreciation on right of use asset.

Other expenses: Other expenses primarily comprise of expenses relating to bank charges, telephone & internet expenses, sewa kendra expenses, conveyance expenses, software expense, professional consultancy charges, rent expense, repair & maintenance expense, bad debts, electricity & water expenses, business promotion expense, rates & taxes, sundry balance written off, insurance, printing & stationery expenses, CSR expense and miscellaneous expenses.

Tax Expense

Tax expense comprises of current tax, deferred tax and tax expense for earlier year.

Results of Operations

The following table sets forth selected financial data from our consolidated statement of profit and loss for the period indicated, the components of which are also expressed as a percentage of total income for such years.

(in ₹ lakhs, except percentages)

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount	**% of Total Income**	**Amount**	**% of Total Income**	**Amount**	**% of Total Income**
Income from Operations						
Revenue from operations	24,306.07	98.69	9,669.82	98.27	6,448.72	98.86
Other Income	323.20	1.31	169.74	1.73	74.63	1.14
Total Income	**24,629.27**	100.00	**9,839.56**	**100.00**	**6,523.35**	**100.00**
Expenses:						
Cost of services	16,156.48	65.60	6,351.60	64.55	4,194.80	64.30
Employee benefit expense	2,322.53	9.43	640.87	6.51	381.23	5.84
Finance costs	392.82	1.59	102.32	1.04	147.73	2.26
Depreciation and amortization expense	278.21	1.13	82.01	0.83	7.33	0.11
Other expenses	2,521.29	10.24	1,985.02	20.17	1400.04	21.46
Total expenses	**21,671.33**	**87.99**	**9,161.82**	**93.11**	**6,131.13**	**93.99**
Profit before exceptional items & tax	**2,957.94**	**12.01**	**677.74**	**6.89**	**392.22**	**6.01**
Exceptional items	260.00	1.06	-	-	-	-
Profit before tax	**2,697.94**	**10.95**	**677.74**	**6.89**	**392.21**	**6.01**
- Current tax	645.87	2.62	168.06	1.71	79.52	1.22
- Deferred tax	89.51	0.36	(30.63)	-0.31	(2.47)	-0.04
- Tax expense for earlier years	(70.62)	-0.29	2.35	0.02	0.35	0.01
Total tax expense	**664.76**	**2.70**	**139.78**	**1.42**	**77.40**	**1.19**
Profit for the year	**2,033.18**	**8.26**	**537.96**	**5.47**	**314.82**	**4.83**

Fiscal 2023 compared to Fiscal 2022

Key developments

1. Our results of operations and financial condition for as of and for the financial year ended March 31, 2023, reflected the operations of Business Correspondent business of our material subsidiary, Zero Mass Private Limited from June 8, 2022, to March 31, 2023, since our Company acquired Zero Mass Private Limited on June 7, 2022. For further information, please see section titled "*History and Corporate Structure of the Issuer - Details regarding material acquisition or divestment of business/undertakings, mergers, amalgamations and revaluation of assets in the last 10 (ten) years*" on page 239. Accordingly, our results of operations and financial condition as of and for the financial year ended March 31, 2023, may not be strictly comparable to our results of operations and financial condition as of and for the financial year ended March 31, 2022.

2. Our results of operations and financial condition for as of and for the financial years ended March 31, 2023 and March 31, 2022, reflected the operations of our material subsidiary, BLS Kendras Private Limited from April 1, 2021 to March 31, 2023. Our Company acquired BLS Kendras Private Limited on October 31, 2022, however, since it was our fellow subsidiary i.e. controlled by our Promoter, the consolidation of results of operations and financial condition of BLS Kendras Private Limited has been taken into consideration with effect from April 1, 2020. For further information, please see section titled "*History and Corporate Structure of the Issuer - Details regarding material acquisition or divestment of business/undertakings, mergers, amalgamations and revaluation of assets in the last 10 (ten) years*" on page 239.

Income

Our total income increased by 150.31% to ₹ 24,629.27 lakhs for the Fiscal 2023 from ₹ 9,839.56 lakhs for the Fiscal 2022, primarily due to an increase in revenue from operations aided by increase in other income as well.

Revenue from Operations

Our revenue from operations increased by 151.36% to ₹ 24,306.07 lakhs for the Fiscal 2023 from ₹ 9,669.82 lakhs for the Fiscal 2022, primarily due to an increase in sale of services to ₹ 23,805.88 lakhs for the Fiscal 2023 from ₹ 9,661.46 lakhs for the Fiscal 2022 and an increase in sale of products to ₹ 500.19 lakhs for the Fiscal 2023 from ₹ 8.36 lakhs for the Fiscal 2022.

Other Income

Our other income increased by 90.41% to ₹ 323.20 lakhs for the Fiscal 2023 from ₹ 169.74 lakhs for the Fiscal 2022. This increase was driven by increase in interest income on fixed deposits with banks which is ₹ 95.12 lakhs in Fiscal 2023 as compared to ₹ 78.21 lakhs in Fiscal 2022, interest income on income tax refund which is ₹ 29.54 lakhs in Fiscal 2023 as compared to ₹ 5.24 lakhs in Fiscal 2022, increase in rental income which is ₹ 72.00 lakhs in Fiscal 2023 as compared to ₹ Nil in Fiscal 2022. Additionally, there was an increase in profit on sale of investments amounting to ₹ 39.21 lakhs in Fiscal 2023 as compared to ₹ Nil in Fiscal 2022.

Expenses

Our total expenses increased by 136.51% to ₹ 21,671.33 lakhs for the Fiscal 2023 from ₹ 9,161.82 lakhs for the Fiscal 2022, primarily due to the reasons discussed below:

Cost of services

Our cost of services / products sold increased by 154.37% to ₹ 16,156.48 lakhs for the Fiscal 2023 from ₹ 6,351.60 lakhs for the Fiscal 2022, primarily due to increase in operational expenses to ₹ 15,318.10 lakhs in Fiscal 2023 from ₹ 6,091.98 lakhs in Fiscal 2022, increase in purchase of coupons, manpower cost, commission expense, etc. which is ₹ 826.74 lakhs in Fiscal 2023 as compared to ₹ 259.62 lakhs in Fiscal 2022. Also, there was an increase in inventory to ₹ 11.64 lakhs in Fiscal 2023 to ₹ Nil in Fiscal 2022.

Employee benefits expense

Employee benefit expenses increased by 262.40% to ₹ 2,322.52 lakhs for the Fiscal 2023 from ₹ 640.87 lakhs for the Fiscal 2022, primarily due to an increase in the salaries, wages and incentives to ₹ 2,111.27 lakhs for Fiscal 2023 from ₹ 592.03 lakhs for Fiscal 2022. This was primarily attributable to acquisition of Zero Mass Private Limited in Fiscal 2023 amounting to ₹ 1,598.09 lakhs.

Finance costs

Our finance costs increased by 283.91% to ₹ 392.82 lakhs for the Fiscal 2023 from ₹ 102.32 lakhs for the Fiscal 2022, primarily due to increase in interest on borrowings which is ₹ 351.79 lakhs in Fiscal 2023 as compared to ₹ 66.73 lakhs in Fiscal 2022, interest on lease liability which is ₹ 23.63 lakhs in Fiscal 2023 as compared to ₹ 17.33 lakhs in Fiscal 2022.

Depreciation and amortization expense

Our depreciation and amortization expenses increased by 239.22% to ₹ 278.20 lakhs for the Fiscal 2023 from ₹ 82.01 lakhs for the Fiscal 2022, primarily due to increase in depreciation right of use asset to ₹ 232.14 lakhs in Fiscal 2023 from ₹ 65.14 lakhs in Fiscal 2022, increase in depreciation on property, plant and equipment to ₹ 43.21 lakhs in Fiscal 2023 as compared to ₹ 14.75 lakhs in Fiscal 2022.

Other expenses

Our other expenses increased by 27.02% to ₹ 2,521.29 lakhs for the Fiscal 2023 from ₹ 1,985.02 lakhs for the Fiscal 2022. This increase was primarily on account of increase in sewa kendra expenses to ₹ 784.17 lakhs in Fiscal 2023 from ₹ 567.67 lakhs in Fiscal 2022 owing to sewa kendra account maintenance, sewa kendra electricity expense, sewa kendra lamination and photocopy expense, increase in conveyance expenses to ₹ 457.90 lakhs in Fiscal 2023 from ₹ 136.25 lakhs in Fiscal 2022 due to acquisition of Zero Mass Private Limited amounting to ₹ 297.55 lakhs, increase in rates and taxes to ₹ 91.41 lakhs in Fiscal 2023 from ₹ 0.12 lakhs in Fiscal 2022 owing to stamp duty charges, roc filing fees for increasing authorized share capital**,** increase in printing & stationery expenses to ₹ 147.82 lakhs in Fiscal 2023 from ₹ 96.10 lakhs in Fiscal 2022, increase in CSR expense to ₹ 35.05 lakhs in Fiscal 2023 from ₹ 3.50 lakhs in Fiscal 2022. This was partially offset due to decrease in professional consultancy charges to ₹ 275.13 lakhs in Fiscal 2023 from ₹ 425.61 lakhs in Fiscal 2022, decrease in repair and maintenance expense to ₹ 158.26 lakhs in Fiscal 2023 from ₹ 251.04 lakhs in Fiscal 2022, decrease in business promotion expense to ₹ 22.05 lakhs in Fiscal 2023 from ₹ 197.69 lakhs in Fiscal 2022.

Exceptional items

Our exceptional items increased by 100.00% to ₹ 260.00 lakhs for the Fiscal 2023 from ₹ Nil for the Fiscal 2022. This increase was primarily on account of issue and allotment of sweat equity shares.

Profit before tax

Primarily on account of the reasons described above, our profit before tax increased by 298.08% to ₹ 2,697.94 lakhs for the Fiscal 2023 from ₹ 677.74 lakhs for the Fiscal 2022.

Tax expense

Our total tax expenses increased by 375.55% to ₹ 664.76 lakhs for the Fiscal 2023 from ₹ 139.78 lakhs for the Fiscal 2022, primarily due to increase in current tax expense to ₹ 645.87 lakhs in Fiscal 2023 from ₹ 168.06 lakhs in Fiscal 2022, increase in deferred tax expense to ₹ 89.51 lakhs in Fiscal 2023 from ₹ (30.63) lakhs in Fiscal 2022. This was partially offset by decrease in tax expense for earlier years to ₹ (70.62) lakhs in Fiscal 2023 from ₹ 2.35 lakhs in Fiscal 2022.

Profit for the year

Our Profit for the period, increased by 277.94% to ₹ 2,033.18 lakhs for the Fiscal 2023 from ₹ 537.96 lakhs for the Fiscal 2022, as a result of the factors described above.

Fiscal 2022 compared to Fiscal 2021

Key developments

Our results of operations and financial condition for as of and for the financial years ended March 31, 2022 and March 31, 2021, reflected the operations of our material subsidiary, BLS Kendras Private Limited from April 1, 2020 to March 31, 2022. Our Company acquired BLS Kendras Private Limited on October 31, 2022, however, since it was our fellow subsidiary i.e. controlled by our Promoter, the consolidation of results of operations and financial condition of BLS Kendras Private Limited has been taken into consideration with effect from April 1, 2020. For further information, please see section titled "*History and Corporate Structure of the Issuer - Details regarding material acquisition or divestment of business/undertakings, mergers, amalgamations and revaluation of assets in the last 10 (ten) years*" on page 239.

Income

Our total income increased by 50.84% to ₹ 9,839.56 lakhs for the Fiscal 2022 from ₹ 6,523.35 lakhs for the Fiscal 2021. This increase was primarily due to increase in revenue from operations aided by increase in other income as well.

Revenue from Operations

Our revenue from operations increased by 49.95% to ₹ 9,669.82 lakhs for the Fiscal 2022 from ₹ 6,448.72 lakhs for the Fiscal 2021, primarily due to an increase in sale of services to ₹ 9,661.46 lakhs for the Fiscal 2022 from ₹ 6,448.72 lakhs for the Fiscal 2021 and an increase in sale of products to ₹ 8.36 lakhs for the Fiscal 2022 from ₹ Nil for the Fiscal 2021.

Other Income

Our other income increased by 127.41% to ₹ 169.74 lakhs for the Fiscal 2022 from ₹ 74.63 lakhs for the Fiscal 2021, primarily due to increase in interest income on fixed deposits with banks, security deposit and income tax refund to ₹ 85.45 lakhs for the Fiscal 2022 from ₹ 62.62 lakhs for the Fiscal 2021, increase in miscellaneous income to ₹ 84.29 lakhs for the Fiscal 2022 from ₹ 12.01 lakhs for the Fiscal 2021.

Expenses

Our total expenses increased by 49.43% to ₹ 9,161.82 lakhs for the Fiscal 2022 from ₹ 6,131.13 lakhs for the Fiscal 2021, primarily due to the reasons discussed below:

Cost of services

Our cost of services increased by 51.42% to ₹ 6,351.60 lakhs for the Fiscal 2022 from ₹ 4,194.80 lakhs for the Fiscal 2021, primarily due to increase in operational expenses to ₹ 6,091.98 lakhs in Fiscal 2022 from ₹ 4,175.66 lakhs in Fiscal 2021, increase in purchase of purchase of coupons, manpower cost, commission expense, information technologies service charges etc. which is ₹ 259.62 lakhs in Fiscal 2022 as compared to ₹ 19.14 lakhs in Fiscal 2021.

Employee benefits expense

Employee benefit expenses increased by 68.11% to ₹ 640.87 lakhs for the Fiscal 2022 from ₹ 381.23 lakhs for the Fiscal 2021, primarily due to an increase in salaries, wages and incentives to ₹ 592.03 lakhs for Fiscal 2022 from ₹ 361.42 lakhs for Fiscal 2021. This was primarily due to a general increase in salaries, wages and incentives.

Finance costs

Our finance costs decreased by 30.74% to ₹ 102.32 lakhs for the Fiscal 2022 from ₹ 147.73 lakhs for the Fiscal 2021, primarily due to decrease in interest on borrowings to ₹ 66.73 lakhs for Fiscal 2022 from ₹ 109.43 lakhs for Fiscal 2021, other financial charges to ₹ 17.50 lakhs for Fiscal 2022 from ₹ 32.21 lakhs for Fiscal 2021. This was partially offset by increase in interest on lease liability to ₹ 17.33 lakhs for Fiscal 2022 from ₹ Nil for Fiscal 2021.

Depreciation and amortization expense

Our depreciation and amortization expenses increased by 1,018.69% to ₹ 82.01 lakhs for the Fiscal 2022 from ₹ 7.33 lakhs for the Fiscal 2021, primarily due to increase in depreciation right of use asset to ₹ 65.14 lakhs in Fiscal 2022 from ₹ Nil in Fiscal 2021, increase in depreciation on property, plant and equipment to ₹ 14.75 lakhs in Fiscal 2022 as compared to ₹ 7.16 lakhs in Fiscal 2021.

Other expenses

Our other expenses increased by 41.78% to ₹ 1,985.02 lakhs for the Fiscal 2022 from ₹ 1,400.04 lakhs for the Fiscal 2021. This increase was primarily on account of increase in business promotion expense to ₹ 197.69 lakhs in Fiscal 2022 from ₹ 0.52 lakhs in Fiscal 2021, increase in sewa kendra expenses to ₹ 567.67 lakhs in Fiscal 2022 from ₹ 461.50 lakhs in Fiscal 2021 owing to sewa kendra cash management expense, sewa kendra lamination & photocopy expense, sewa kendra printer catridge, increase in conveyance expenses to ₹ 136.25 lakhs in Fiscal 2022 from ₹ 93.97 lakhs in Fiscal 2021 due to increased conveyance expenses of our subsidiary Starfin, increase in repair and maintenance expense to ₹ 251.04 lakhs in Fiscal 2022 from ₹ 123.71 lakhs in Fiscal 2021.

Exceptional items

Our exceptional items were ₹ Nil for the Fiscals 2022 and 2021.

Profit before tax

Primarily on account of the reasons described above, our profit before tax increased by 72.80% to ₹ 677.74 lakhs for Fiscal 2022 from ₹ 392.22 lakhs for Fiscal 2021.

Tax expense

Our total tax expenses increased by 80.57% to ₹ 139.78 lakhs for the Fiscal 2022 from ₹ 77.40 lakhs for the Fiscal 2021, primarily due to increase in current tax expense to ₹ 168.06 lakhs in Fiscal 2022 from ₹ 79.52 lakhs in Fiscal 2021 which was partially offset by increase in deferred tax expense to ₹ (30.63) lakhs in Fiscal 2022 from ₹ (2.47) lakhs in Fiscal 2021.

Profit for the year

Our Profit for the period, increased by 70.89% to ₹ 537.96 lakhs for the Fiscal 2022 from ₹ 314.82 lakhs for the Fiscal 2021, as a result of the factors described above.

Liquidity and Capital Resources

Historically, our primary liquidity and capital requirements have been to finance our working capital needs for our operations. We have historically financed the expansion of our business and operations primarily through equity swap, unsecured loans from related parties and funds generated from our business operations. From time to time, we may obtain loan facilities to finance our working capital requirements and term loans to finance our capital expenditures. As of March 31, 2023, we had ₹ 1,570.64 lakhs in cash and cash equivalents, ₹ 2,939.08 lakhs in other bank balances other than cash and cash equivalents and ₹ 1,822.41 lakhs in trade receivables. We believe that after taking into account the expected cash to be generated from operations, our borrowings and the proceeds from the Issue, we will have sufficient liquidity for our present requirements and anticipated requirements for capital expenditure and working capital for the next 12 months.

Cash Flows

The following table sets forth selected information from our statement of cash flows for the periods indicated:

(in ₹ lakhs)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net cash flow from / (used in) operating activities (A)	2,887.31	1,974.25	864.05
Net cash flow used in investing activities (B)	(6,563.23)	(1,362.05)	(57.16)
Net cash generated from / (used in) financing activities (C)	4,641.60	(757.20)	(480.90)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**965.68**	**(145.00)**	**325.99**
Cash and cash equivalents at the beginning of the year	604.96	749.96	423.97
Cash and cash equivalents at the end of the year	1,570.64	604.95	749.96

Operating Activities

Fiscal 2023

Net cash flow from / (used in) operating activities in the Fiscal 2023, was ₹ 2,887.31 lakhs. While our net profit before tax was ₹ 2,697.94 lakhs, we had an operating profit before working capital changes of ₹ 3,549.68 lakhs, primarily due to exceptional items (issue of sweat equity) amounting to ₹ 260.00 lakhs, depreciation and amortization amounting to ₹ 278.21 lakhs, bad debts amounting to ₹ 31.03 lakhs and balance write off amounting to ₹ 26.76 lakhs, finance cost amounting to ₹ 392.82 lakhs, interest income amounting to ₹ (95.12) lakhs, profit on sale of investment amounting to ₹ (39.21) lakhs and profit on sale of car of ₹ (2.75) lakhs). Our adjustments for working capital changes for the Fiscal 2023, primarily consists of increase in other current assets amounting to ₹ 9.87 lakhs, other non-current financial assets amounting to ₹ 46.34 lakhs, decrease in trade payable amounting to ₹ 1,723.62 lakhs which were partially offset by decrease in inventories amounting to ₹ 11.64 lakhs, trade receivables amounting to ₹ 644.80 lakhs, other financial current assets amounting to ₹ 230.23 lakhs and decrease in other financial current liabilities amounting to ₹ 171.96 lakhs and other current liabilities amounting to ₹ 447.56 lakhs.

Fiscal 2022

Net cash flow from / (used in) operating activities in the Fiscal 2022, was ₹ 1,974.25 lakhs. While our net profit before tax was ₹ 677.74 lakhs, we had an operating profit before working capital changes of ₹ 783.86 lakhs, primarily due to depreciation and amortization amounting to ₹ 82.01 lakhs, finance cost amounting to ₹ 102.32 lakhs and interest income amounting to ₹ (78.21). Our adjustments for working capital changes for the Fiscal 2022, primarily consists of decrease in trade receivables amounting to ₹ (30.55) lakhs which were partially offset by increase in other financial current assets amounting to ₹ 29.16 lakhs, other current assets amounting to ₹ 188.07 lakhs, other non-current financial assets amounting to ₹ 56.18 lakhs, increase in provision amounting to ₹ 7.80 lakhs, other non-current liabilities amounting to ₹ 552.69 lakhs, trade payable amounting to ₹ 633.29 lakhs, other financial current liabilities amounting to ₹ 362.78 lakhs and other current liabilities amounting to ₹ 94.84 lakhs.

Fiscal 2021

Net cash flow from / (used in) operating activities in the Fiscal 2021, was ₹ 864.05 lakhs. While our net profit before tax was ₹ 392.22 lakhs, we had an operating profit before working capital changes of ₹ 484.66 lakhs, primarily due to depreciation and amortization amounting to ₹ 7.33 lakhs, finance cost amounting to ₹ 147.73 lakhs and interest income amounting to ₹ (62.62) lakhs. Our adjustments for working capital changes for the Fiscal 2021, primarily consists of decrease in other current assets amounting to ₹ (34.66) lakhs and decrease in trade payable amounting to ₹ (20.51) lakhs which were partially offset by increase in trade receivables amounting to ₹ 0.94 lakhs, other financial current assets amounting to ₹ 8.61 lakhs, other non-current financial assets amounting to ₹ 0.70 lakhs, increase in provision amounting to ₹ 6.93 lakhs, other financials current liabilities amounting to ₹ 389.41 lakhs and other current liabilities amounting to ₹ 41.88 lakhs.

Investing Activities

Fiscal 2023

Net cash flow used in investing activities was ₹ (6,563.23) lakhs in the Fiscal 2023, primarily on account of investment in subsidiary ZMPL, purchase of tangible assets, purchase of intangible assets and investment in term deposits of ₹ 7,663.15 lakhs, ₹ 86.23 lakhs, ₹ 2.51 lakhs and ₹ 2,172.00 lakhs, respectively, which were partially offset due to sale of investment, sale of car and interest income of ₹ 3,170.00 lakhs, ₹ 3.69 lakhs and ₹ 186.97 lakhs, respectively.

Fiscal 2022

Net cash flow used in investing activities was ₹ (1,362.05) lakhs in the Fiscal 2022, primarily on account of purchase of tangible assets, purchase of intangible assets and investment in term deposits of ₹ 21.72 lakhs, ₹ 703.72 lakhs, and ₹ 664.98 lakhs, respectively, which were partially offset by net decrease in interest income of ₹ 28.37 lakhs.

Fiscal 2021

Net cash flow used in investing activities was ₹ (57.16) lakhs in the Fiscal 2021, primarily on account of purchase of tangible assets, and investment in term deposits of ₹ 7.60 lakhs and ₹ 72.29 lakhs, respectively, which were partially offset by net decrease in interest income of ₹ 22.73 lakhs.

Financing Activities

Fiscal 2023

Net cash flow (used in) / from financing activities in the Fiscal 2023 amounted to ₹ 4,641.60 lakhs, primarily on account of repayment of loans, repayment of lease liabilities and interest payment of ₹ 1,994.67 lakhs, ₹ 257.93 lakhs and ₹ 381.42 lakhs, respectively, which were partially offset due to proceeds from issue of share of ₹ 7,275.62 lakhs.

Fiscal 2022

Net cash flow (used in) / from financing activities in the Fiscal 2022 amounted to ₹ (757.20) lakhs, primarily on account of repayment of loans, and interest payment of ₹ 951.57 lakhs, and ₹ 531.68 lakhs respectively, which were partially offset due to proceeds from loans of ₹ 726.05 lakhs.

Fiscal 2021

Net cash flow (used in) / from financing activities in the Fiscal 2021 amounted to ₹ (480.90) lakhs, primarily on account of repayment of loans and interest payment of ₹ 431.65 lakhs and ₹ 49.25 lakhs respectively.

Liabilities

Our total (current and non-current) liabilities as on March 31, 2023, March 31, 2022, and March 31, 2021, amounted to ₹ 6,801.38 lakhs, ₹ 4,086.24 lakhs, and ₹ 3,090.83 lakhs, respectively.

Indebtedness

As on June 30, 2023, our Company does not have any other outstanding fund-based or non-fund based facilities, except as disclosed below:

(₹ in lakhs)

Category of borrowing	Facility availed as on June 30, 2023	Outstanding amount as on June 30, 2023

Company		
BLS E-services Limited		
Secured	-	-
Fund Based facilities	0.85	-
Non-Fund based facilities	5.00	5.00
Total	**5.85**	**5.00**
Subsidiaries		
BLS Kendras Private Limited		
Secured	-	-
Fund Based facilities	201.80	-
Non-Fund based facilities	2,000.00	2,000.00
Zero Mass Private Limited		
Secured	-	-
Fund Based facilities	-	-
Non-Fund based facilities	40.00	40.00
Starfin India Private Limited		
Secured	-	-
Fund Based facilities	-	-
Non-Fund based facilities	166.60	166.60
Total	**2,414.25**	**2,211.60**

Further, as on the date of this Draft Red Herring Prospectus, there have been no defaults by our Company or our Subsidiaries in relation to any of the loans or borrowings availed by them.

Contractual Obligations and Commitments

The following table sets forth certain information relating to future payments due under known contractual commitments as on March 31, 2023, aggregated by type of contractual obligation:

(in ₹ lakhs)

Particulars	Total	Less than 1 year	1 year to 5 years
Trade payables	249.18	247.73	1.45
Other financial liabilities - Current	5,336.42	5,336.42	-
Lease liability	607.92	170.80	437.12
Total	6,193.52	5,754.95	438.57

For further details regarding our capital and other commitments, please see section titled "*Restated Consolidated Financial Information*" on page 273.

Capital Expenditure

Our historical capital expenditures were primarily incurred towards purchase and maintenance of computer systems and software. We expect our future capital expenditures to be, primarily used for leasehold improvements, computer systems and equipment, and intangible assets for product development and improvement.

In the Fiscals 2023, 2022 and 2021, our capital expenditure for purchase of property, plant and equipment and computer systems (including other intangible assets, capital work in progress and capital advances) were ₹ 134.46 lakhs, ₹ 25.43 lakhs and ₹ 7.60 lakhs, respectively.

For further details, please see section titled "*Restated Consolidated Financial Information*" on page 273.

Contingent Liabilities

The following table sets forth the principal components of our contingent liabilities as on March 31, 2023:

Particulars	As on March 31, 2023 (₹ in lakhs)
Guarantees issued by the bank on behalf of the Company	2,000.00
Guarantees given to bank for providing fund based facilities to CSP's	273.79

Total	2,273.79

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties including with our Promoter, Directors, Key Managerial Personnel, Senior Management, our Subsidiaries and our Group Companies on an arm's length basis. All the transactions with related parties are in compliance with the Companies Act, 2013, SEBI Listing Regulations, relevant accounting standards and other statutory compliances.

For details regarding our related party transactions, please see section titled "*Related Party Disclosures*" on page 330.

Quantitative and Qualitative Analysis about market risk

Risk management framework

The group board of directors has the overall responsibility for the management of the risks and is supported by Senior Management that advises on the appropriate financial risk governance framework. The Company has the risk management policies and systems in place and are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's audit committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of risk management framework in relation to the risks faced by the Company. The framework seeks to identify, assess and mitigate financial risk in order to minimize potential adverse effects on the company's financial performance.

In the course of our business, we are exposed to certain financial risks such as credit risk, market risk and liquidity risk.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation and arises from the operating activities primarily (trade receivables) and investing activities including deposits with banks and other corporate deposits. The company establishes an allowance for impairment that represents its estimate of expected losses in respect of financial assets. A default of financial assets is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the company is certain about the non-recovery.

Trade & other receivables

Customer credit risk is managed based on company's established policy, procedures and controls. The company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. Credit risk is reduced by receiving pre-payments. The company has a well-defined sales policy to minimize its risk of credit defaults. Outstanding customer receivables are regularly monitored and assessed. Impairment analysis is performed based on historical data at each reporting date on an individual basis. However, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

Expected Credit loss under simplified approach for Trade receivables:

(in ₹ lakhs)

Ageing	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Ageing of gross carrying amount	1,426.07	-	-
Unbilled Revenue	-	7.35	-
less than 180 days	396.34	842.96	151.04
181-365 days	-	1.03	1.83

More than 1 year	-	2.80	731.82
Gross Carrying amount	1,822.41	854.14	884.69
Expected Credit loss		-	
Net carrying amount	1,822.41	854.14	884.69

Financial instruments and cash deposits

Credit risk from balances with banks and other financial instruments is managed by Company in accordance with its policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the management and may be updated throughout the year. Impairment on cash and cash equivalents, deposits and other financial instruments has been measured on the 12-month expected credit loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on external credit ratings of counterparties. Based on the assessment there is no impairment in the above financial assets.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types of risk i.e. currency rate, interest rate and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

Liquidity risk

Liquidity risk is defined as the risk that the group will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for maintenance of liquidity, continuity of funding as well as timely settlement of debts. In addition, policies related to mitigation of risks are overseen by senior management. Management monitors the Company's net liquidity position on the basis of expected cash flows vis a vis debt service fulfilment obligation.

The table below summarize the maturity profile of the Company's financial liabilities as of March 31, 2023, March 31, 2022, and March 31, 2021, based on contractual undiscounted payments:

(in ₹ lakhs)

Particulars	Less than 1 year	1 year to 5 years	Total
As at March 31, 2023			
Loan from related party	-	-	-
Trade payables	247.73	1.45	249.18
Other financial liabilities – Current	5,336.42	-	5,336.42
Lease liability	170.80	437.12	607.92
As at March 31, 2022			
Loan from related party – Current	150.00	726.05	876.05
Trade payables	794.32	0.04	794.36
Other financial liabilities – Current	1,522.98	-	1,522.98
Lease liability	234.42	588.62	823.04
As at March 31, 2021			
Loan from related party	1,101.57	-	1,101.57
Trade payables	160.73	0.34	161.07
Other financial liabilities – Current	1,682.58	-	1,682.58
Lease liability	-	-	-

Significant economic changes that materially affect or are likely to affect income from continuing operations

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect our income from continuing operations identified above in "- *Significant factors affecting our financial condition and results of operations*" and the uncertainties described in "*Risk Factors*" on pages 334 and 39, respectively.

Unusual or Infrequent events of transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known trends or uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled "- *Significant factors affecting our financial condition and results of operations*" and the uncertainties described in section titled "*Risk Factors*" on pages 334 and 39, respectively. To our knowledge, except as described or anticipated in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our sales, revenues or income from continuing operations.

Future relationship between cost and income

Other than as described in this Draft Red Herring Prospectus, including disclosure regarding the impact of COVID -19 on our operations, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

Segment Reporting

Our business activity primarily falls within three business and one geographical segment, i.e. information technology enabled E-Governance Services in India, business correspondent services in India and assisted e-commerce services. For further details, please see section titled "*Financial Information*" on page 273.

New products or business segments

Except as disclosed in this Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products or new business segments.

Total turnover of each major industry segment in which the company operated.

Other than as disclosed in the Restated Consolidated Financial Information, we do not have any separate reportable business segments. For further details, please see section titled "*Financial Information*" on page 273.

Seasonality of business / cyclicality of business

We generally believe that our business is not subject to any seasonal variations.

Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

Changes in revenue in the last three Fiscals are as described in the sections "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2023 compared to Fiscal 2022*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2022 compared to Fiscal 2021*" above on pages 350 and 352, respectively.

Supplier or Customer Concentration

We do not have any material dependence on a single or few suppliers. We have a wide customer base and do not have any material dependence on any particular customer.

Competitive Conditions

We operate in a competitive environment. For further details regarding industry in which we operate and competitive conditions that we face across our various business, please see sections titled "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 214, 133 and 39, respectively.

Recent Accounting Pronouncements

Ministry of Corporate Affairs ("**MCA**") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. the group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. the group is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

Accounting Policies, Changes in Accounting Estimates and Errors The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The group does not expect this amendment to have any significant impact in its financial statements.

Summary of reservations or qualifications or adverse remarks or matters of emphasis by the Statutory Auditors

There are no reservations, qualifications, adverse remarks or matters of emphasis highlighted by the statutory auditors in their examination report to our Restated Consolidated Financial Information.

Significant Developments after March 31, 2023 that may affect our results of operations

Our Promoter's Financial Results for Quarter Ended June 30, 2023

After filing of this Draft Red Herring Prospectus, our Promoter, BLS International Services Limited, will be required to publish quarterly financial results for the quarter ended June 30, 2023, within 45 days from the completion of the previous quarter. Our Promoter is holding a board meeting for approving the same on August 9, 2023. While our results of operations for the quarter ended June 30, 2023, are under preparation, our financial results for quarter ended June 30, 2023 would also be consolidated with the financial results of our Promoter which will be disclosed to the Stock Exchanges after the approval of the same by the board of our Promoter.

Except as disclosed above, and as otherwise stated in this Draft Red Herring Prospectus, to our knowledge, no circumstances have arisen after March 31, 2023 which materially and adversely affects or is likely to affect, our profitability, or the value of our assets or our ability to pay our liabilities.

FINANCIAL INDEBTEDNESS

Our Board is empowered to borrow money in accordance with Section 179 of the Companies Act and our Articles of Association.

As on June 30, 2023, our Company does not have any other outstanding fund-based or non-fund based facilities, except as disclosed below:

(₹ in lakhs)

Category of borrowing	Facility availed as on June 30, 2023	Outstanding amount as on June 30, 2023
Company		
BLS E-services Limited		
Secured	-	-
Fund Based facilities	0.85	-
Non-Fund based facilities	5.00	5.00
Total	**5.85**	**5.00**
Subsidiaries		
BLS Kendras Private Limited		
Secured	-	-
Fund Based facilities	201.80	-
Non-Fund based facilities	2,000.00	2,000.00
Zero Mass Private Limited		
Secured	-	-
Fund Based facilities	-	-
Non-Fund based facilities	40.00	40.00
Starfin India Private Limited		
Secured	-	-
Fund Based facilities	-	-
Non-Fund based facilities	166.60	166.60
Total	**2,414.25**	**2,211.60**

Certain terms of outstanding borrowings of our Company and its Subsidiaries is as follows:

- **Tenor:** The tenor of bank guarantee / fixed deposit (i.e non-fund based facility) are based on the expiry date of such bank guarantee which ranges from 12 months to 60 months

- **Interest and repayments:** Since we have availed non fund based facilities, interest and repayments are not applicable.

- **Key Covenants:** The amounts stated are in the form of bank guarantees and below stated entities have provided Fixed deposits in lieu of same, hence there are no such covenants except to the amount of bank guarantees.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

*Except as stated below, there are no outstanding: (i) criminal litigations involving our Company, its Directors, its Subsidiaries or its Promoter (collectively the "**Relevant Parties**"); (ii) actions by any statutory or regulatory authorities involving the Relevant Parties; (iii) claims related to any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved) involving the Relevant Parties; (iv) other pending litigations involving the Relevant Parties (other than those litigations covered in points (i) to (iii) above) which have been determined to be material by our Board pursuant to the Materiality Policy (as disclosed hereinbelow); and (v) litigation involving our Group Companies which has a material impact on our Company. Further, there are no disciplinary action including penalties imposed by the SEBI or Stock Exchanges against our Promoter in the last five Fiscals including outstanding action.*

For the purposes of (iv) above in terms of the Materiality Policy adopted by a resolution of our Board dated July 10, 2023.

Any outstanding litigation / arbitration proceedings (other than those covered in points (i) to (iii) above) involving our Company, its Directors, its Subsidiaries and Promoter shall be considered "material" for the purposes of disclosure in this Draft Red Herring Prospectus, if:

1. *The aggregate monetary amount of claim made by or against the Relevant Parties in any such pending proceeding exceeds ₹ 20.33 lakhs, being 1% of the profit after tax of our Company (on a consolidated basis), as per the latest fiscal year covered in the Restated Consolidated Financial Information; or*

2. *the outcome of such litigation, irrespective of any amount involved in such litigation or wherein a monetary liability is not quantifiable, could have a material adverse effect on the financial position, business, operations, performance, prospects or reputation of our Company or its Subsidiaries, as applicable; or*

3. *the decision in such litigation is likely to affect the decision in similar litigations, and the aggregate monetary claim amount in all such litigation / arbitration proceedings is equal to or in excess of threshold set forth above even though the amount involved in an individual litigation may not exceed the threshold set forth in (1) above.*

For the purposes of the above, pre-litigation notices received by the Relevant Parties or Group Companies from third parties (excluding those notices issued by statutory/regulatory/ governmental/ tax authorities) have not been, unless otherwise decided by the Board, considered as an outstanding litigation for the purposes of point (iv) above, until such time such party is impleaded as a defendant or respondent in litigations before any legal/arbitral forum.

*Further, in accordance with the Materiality Policy, our Company has considered such creditors 'material' to whom the amount due is equal to or in excess of 5% of the trade payables of our Company as at the end of the latest period covered in the Restated Consolidated Financial Information. The trade payables of our Company as on March 31, 2023 was ₹ 249.18 lakhs. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹ 12.46 lakhs (being 5% of the total trade payables) as on March 31, 2023. Further, for outstanding dues to any party which is a micro, small or a medium enterprise ("**MSME**"), the disclosure is based on information available with our Company regarding status of the creditor under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.*

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus. All terms defined herein in a particular litigation disclosure pertain to that particular litigation only.

Litigation involving our Company

Litigation initiated by our Company

(1) *Outstanding criminal litigations*

Nil

(2) Outstanding material civil litigations

Nil

Litigation initiated against our Company

a. Outstanding criminal litigations

Nil

b. Actions by statutory or regulatory authorities

Nil

c. Outstanding material civil litigations

Srishtis Engitech Private Limited ("**Plaintiff**") has filed a civil suit bearing no. PBSA020010032019 on May 28, 2019 before the Court of Civil Judge (Senior Division) at SAS Nagar – Mohali against BLS E-Solutions Private Limited and BLS E-Services Private Limited ("**Defendants**") for recovery of payment of bills of maintenance to the tune of ₹ 52.34 lakhs ("**Bills**") along with future interest @10% per annum from the date of filing the civil suit till the realisation of the amount. The Plaintiff alleged that it was finalised for providing maintenance services and diesel filling services in different Sewa Kendras and considering its performance the work permit and scope was extended from time to time which lasted for about 18 months. Further, the Plaintiff also carried out maintenance work like paint, wooden work, glass work, civic, electricity work and other short comings in different Sewa Kendras. However, the Defendants refused to release the payment of Bills raised by the Plaintiff in the month of August 2018. The matter is currently pending for hearing.

Litigation involving our Subsidiaries

Litigation initiated by our Subsidiaries

a. Outstanding criminal litigations by our Subsidiaries

1. Our Subsidiary, Starfin India Private Limited ("**Starfin**") has filed a complaint dated February 22, 2021 before the Chief Metropolitan Magistrate, Patiala House Court at New Delhi for violations under sections 138 and 142 of the Negotiable Instruments Act, 1881 read with sections 420, 468 and 471 of Indian Penal Code against Rajesh Kumar, third-party service provider ("**Accused**") for the recovery of amount. Pursuant to the complaint, it has been alleged that cheque bearing no. 667037 dated December 15, 2020, amounting to ₹ 4.65 lakhs, drawn by the Accused in favour of Starfin was dishonoured due to difference in drawer's signature and insufficiency of funds. The matter is currently pending for hearing.

2. Our Subsidiary, Zero Mass Private Limited ("**ZMPL**") has filed a FIR bearing no. 678/2013 on October 11, 2013, at Dhanghata Police Station under sections 406, 419, 420, 467 and 468 of the Indian Penal Code against CSP Ajay Dubey, ("**Accused**") alleging criminal breach of trust, cheating, robbery, theft and dacoity. Presently, a criminal case bearing CC no. 3815/2015 dated February 12, 2015 has been filed before the Civil Judge Junior Division at Uttar Pradesh. The matter is currently pending for hearing.

3. Our Subsidiary, ZMPL has filed a FIR bearing no. 0392/2016 on December 18, 2016, at Gopiganj Police Station under sections 406, 419 and 420 of the Indian Penal Code against CSPs Krishna Ram Tiwari, Amit Pandey, Bushra Parvin and Mohammad Ashfak ("**Accused**"), alleging criminal breach of trust, cheating, robbery, theft and dacoity. Presently, a criminal case bearing CC no. 5189/2017 dated December 06, 2017 has been filed before the Chief Judicial Magistrate, Bhadohi at Uttar Pradesh. The matter is currently pending for hearing.

4. Our Subsidiary, ZMPL has filed a FIR bearing no. 2487/2017 on November 27, 2017, at Dhanghata Police Station under sections 406 and 420 of the Indian Penal Code against CSPs Durgesh Yadav and Radheshyam Yadav ("**Accused 1**"), alleging criminal breach of trust, cheating, robbery, theft and dacoity. Presently, a criminal case bearing FR no. 226/2019 dated April 17, 2019, has been filed before the Civil Judge Junior Division at Uttar Pradesh. The matter is currently pending for hearing. Further, a settlement agreement dated July 03, 2018, was executed between ZMPL and Arjun Yadav (father of Durgesh Yadav) wherein Arjun

Yadav agreed to repay the Misappropriated Funds. Subsequently, ZMPL has filed a complaint dated September 11, 2019, before the Additional Chief Judicial Magistrate 8th, Lucknow at Uttar Pradesh against Arjun Yadav ("**Accused 2**") under section 138 of the Negotiable Instruments Act, 1881 read with sections 402 and 460 of the Indian Penal Code. As per the complaint, the Accused 2 had misappropriated funds of ZMPL for personal use, amounting to ₹ 0.75 lakhs ("**Misappropriated Funds**"). The Accused 2 issued three cheques dated April 20, 2019, May 20,2019 and June 20, 2019, of ₹ 0.25 lakhs each. However, the cheques were dishonoured due to insufficiency of funds. The matter is currently pending for hearing.

5. Our Subsidiary, ZMPL has filed a FIR bearing no. 0140/2017 on October 30, 2017, at Ijoor Police Station under section 406 of the Indian Penal Code against CSPs Dileep B and Naveen Kumar ("**Accused**"), alleging criminal breach of trust, cheating, robbery, theft and dacoity. Presently, a criminal case bearing CC no. 1428/2019 dated November 18, 2019, has been filed before the Additional Civil Judge and Judicial Magistrate First Class at Karnataka. The matter is currently pending for hearing.

6. Our Subsidiary, ZMPL has filed a FIR bearing no. 0212/2018 on July 18, 2018, at Lalganj Police Station under sections 406 of the Indian Penal Code against CSPs Vikas Kumar and Aditya Kumar ("**Accused**"), alleging criminal breach of trust. Presently, a criminal case bearing CC no. 2498/2019 dated April 30, 2019, has been filed before the Chief Judicial Magistrate at Uttar Pradesh. The matter is currently pending for hearing.

7. Our Subsidiary, ZMPL has filed a FIR bearing no. 0133/2018 on May 17, 2018, at Maakhi Police Station under sections 419, 420, 467, 468 and 471 of the Indian Penal Code against CSP Ranjeet Singh and others ("**Accused**"), alleging criminal breach of trust, cheating, robbery, theft and dacoity. Presently, a criminal case bearing CC no. 245/2019 dated April 09, 2019, has been filed before the Additional District Judge / Special Judge at Uttar Pradesh. The matter is currently pending for hearing.

8. Our Subsidiary, ZMPL has filed a FIR bearing no. 0224/2018 on May 05, 2018, at Campierganj Police Station under sections 406, 420, 467 and 468 of the Indian Penal Code against CSPs Rakesh Chourasiya, Akhilesh Chourasiya and Markandey Chourasiya ("**Accused**"), alleging criminal breach of trust, cheating, robbery, theft and dacoity. Presently, a criminal case bearing CC no. 4237/2019 on June 25, 2019 has been filed before the Chief Judicial Magistrate at Uttar Pradesh. The matter is currently pending for hearing.

9. Our Subsidiary, ZMPL has filed a FIR bearing no. 0253/2018 on December 13, 2018, at Arjuni Morgaon Police Station under sections 406, 420 and 468 of the Indian Penal Code against CSP Durvesh Pandhari Bramankar ("**Accused**"), alleging criminal breach of trust, cheating, robbery, theft and dacoity. Presently, a regular criminal case bearing RCC no. 20/2020 on August 03, 2020, before the Civil Court Junior Division at Maharashtra. The matter is currently pending for hearing.

10. Our Subsidiary, ZMPL has filed a FIR bearing no. 321/2012 on July 25, 2012, at Hazratganj Police Station under sections 406, 419, 420, 465, 468, 469 and 471 of the Indian Penal Code against CSP Naim Khan ("**Accused**"), alleging criminal breach of trust, cheating, robbery, theft and dacoity. Presently, a criminal case bearing CC no. 3307916/2012 on November 02, 2013, has been filed before the Chief Judicial Magistrate at Uttar Pradesh. The matter is currently pending.

11. Our Subsidiary, ZMPL has filed a FIR bearing no. 0168/2022 on August 11, 2022, at Hastinapur Police Station under sections 406 and 420 of the Indian Penal Code against CSP Sherpal Singh ("**Accused**"), alleging criminal breach of trust and cheating. Presently, a criminal case bearing CC no. 938/2023 on January 20, 2023 has been filed before the Chief Judicial Magistrate (IIIrd) at Uttar Pradesh. The matter is currently pending for hearing.

12. Our Subsidiary, ZMPL has filed a FIR bearing no. 147/2018 on April 16, 2018, at Hariharpara Police Station under sections 406 and 420 of the Indian Penal Code against CSP Pintu Sha and Alauddin Sha ("**Accused**"), alleging criminal breach of trust and cheating. Presently, a criminal case bearing CC no. 141212/2018 on April 16, 2018 has been filed before the Additional Chief Judicial Magistrate at Berhampore Civil. The matter is currently pending for hearing.

13. Our Subsidiary, ZMPL has filed a FIR bearing no. 100/2022 on May 18, 2022, at Salar Police Station under sections 406, 409, 420 and 468 of the Indian Penal Code against CSP Sandip Ghosh ("**Accused**"), alleging criminal breach of trust, cheating and forgery. Presently, a criminal case bearing CC no. 25/2022 on August 31, 2022 has been filed before the District and Sessions Judge at Berhampore Civil. The matter is currently

pending for hearing.

14. Our Subsidiary, ZMPL has filed a FIR bearing no. 0088/2023 on May 13, 2023, at Arjuni Morgaon Police Station under sections 34, 409, 465, 467 and 468 of the Indian Penal Code against CSPs Virendra Hatzade and Jitendra Hatzade ("**Accused**"), alleging criminal breach of trust, forgery and cheating. A criminal bail application bearing bail application no. 164/2023 on May 16, 2023 has been filed by Jitendra Hatzade before the District and Session Court at Gondia, subsequently on May 17, 2023, an order was passed by District Sessions Judge-2 admitting ad-interim bail application. The matter is currently pending for hearing.

15. Our Subsidiary, ZMPL has filed a FIR bearing no. 119/2022 on May 19, 2022, at Pimpalner Police Station under sections 438 of Code of Criminal Procedure, 34, 420 and 120b of the Indian Penal Code against CSPs Vikki Gavit, Akshay Bhamre and Shailesh Kunwar ("**Accused**"), alleging cheating and dishonestly inducing delivery of property.

16. Our Subsidiary, ZMPL has filed a FIR bearing no. 0045/2023 on May 18, 2023, at Channapatna Police Station under sections 406, 408, 409 and 420 of the Indian Penal Code against CSP Srinivas MC ("**Accused**"), alleging criminal breach of trust, cheating and dishonestly inducing delivery of property.

17. Our Subsidiary, ZMPL has filed a FIR bearing no. 60/2023 on February 22, 2023, at Goghat Police Station under sections 406 and 420 of the Indian Penal Code against CSP Dipayan Hazra ("**Accused**"), alleging criminal breach of trust, cheating and dishonestly inducing delivery of property.

b. Outstanding material civil litigations by our Subsidiaries

Nil

Litigation initiated against our Subsidiaries

a. Outstanding criminal litigations against our Subsidiaries

Nil

b. Actions by statutory or regulatory authorities against our Subsidiaries

Nil

c. Outstanding material civil litigations against our Subsidiaries

1. An application / petition bearing case no. 70/2022 dated July 06, 2022 was filed before the Permanent Lok Adalat Forum, Mansa, under section 22C of the Legal Services Authorities Act, 1987, by Dheera Singh and Jaswant Kaur ("**Applicants**") against Suvidha Kendra Mansa, which is maintained and managed by our Subsidiary, BLS Kendras Private Limited and others ("**Respondents**") in respect of deficiency in services. The Respondent is engaged in providing citizen centric services such as Aadhar and related services. The Applicants visited the Respondent for procuring Aadhar, however, upon receipt of Aadhar it was observed that the date of birth as mentioned in Aadhar was incorrect. The Applicant again approached the Respondent for rectifying the error, but the Respondent refused to carry out the said correction without court order. The matter is currently pending for hearing.

2. Debasis Pandit ("**Petitioner**") has filed a writ petition bearing W.P. No. 18471 (W) of 2019 against ZMPL and others ("**Respondents**") before the Hon'ble Calcutta High Court in relation to termination letter dated March 14, 2016 ("**Letter**") issued by the ZMPL in relation to termination of service agreement December 09, 2011 ("**Agreement**"). The Petitioner was a CSP and was acting as a banking outlet run through outsourced agency for carrying out limited transactions and sourcing of business, jan dhan accounts, tiny RD accounts, atal pension yojana, pradhan mantri insurance schemes were opened with it, along with undertaking withdrawals and deposits. Pursuant to termination of the agreement, ZMPL deactivated the Petitioner's CSP code and discontinued its services as a CSP. Further, the Petitioner inter alia prayed for writ of mandamus to (i) set aside and/or quash and/or cancel and/or withdraw the Letter issued by the ZMPL; (ii) reactivate the CSP code of the Petitioner; and (iii) disburse the due payable amount and/or refundable amount arising out of the service and/or related to the services of the Petitioner to mitigate financial distress. The matter is currently pending for hearing.

3. Md. Shadan Hussain ("**Petitioner**") has filed a writ petition bearing W.P. No. 5493/2018 on October 26, 2018 against ZMPL and others ("**Respondents**") before the Hon'ble High Court of Jharkhand at Ranchi in relation to blockage of CSP code which was allotted to Petitioner. The Petitioner was a CSP running a SBI Kiosk Banking Service on behalf of State Bank of India. However, ZMPL without giving any notice or intimation to the Petitioner blocked his CSP code and due to such illegal action by the Respondents, the Petitioner has been suffering loss in his business on a daily basis. The Petitioner has filed the writ petition for the interest of Justice and Equity. Further, the Petitioner pleased to allow the prayer of the petitioner and may pass necessary order / order commanding the concern Respondents to immediately remove the blockage of CSP code. The matter is currently pending for hearing.

4. Anil Kumar Tunk, an ex-employee of A Little World Private Limited ("**Plaintiff**") has filed a commercial suit bearing no. 1258 of 2019 against A Little World Private Limited, ZMPL and others ("**Defendants**") before the Hon'ble High Court of Bombay in relation to seeking pending salary dues of the Plaintiff pursuant to the terms of his employment from the Defendants. As per the commercial suit, the Plaintiff has prayed that a sum amounting to ₹ 228.59 lakhs plus interest @18% along with payment of legal costs and refund of court fees. Further, the Plaintiff has also prayed to set aside the letter pursuant to which Defendants claim that the Plaintiff had consented to full and final settlement. The matter is currently pending for hearing.

Litigation involving our Promoter

Litigation initiated by our Promoter

a. Outstanding criminal litigations

Nil

b. Outstanding material civil litigations

Nil

Litigation initiated against our Promoter

a. Outstanding criminal litigations

Nil

b. Actions by statutory or regulatory authorities

Nil

c. Outstanding material civil litigations

Our Promoter was awarded a contract by Embassy of Italy in Nur-Sultan, Kazakhstan to provide Italy Visa application services to the citizen of Nur-Sultan, Kazakhstan. Its competitor, VFS Worldwide Holdings Ltd ("**VFS**") had filed an appeal against the aforesaid award of contract before the Regional Administrative Court of Lazio. The matter is currently pending.

Litigation involving our Directors

Litigation initiated by our Directors

a. Outstanding criminal litigations

Nil

b. Outstanding material civil litigations

Nil

Litigation initiated against our Directors

a. *Outstanding criminal litigations*

Nil

b. *Actions by statutory or regulatory authorities*

Nil

c. *Outstanding material civil litigations*

Nil

Outstanding litigation involving our Group Companies which has a material impact on our Company

Except as disclosed under heading titled "- *Litigation initiated against our Company - Outstanding material civil litigations*" on page 363, as on the date of this Draft Red Herring Prospectus there are no outstanding litigation involving the Group Companies which has or will have a material impact on our Company.

Tax Proceedings

Except as disclosed below, there are no outstanding tax litigations involving our Company, Subsidiaries, Directors or Promoter.

(in ₹ lakhs)

Nature of cases	Number of cases	Amount involved*
Company		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	Nil	Nil
Subsidiaries		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	Nil	Nil
Directors		
Direct Tax	5	115.49
Indirect Tax	Nil	Nil
Total	5	115.49
Promoter		
Direct Tax	3	3,009.12^
Indirect Tax	Nil	Nil
Total	3	3,009.12^

** To the extent quantifiable*

^The demand is being raised in lieu of error in computation by Income tax department. The Company has submitted its response to the Income Tax department for rectification of the same. The closure order is awaited.

Outstanding dues to Creditors

As per the Materiality Policy, creditors to whom an amount exceeding ₹ 12.46 lakhs, which is 5% of the total consolidated trade payables of our Company as of the end of the latest period covered in the Restated Consolidated Financial Information, were considered 'material' creditors.

Based on the above, there are 2 material creditors of our Company as on March 31, 2023, to whom an aggregate amount of ₹ 70.15 lakhs was outstanding. Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as on March 31, 2023, by our Company, are set out below:

(in ₹ lakhs)

Type of creditors	Number of creditors	Amount involved
Micro, small and medium enterprises	Nil	Nil
Material creditor	2	70.15
Other creditors	7,756	179.03
Total	7,758	249.18

The details pertaining to net outstanding dues towards our material creditors are available on the website of our Company at https://www.blseservices.com/assets/pdfs/Material-Outstanding-Creditors.pdf.

It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any source of information including our Company's website at www.blseservices.com would be doing so at their own risk.

Material Developments

Except as disclosed in the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 332, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, licenses, consents, registrations, and permits issued by relevant regulatory authorities under various rules and regulations. Set out below is an indicative list of all material approvals, licenses, consents, registrations,and permits obtained by our Company and its Material Subsidiaries, which are necessary for undertaking our business. In view of such approvals, our Company can undertake the Issue and its current business activities. Additionally, unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus, and in case of licenses and approvals which have expired, we have either made an application for renewal, or are in the process of making an application for renewal. Certain material approvals, licenses, consents, registrations, and permits may expire periodically in the ordinary course and applications for renewal of such expired material approvals, licenses, consents, registrations, and permits are submitted in accordance with applicable requirements and procedures.

For details of risk associated with not obtaining or delay in obtaining the requisite approvals, please see section titled "Risk Factors – An inability to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our businesses may adversely affect our business, financial condition, results of operation and cash flows." on page 49. For further details in connection with the regulatory and legal framework within which we operate, please see section titled "Key Regulations and Policies in India" on page 232.

a. Approvals relating to the Issue

For the approvals and authorisations obtained by our Company in relation to the Issue, please see section titled "*Other Regulatory and Statutory Disclosures – Authority for the Issue*" on page 371.

b. Incorporation details of our Company and its Material Subsidiaries

a. Certificate of incorporation dated April 12, 2016, issued by the RoC to our Company in the name of 'BLS E-Services Private Limited'.

b. Fresh certificate of incorporation dated April 10, 2023, issued by the RoC on account of conversion from a private to a public limited company.

c. For incorporation details of our Material Subsidiaries, please see section titled "*Our Subsidiaries*" on page 242.

c. Material approvals in relation to the business and operations of our Company and its Material Subsidiaries

We require various approvals to carry on our business in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements as disclosed below. We have received the following material approvals pertaining to our business:

(i) **Tax related and other approvals**

1. Set forth below are the details of material tax related approvals obtained by our Company and its Material Subsidiaries are as follows:

S.No.	Particulars	Company	ZMPL	BLS Kendras
1.	Permanent Account number issued by the Income Tax Department, Government of India	AAGCB6814L	AAACZ2872J	AAHCB7186Q
2.	Tax Deduction Account Number issued by the Income Tax Department, Government of India	DELB16476F	MUMZ01477A	DELB19560C

S.No.	Particulars	Company	ZMPL	BLS Kendras
3.	Goods and services tax identification number	06AAGCB6814L1ZI	27AAACZ2872J1ZY	07AAHCB7186Q1ZU

2. The Importer Exporter Code number issued by Director General of Foreign Trade, Government of India to ZMPL is 0307079201.

(ii) **Labour related and other approvals**

(i) Certificate of registrations issued by the Employees' Provident Fund Organization, India under the Employees Provident Fund and Miscellaneous Provisions Act, 1952, as amended, to the Company and ZMPL.

(ii) Code no. 11001486460001099 allotted by the Employees State Insurance Corporation, India under the Employees' State Insurance Act, 1948, as amended, to the Company and 31-49663-101 to ZMPL, for their establishments.

(iii) ZMPL has obtained for its branches registrations across various states in India under the shops and establishment related laws the Employees State Insurance Act, 1948, as amended. It has obtained registrations under the professional tax acts of the respective states for its branches in India. It has also obtained GST registrations for its branches across various states in India.

d. Material Approvals applied for by our Company and its Material Subsidiaries but, yet to receive

There are no Material Approvals that have been applied for which are to be received by the Company and/or its Material Subsidiaries.

e. Material approvals required but not obtained or applied for by our Company and its Material Subsidiaries

There are no Material Approvals that are required for undertaking the Company's current business activities that are required and have not been applied for by our Company and / or its Material Subsidiaries.

f. Intellectual Property

Our Subsidiary i.e. ZMPL has entered into an agreement for assignment of trademark dated May 18, 2022 ("**Assignment Agreement**") in respect of the below mentioned trademarks whereby all rights, title and interests in the trademarks have been assigned in favour of ZMPL, on payment of consideration of ₹ 2.00 lakhs. Pursuant to the said Assignment Agreement, ZMPL has further filed an application in Form TM-P under the Trade Marks Act, 1999, for registering ZMPL as a subsequent proprietor by way of assignment of trademarks, the trademark registry's records have not been updated to reflect this change.

S. No.	Trademark Registration Number	Trademark	Class of Registrations	Valid/ Renewed upto
(i)	1566245	Club Zero	36	June 7, 2027
(ii)	1566246	Zero Miles	36	June 7, 2027
(iii)	1566247	Zero Safe	36	June 7, 2027
(iv)	1566248	Zero Vault	36	June 7, 2027
(v)	979666	Zero	9	December 27, 2030
(vi)	991660	Shoonya	9	February 22, 2031
(vii)	991661	Shunya	9	February 22, 2031
(viii)	3238552	Zero	36	April 20, 2026

Further, ZMPL has registered its logo ZERO ON THE RIGHT SIDE as trademark under Classes 35 and 36 in India.

ZMPL has obtained registrations of various domain names.

For risks associated with intellectual property, please see section titled *"Risk Factors – 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."* on page 51.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Corporate Approvals

The Issue has been authorized by our Board of Directors pursuant to the resolution passed at its meeting dated July 31, 2023 and the Issue has been authorised by our Shareholders pursuant to a special resolution passed at their EGM dated August 1, 2023, and this DRHP has been approved by our Board of Directors for filing with the SEBI and the Stock Exchanges pursuant to the resolution passed at its meeting held on August 4, 2023. For further details, please see section titled "*The Issue*" on page 74.

In-principle Listing Approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively.

Prohibition by SEBI, RBI or Governmental Authorities

Our Company, Promoter, members of the Promoter Group, Directors or persons in control of the Promoter or the Company are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Compliance under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoter and members of the Promoter Group, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Directors associated with the Securities Market

None of our Directors are, in any manner, associated with securities market. Further there has been no outstanding actions initiated by the SEBI against our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 6(2) of the SEBI ICDR Regulations, which states the following:

"*An issuer not satisfying the condition stipulated in sub – regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy five per cent of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.*"

We are an unlisted company that does not satisfy the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations and are therefore required to allot not less than 75% of the Issue to QIBs to meet the conditions as detailed under Regulation 6(2) of the SEBI ICDR Regulations. In the event that we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. Our Company is in compliance with the conditions specified in Regulation 5 of the SEBI ICDR Regulations, as follows:

a) Our Company, our Promoter, the members of our Promoter Group and our Directors are not debarred from accessing the capital market by SEBI;

b) None of our Promoter or Directors are promoter or directors of companies which are debarred from accessing the capital markets by the SEBI;

c) Neither our Company nor our Promoter or any of our Directors have been declared a Wilful Defaulter or a Fraudulent Borrower (as defined in the SEBI ICDR Regulations) by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI;

d) None of our Directors have been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;

e) There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or any other right which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.

f) Our Company, along with the Registrar to the Issue, has entered into tripartite agreements dated November 4, 2022 and October 4, 2022 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;

g) The Equity Shares of our Company held by our Promoter are in dematerialised form;

h) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus;

i) There is no requirement for us to make firm arrangements of finance under Regulation 7(1) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, as the entire objects of the Issue are proposed to be financed from the Issue proceeds;

j) Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively; and

k) Our Company has appointed [●] as the Designated Stock Exchange.

Our Company will ensure compliance with the conditions specified in Regulation 7(2) and 7 (3) of the SEBI ICDR Regulations, to the extent applicable. Our Company shall not make an Allotment if the number or prospective allottees is less than 1,000 in accordance with Regulation 49(1) of the SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, BEING UNISTONE CAPITAL PRIVATE LIMITED ("BRLM), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLM IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLM HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 4, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THEBRLM, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Issue will be complied with at the time of filing of the Prospectus with the RoC in terms of sections 26, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Promoter, our Directors and the BRLM

Our Company, our Promoter, our Directors and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our Company's website at www.blseservices.com, or the website of our Promoter at www.blsinternational.com or any member of the Promoter Group or affiliate of our Company would be doing so at their own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Issue Agreement, and as will be provided for in the Underwriting Agreement.

All information shall be made available by our Company and the BRLM to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

None among our Company or any member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank(s) on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriter(s) and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriter(s) and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLM and its associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter, members of the Promoter Group and officers, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Promoter, members of the Promoter Group and officers, agents, group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, public financial institutions as specified under Section 2 (72) of the Companies Act, 2013, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red

Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Issue will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Issue, which comprises the Red Herring Prospectus and the preliminary international wrap for the Issue, if the recipient is outside India.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. The delivery of this Draft Red Herring Prospectus shall not, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as of any time subsequent to this date.

No person outside India is eligible to Bid for Equity Shares in the Issue unless that person has received the preliminary offering memorandum for the Issue, which contains the selling restrictions for the Issue outside India.

Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in New Delhi, India, only.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in 'offshore transactions' as defined in, and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Each purchaser of the Equity Shares in the Issue who does not receive a copy of the preliminary offering memorandum for the Issue shall be deemed to:

1. Represent and warrant to our Company, the BRLM and the Syndicate Member(s) that its Bid did not exceed investment limits or the maximum number of Equity Shares that can be held by it under applicable law.

2. Acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the laws of any state of the United States and are being offered and sold to it in reliance on Regulation S.

3. Represent and warrant to our Company, the BRLM and the Syndicate Member(s) that it was outside the United States (as defined in Regulation S) at the time the offer of the Equity Shares offered in the Issue was made to it and it was outside the United States (as defined in Regulation S) when its buy order for the Equity Shares offered in the Issue was originated.

4. Represent and warrant to our Company, the BRLM and the Syndicate Member(s) that it did not purchase the Equity Shares offered in the Issue as result of any "directed selling efforts" (as defined in Regulation S).

5. Represent and warrant to our Company, the BRLM and the Syndicate Member(s) that it bought the Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares offered in the Issue, it agrees that it will not offer, sell, pledge or otherwise transfer any of the Equity Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration requirements under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.

6. Agree to indemnify and hold our Company, the BRLM and the Syndicate Member(s) harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares purchased in the Issue.

7. Represent and warrant to our Company, the BRLM and the Syndicate Member(s) that if it acquired any of the Equity Shares offered in the Issue as fiduciary or agent for one or more investor account(s), it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

8. Represents and warrant to our Company, the BRLM and the Syndicate Member(s) that if it acquired any of the Equity Shares offered in the Issue for one or more managed account(s), that it was authorized in writing by each such managed account to subscribe to the Equity Shares offered in the Issue for each managed account and to make (and it hereby makes) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

9. Acknowledge that our Company, the BRLM and the Syndicate Member(s) and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

The Equity Shares proposed to be issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus, in accordance with applicable law. If such money is not repaid within the prescribed time, then our Company, and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within six Working Days from the Bid/ Issue Closing Date or within such other period as may be prescribed.

If our Company does not Allot the Equity Shares within six Working Days from the Bid/ Issue Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Issue Accounts will be transferred to the Refund Account and it shall be utilised to repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum or such other rate as may be prescribed by the SEBI from time to time, for the delayed period, subject to applicable law.

Consents

Consents in writing of our Directors, Chief Financial Officer, Senior Management Personnel, our Company Secretary and Compliance Officer, Subsidiaries, Group Companies, Indian Legal Counsel to the Issue, International Legal Counsel to the Book Running Lead Manager, Statutory Auditor, Independent Chartered Accountant, Chartered Engineer, Banker to our Company, the BRLM, Registrar to the Issue, lenders of our Company (wherever applicable) and CRISIL, in their respective capacities, have been obtained and all such consents have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus; and consents in writing of the Syndicate Member(s), Escrow Collection Bank(s)/Refund Bank(s)/ Public Issue Account Bank(s)/ Sponsor Bank(s) and Monitoring Agency to act in their respective capacities, will be obtained as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus to the RoC.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub- section (1) of Section 38 of the Companies Act, which is reproduced below:

"Any person who –

1) makes *or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*

2) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

3) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him,*

or to any other person in a fictitious name, shall be liable for action under section 447."

The liability prescribed under Section 447 of the Companies Act includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Experts to the Issue

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated August 4, 2023 from our Statutory Auditor, S. S. Kothari Mehta & Company, Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as our Statutory Auditor and in respect of their (i) examination report dated July 10, 2023, on our Restated Consolidated Financial Information,and (ii) report dated August 1, 2023 on the statement of special tax benefits available to our Company, and included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this DRHP. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated August 4, 2023 from MRKS and Associates, Chartered Accountants, to include their name as required under Section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the Independent Chartered Accountant, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under U.S. Securities Act.

Our Company has received written consent dated August 2, 2023 from Chetan Sharma & Associates, Chartered Engineer, to include their name as required under Section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the chartered engineer in respect of certification of information relating of upgradation and renovation works at BLS Stores, as included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Particulars regarding capital issues by our Company and listed group companies, subsidiaries, or associate entities during the last three years

Other than as disclosed in the section titled "*Capital Structure – Notes to the Capital Structure*" on page 89, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Our Company does not have any listed group company or any listed subsidiary or a listed associate entity

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage by our Company for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares for last five years preceding the date of this Draft Red Herring Prospectus.

Particulars regarding public or rights issues by our Company during the last five years and performance vis-à-vis objects

Other than as disclosed in the section titled "*Capital Structure– Notes to the Capital Structure"* on page 89, our Company has not undertaken any public issue or rights issue in the last five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed Promoter of our Company

Our Promoter which is listed on the Stock Exchanges, have not undertaken any public issue or rights issue in the last five years, preceding the date of this Draft Red Herring Prospectus.

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Price information of past issues handled by the BRLM

1. **Unistone Capital Private Limited**

Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Unistone Capital Private Limited:

Sr. No.	Issue Name	Issue size (In million)	Issue price	Listing date	Opening price on listing date	+/-% change in closing price, [+/-% change in closing benchmark]- 30th calendar days from listing	+/-% change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/-% change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Bombay Metrics Supply Chain Limited	42.85	93	October 12, 2021	103.20	28.35%, [0.62%]	59.09%, [1.22%]	329.09%, [-2.57%]
2	Sigachi Industries Limited	1254.29	163	November 15, 2021	603.75	150.80, [-4.90%]	96.26%, [-4.18%]	65.28%, [-12.85%]
3	HP Adhesives Limited	1259.63	274	December 27, 2021	334.95	42.34%, [0.14%]	38.21%, [0.39%]	31.30%, [-7.34%]
4	Integrated Personnel Services Limited	127.44	59	November 11, 2022	66.50	37.63% [0.80%]	25.68% [-2.49%]	21.80% [-0.19%]
5	All E Technologies Limited	437.76	90	December 21, 2022	125.00	23.72% [-0.94]	2.94% [-6.00]	24.61% [3.61]
6	Global Surfaces Limited	1549.80	140	March 23, 2023	163.00	54.64% [3.90%]	43.57% [9.30]	-
7	MOS Utility Limited	499.65	76	April 18, 2023	90.00	39.47 [2.66]	15.39 [11.62]	-
8	Sahana Systems Limited	327.37	135	June 12, 2023	171.15	8.22 [4.21]	-	-

For details regarding the track record of the BRLM, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the website www.unistonecapital.com

Notes:

(a) Source: www.nseindia.com for the price information
(b) Wherever 30th/90th/180th calendar day from the listing day is a holiday, the closing data of the next trading day has been considered.
(c) The Nifty 50 index is considered as the benchmark index.

Summary statement of price information of past public issues handled by Unistone Capital Private Limited

Financial year	Total no. of IPO	Total funds Raised (₹ Cr)	Nos of IPOs trading at discount on 30th Calendar day from listing date			Nos of IPOs trading at premium on 30th Calendar day from listing date			Nos of IPOs trading at discount on 180th Calendar day from listing date			Nos of IPOs trading at premium on 180th Calendar day from listing date		
			Over 50%	**Between 25-50%**	**Less than 25%**	**Over 50%**	**Between 25-50%**	**Less than 25%**	**Over 50%**	**Between 25-50%**	**Less than 25%**	**Over 50%**	**Between 25-50%**	**Less Than 25%**
FY 2021-22	4	260.37	-	-	-	1	2	1	-	-	-	2	1	1
FY 2022-23	3	215.92	-	-	-	1	2	-	-	-	-	-	-	2
FY 2023-24	2#	82.70	-	-	-	-	1	1	-	-	-	-	-	-

**The information is as on the date of the document. The information for each of the financial years is based on issues listed during such financial year.*
 # Sahana Systems Limited and MOS Utility Limited were listed on June 12, 2023 and April 18, 2023, respectively.

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Track record of past issues handled by the Book Running Lead Manager

For details regarding the track record of the BRLM, as specified in circular (reference CIR/MIRSD/1/2012) dated January 10, 2012 issued by SEBI, please see the website of the Book Running Lead Manager, as set forth in the table below:

S. No.	Name of the BRLM	Website
1.	Unistone Capital Private Limited	www.unistonecapital.com

Stock Market Data of Equity Shares

This being an initial public offer of Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

SEBI by way of its master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism, *inter alia*, in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/ SCSBs and failure to unblock funds in cases of partial allotment/ no allotment within prescribed timelines and procedures. As per the master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including: (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) hosting of a web portal by the Sponsor Bank(s) containing statistical details of mandate blocks /unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for non-allotted/ partially allotted applications is completed by the closing hours of 1 Working Day subsequent to the finalisation of the Basis of Allotment.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 and and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022. In terms of SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 and subject to applicable laws, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within 3 months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% p.a. for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023, in the events of delayed unblock for cancelled/ withdrawn/ deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/ partially-allotted applications, for the stipulated period. Further, in terms of SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLM, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB. The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a minimum period of 8 years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

The Registrar Agreement provides for the retention of records with the Registrar to the Issue for a minimum period of eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

Bidders can contact the Company Secretary and Compliance Officer and/or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit

of Allotted Equity Shares in the respective beneficiary account, non-receipt of unblocking intimation/ refund intimation, as applicable or non-receipt of funds by electronic mode, etc. For all Issue related queries and for redressal of complaints, Bidders may also write to the BRLM, in the manner provided below.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Issue. Further, Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

In case of any grievance/ concerns, the Syndicate Member(s) or the investors may also reach out to the BRLM on its dedicated email-id mentioned on the cover page. The Registrar to the Issue shall obtain the required information from the SCSBs and Sponsor Bank(s) for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLM and the Registrar to the Issue accept no responsibility for errors, omissions, commission, or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

In terms of SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and subject to applicable laws, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the BRLM shall compensate the investors at the rate higher of ₹ 100 per day or 15% per annum of the application amount for the period of such delay.

Anchor Investors are required to address all grievances in relation to the Issue to the BRLM.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned herein.

Our Company, the BRLM and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of the Designated Intermediaries including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Disposal of Investor Grievances by our Company

Our Company will obtain authentication on the SCORES and will accordingly be in compliance with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014, SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021 and read with SEBI circular bearing number SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 7, 2022, and will comply with SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May17, 2023 and any amendment thereto.in relation to redressal of investor grievances through SCORES, immediately after filing this Draft Red Herring Prospectus.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus, hence no investor complaint in relation to our Company is pending as on the date of filing of this Draft Red Herring Prospectus.

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 (ten) Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Sanjay Kumar Rawat, the Company Secretary of our Company, as the compliance officer for the Issue and he may be contacted in case of any pre-Issue or post-Issue related issues. For further details, see "*General Information*" on page 81.

Our Company has also constituted a Stakeholders' Relationship Committee, to review and redress shareholder and investor grievances such as transfer of Equity Shares, non-recovery of balance payments declare dividend approve subdivision, consolidation, transfer and issue of duplicate shares. For further details, please see section titled "*Our Management*" on page 245.

Other confirmations

Any person connected with the Issue shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the initial public offer, except for fees or commission for services rendered in relation to the Issue.

Exemption under securities laws

Our Company has not filed any application with SEBI under Regulation 300(1)I of the SEBI ICDR Regulations, seeking an exemption from compliance with securities laws.

SECTION VIII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued, offered and Allotted and transferred pursuant to this Issue are subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, the SEBI Listing Regulations, our Memorandum of Association and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities offered from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI, and/or other authorities, as in force on the date of this Issue and to the extent applicable, or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Issue.

The Issue

The Issue comprises a fresh issue by our Company. Fees and expenses in relation to the Issue shall be borne by the Company in the manner specified in the section titled "*Objects of the Issue*", on page 101.

Ranking of the Equity Shares

The Equity Shares being Allotted in the Issue shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend and other corporate benefits if any, declared by our Company after the date of Allotment. For further details, please see section titled "*Description of Equity Shares and Terms of Articles of Association*" on page 416.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to shareholders of our Company as per the provisions of the Companies Act, 2013, our Memorandum of Association and Articles of Association, the SEBI Listing Regulations and other applicable law. All dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Issue, in accordance with applicable law. For further details in relation to dividends, please see sections titled *"Dividend Policy"* and *"Description of Equity Shares and Terms of Articles of Association"* on pages 272 and 416, respectively.

Face Value, Issue Price, Floor Price and Price Band

The face value of the Equity Shares is ₹ 10 and the Issue Price is ₹ [●] per Equity Share. The Floor Price of Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Issue Price, Price Band and minimum Bid Lot for the Issue will be decided by our Company in consultation with the BRLM, and advertised in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper [●], Hindi being the regional language of New Delhi, where our Registered Office is located), each with wide circulation, respectively, at least two Working Days prior to the Bid / Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges. The Issue Price shall be determined by our Company in consultation with the BRLM, after the Bid / Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or "e-voting", in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of Equity Shares, subject to applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and our Articles of Association.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/or consolidation / splitting, please see section titled "*Description of Equity Shares and Terms of Articles of Association*" on page 416.

Allotment of Equity Shares in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013, and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares offered through the Red Herring Prospectus can be applied for in the dematerialised form only. In this context, our Company has entered into the following agreements:

- Tripartite agreement dated November 4, 2022, amongst our Company, NSDL and Registrar to the Issue.
- Tripartite agreement dated October 4, 2022, amongst our Company, CDSL and Registrar to the Issue.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in the Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, please see section titled "*Issue Procedure*" on page 394.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

Jurisdiction

The courts of competent jurisdiction in India will have exclusive jurisdiction in relation to this Issue.

Period of operation of subscription list

For further details please see section titled "*Issue Structure – Bid / Issue Programme*" on page 385.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the

Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered and Corporate Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board of Directors, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board of Directors may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board of Directors may thereafter withhold payment of all dividend, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Collecting Depository Participant of the applicant will prevail. If Bidders wish to change their nomination, they are requested to inform their respective Collecting Depository Participant.

Bid/Issue Programme

BID/ISSUE OPENS ON	[●]*
BID/ISSUE CLOSES ON	[●]**#

**Our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations.*
***Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*
#UPI mandate end time shall be at 5:00 p.m. on the Bid/ Issue Closing Date.

An indicative timetable in respect of the Issue is set out below:

Event	**Indicative Date**
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

* *In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding 4 Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated for causing such delay in unblocking in accordance with applicable law. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/ CIR/P/2021/2480/1/M dated March 16, 2021 read with the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, read with SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 in case of delays in resolving investor grievances in relation to blocking/unblocking of fund and the provisions shall also be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.*

The above timetable, other than the Bid/ Issue Closing Date, is indicative and does not constitute any obligation or liability on our Company or the BRLM.

While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, the timetable may be subject to change due to various factors, such as extension of the Bid/Issue Period by our Company, in consultation with the BRLM, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges or delay in receipt of final certificates from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

The Registrar to the Issue shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the issue procedure is subject to change basis any revised SEBI circulars to this effect.

In terms of the UPI Circulars, in relation to the Issue, the BRLM will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/Issue Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Issue Period (except the Bid/Issue Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/Issue Closing Date*	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

**Our Company in consultation with the BRLM, may decide to close the Bid/ Issue Closing Period for QIBs one Working Day prior to the Bid/ Issue Closing Date, in accordance with the SEBI ICDR Regulations.*

On the Bid/Issue Closing Date, the Bids shall be uploaded until:

1. 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
2. until 5:00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs and BLS International Shareholders bidding in the BLS International Shareholders Reservation Portion.

On Bid/Issue Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by RIBs bidding under Net Issue, after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchanges.

It is clarified that Bids shall be processed only after the application monies are blocked in the ASBA Account and Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Issue Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by the SCSBs would be rejected**.** Bids and any revision in Bids will be accepted only during Working Days. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price, provided that the Cap Price shall be atleast 105% of the Floor Price.

In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the website of the BRLM and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("SCSBs"), other Designated Intermediaries and the Sponsor Bank(s), as applicable.

Minimum Subscription

In the event our Company does not receive the minimum subscription in the Issue equivalent to at least 10% post-Issue paid-up Equity Share capital of our Company (the minimum number of securities as specified under Rule 19(2)(b) of the SCRR including through devolvement of Underwriters, as applicable, within sixty (60) days from the date of Bid Closing Date on the date of closure of the Issue, or the minimum subscription of 90% of the Issue on the date of closure of the Issue, or on account of withdrawal of applications or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay beyond four days, our Company and every Director of our Company who is an officer in default, to the extent applicable, shall pay interest as prescribed under applicable law, including the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders.

Further, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 49(1) of the SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders, and subscription money will be refunded, as applicable. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Undersubscription, if any, in any category except the QIB portion, would be met with spill-over from the other categories at the discretion of our Company, in consultation with the Book Running Lead Manager, and the Designated Stock Exchange.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

New financial instruments

Our Company is not issuing any new financial instruments through this Issue.

Restriction on transfer and transmission of shares

Except for the lock-in of the pre-Issue capital of our Company, lock-in of the Promoters' contribution and the Anchor Investor lock-in as provided in the section titled "*Capital Structure*" on page 89 and except as provided under the AoA, there are no fnsfer of the Equity Shares. Further, there are no restrictions on transmission of the Equity Shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For further details, please see section titled "*Description of Equity Shares and Terms of Articles of Association*" at page 416.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

Withdrawal of the Issue

The Issue shall be withdrawn in the event that 90% of the Issue is not subscribed.

Our Company in consultation with the BRLM, reserves the right not to proceed Issue, in whole or in part thereof, for any reason at any time after the Bid / Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Issue advertisements were published, within two days of the Bid / Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. Further, the Stock Exchanges shall be informed promptly in this regard by our Company and the BRLM, through the Registrar to the Issue, shall notify the SCSBs, the Sponsor Bank(s), in case of UPI Bidders using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders (other than Anchor Investors) shall notify the Escrow Collection Banks to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification .

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) filing of the Prospectus with the RoC. If our Company, in consultation with the BRLM, withdraw the Issue after the Bid/Issue Closing Date and thereafter determine that they will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

ISSUE STRUCTURE

The Issue is being made through the Book Building Process. The Issue is of up to 2,41,30,000 Equity Shares for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] lakhs. The Issue comprises of a Net Issue of up to [●] Equity Shares and BLS International Shareholders Reservation Portion up to [●] Equity Shares aggregation to ₹ [●] lakhs. The Issue shall constitute [●]% of the post-Issue paid-up Equity Share capital of our Company.

Our Company, in consultation with the BRLM, may consider a Pre-IPO Placement of up to 11,00,000 Equity Shares, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, it will be at a price to be decided by our Company in consultation with the BRLM, and the Issue size will be reduced to the extent of such Pre-IPO Placement, subject to Issue complying with Rule 19(2)(b) of the SCRR.

Particulars	BLS International Shareholders Reservation Portion#	QIBs (1)	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment / allocation* (2)	Up to [●] Equity Shares	Not less than [●] Equity Shares	Not more than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders	Not more than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue Size available for Allotment / allocation	The BLS International Shareholders Reservation Portion shall constitute up to [●]% of the size of the Issue.	Not less than 75% of the Issue size shall be allocated to QIB Bidders. However, 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not more than 15% of the Issue, I) one third shall be reserved for Bidders with Bids exceeding ₹ 2.00 lakhs up to ₹ 10.00 lakhs; and ii) two-thirds shall be reserved for Bidders with Bids exceeding ₹ 10.00 lakhs	Not more than 10% of the Issue, or the Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment / allocation if respective category is oversubscribed*	Proportionate	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares shall be	The Allotment to each Non-Institutional Investor shall not be less than ₹2.00 lakhs, subject to the availability of Equity Shares in Non-Institutional Investors' category, and the remaining Equity Shares, if any, shall be Allotted on a proportionate basis.	Allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For further details,

Particulars	BLS International Shareholders Reservation Portion#	QIBs (1)	Non-Institutional Bidders	Retail Individual Bidders
		available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price		please see section titled *"Issue Procedure"* on page 394.
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares in multiples of [●] Equity Shares, that the Bid Amount exceeds ₹200,000, and in multiples of [●] Equity thereafter.	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares in multiples of [●] Equity Shares thereafter.
Maximum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares not exceeding the size of the BLS International Shareholders Reservation Portion, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to applicable limits under applicable law.	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue (excluding the QIB Portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Mode of allotment	Compulsorily in dematerialised form			
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Share, subject to availability in the Non-Institutional Portion	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Share, subject to availability in the Retail Portion
Trading Lot	One Equity Share			
Who can apply(3)	Individuals and HUFs who are the public equity shareholders of our	Public financial institutions as specified in Section 2(72) of the	Resident Indian individuals, Eligible NRIs on a non-repatriable basis,	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)

Particulars	BLS International Shareholders Reservation Portion#	QIBs (1)	Non-Institutional Bidders	Retail Individual Bidders
	Promoter (excluding such persons who are not eligible to invest in the Issue under applicable laws, rules, regulations and guidelines) as on the date of the Red Herring Prospectus.	Companies Act 2013, scheduled commercial banks, mutual funds registered with SEBI, Eligible FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, state industrial development corporation, multilateral and bilateral development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹ 2,500.00 lakhs, pension fund with minimum corpus of ₹2,500.00 lakhs in accordance with applicable law and National Investment Fund set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs	HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, trusts and FPIs who are individuals, corporate bodies and family offices which are recategorized as category II FPIs and registered with SEBI	applying for Equity Shares such that the Bid amount does not exceed ₹ 2.00 lakhs in value
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank(s) through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids(4) **In case of all other Bidders**: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank(s) through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.		
Mode of Bidding^	ASBA only (excluding the UPI Mechanism) except	ASBA only (excluding the UPI Mechanism) except	ASBA only (including UPI Mechanism for Bids up to ₹ 500,000)	ASBA only (including the UPI Mechanism)

Particulars	BLS International Shareholders Reservation Portion#	QIBs (1)	Non-Institutional Bidders	Retail Individual Bidders
	for Anchor Investors	for Anchor Investors		

* *Assuming full subscription in the Issue*

^ *SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in Public Issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIB, NII and Retail and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.*

\# *BLS International Shareholders Bidding in the BLS International Shareholders Reservation Portion can also Bid under the Net Issue and such Bids shall not be considered as multiple Bids subject to applicable limits. To clarify BLS International Shareholders Bidding in the BLS International Shareholders Reservation Portion above ₹ 200,000 can Bid in the Net Issue for up to ₹ 200,000 (net of the Shareholders Discount), otherwise such Bids shall be treated as multiple Bids. If a BLS International Shareholder is Bidding in the BLS International Shareholders Reservation Portion up to ₹ 200,000, application by such BLS International Shareholder in the Retail Portion or Non-Institutional Portion shall not be treated as multiple Bids. Therefore, BLS International Shareholders bidding in the BLS International Shareholders Reservation Portion (subject to the Bid Amount being up to ₹ 200,000) can also Bid under the Net Issue and such Bids shall not be treated as multiple Bids.*

(1) *Our Company, in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For details, see "Issue Procedure" on page 394.*

(2) *Subject to valid Bids being received at or above the Issue Price. The Issue is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. The Issue is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Issue shall be available for allocation on a proportionate basis to QIBs. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not more than 15% of the Issue shall be available for allocation to Non-Institutional Bidders and not more than 10% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with an application size of more than ₹2.00 lakhs and up to ₹10.00 lakhs, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹10.00 lakhs, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.*

(3) *Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, please see section titled "Terms of the Issue" on page 383.*

(4) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids, except as otherwise permitted, in any or all categories.*

(5) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*

(6) *Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Issue Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

(7) *Any unsubscribed portion under the Non-Institutional Investors category reserved for i) Bidders with Bids between ₹ 2 lakhs up to ₹ 10 lakhs; and ii) Bidders with Bids exceeding ₹ 10 lakhs, may be allocated to Bidders in either sub-category of Non-Institutional Investors.*

Bids by FPIs with certain structures as described under the section titled "*Issue Procedure – Bids by FPIs*" on page 392 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Note: Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

ISSUE PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) Issuance of CAN and allotment in the Issue; (vi) General instructions (limited to instructions for completing the Bid Form); (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of unblocking intimation/making refunds, as applicable; (xi) Designated Date; (xii) interest in case of delay in allotment or refund; and (xiii) disposal of applications and electronic registration of bids.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days will be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by SEBI. Subsequently, pursuant to press release bearing number 12/2023 dated June 28, 2023 by SEBI, the revised timeline of T+3 days shall be made applicable in two phases, i.e., (i) voluntary for all public issues opening on or after September 1, 2023; and (ii) mandatory on or after December 1, 2023 ("**T+3 Press Release**"). The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. These circulars, to the extent in force are deemed to form part of this Draft Red Herring Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism for submitting their Bids with (a) a Syndicate Member; (b) a Registered Broker at the Broker Centre; (c) a Collecting Depository Participant; and (d) the Registrar to the Issue. Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).*

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, in accordance with the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, the Bidder shall be compensated at *a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in its sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, has reduced the timelines for refund of Application monies from 15 to four days.*

The BRLM shall be the nodal entity for any issues arising out of public Issuance process.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and BRLM shall continue to coordinate with intermediaries involved in the said process.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

In order to streamline the bidding process and to ensure the orderly development of securities market, the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Thereafter, all intermediaries / market infrastructure institutions shall ensure that appropriate systemic and procedural arrangements are made within three months from the date of issuance of SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022.

Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Book Building Procedure

The Issue is being made in terms of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company, may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not more than 15% of the Issue shall be available for allocation to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹ 2.00 lakhs and up to ₹ 1.00 lakhs; and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹ 1.00 lakhs, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not more than 10% of the Issue shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, including the BLS International Shareholders Reservation Portion, except in the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company and in consultation with the BRLM, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

The Issue includes a reservation of up to [●] Equity Shares, aggregating up to ₹[●] lakhs may be made available for allocation on a proportionate basis only to BLS International Shareholders Bidding in the BLS International Shareholder Reservation Portion, subject to valid Bids being received at or above the Issue Price.

Shareholder Discount, if any, will be offered to BLS International Shareholders Bidding in the BLS International Shareholders Reservation Portion. BLS International Shareholders Bidding in the BLS International Shareholders Reservation Portion at a price within the Price Band can make payment based on Bid Amount net of Shareholder Discount, at the time of making a Bid. BLS International Shareholders Bidding in the BLS International Shareholders Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, less Shareholder Discount, if any, at the time of making a Bid.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020, and press releases dated June 25, 2021, and September 17, 2021.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including the DP ID and the Client ID and the PAN and UPI ID (for UPI Bidders Bidding through the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Phased implementation of UPI for Bids by RIBs as per the UPI Circulars

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI payment mechanism in three phases in the following manner:

(a) **Phase I:** This phase was applicable from January 1, 2019, until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

(b) **Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by an RIB through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of Phase II of UPI until further notice.

(c) **Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to be three Working Days.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post–Issue BRLM will be required to compensate the concerned investor.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 5.00 lakhs, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 2.00 lakhs and up to ₹ 5.00 lakhs, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a Sponsor Bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders using the UPI. The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022. Such payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLM, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLM.

Electronic registration of Bids

a) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for the Book Building process on a regular basis before the closure of the Issue.
b) On the Bid / Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
c) Only Bids that are uploaded on the Stock Exchanges' platform are considered for allocation/Allotment. The Designated Intermediaries are given until 5:00 pm on the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus will be available with the Designated Intermediaries at the relevant Bidding Centres, and at our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/ Issue Opening Date. Copies of the Anchor Investor Application Form will be available with the Book Running Lead Manager.

UPI Bidders Bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain the UPI ID are liable to be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable for rejection.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders (other than UPI Bidders using the UPI Mechanism) must provide the bank account details and authorisation to block funds in their respective ASBA Form. The ASBA Forms that do not contain such details will be rejected. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using UPI Mechanism, shall submit their ASBA Forms with Syndicate Members, sub-Syndicate Members, Registered Brokers, RTA or Depository Participants. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank(s), as applicable at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked. For all the initial public offerings opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The ASBA Bidders, including UPI Bidders, shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder. The circular is applicable for all categories of Bidders viz. Retail Individual Bidders, QIBs and Non-Institutional Investors and also for all modes through which the applications are processed.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including QIBs, Non-institutional Bidders and RIBs, each resident in India and Eligible NRIs applying on a non-repatriation basis	**[●]**
Non-Residents including Eligible NRIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FPIs or FVCIs registered multilateral and bilateral development financial institutions applying on a repatriation basis	**[●]**
Anchor Investors	**[●]**
BLS International Shareholders applying in the BLS International Shareholders Reservation Portion	**[●]**

**Excluding electronic Bid cum Application Form*

Electronic Bid cum Application forms and the Abridged Prospectus will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. For ASBA Forms (other than in the case of UPI Bidders using the UPI Mechanism), the Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Form to the respective SCSB, where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. Further, SCSBs shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis through API integration to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the relevant intermediary at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank(s). The Sponsor Bank(s) and the Bankers to the Issue shall provide the audit trail to the Book Running Lead Manager for analysing the same and determining the liability. For all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/ Issue Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, modification of Bids shall be allowed in parallel during the Bid/Offer Period until the Cut-Off Time. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank(s), NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank(s) and the Bankers to the Offer. The Sponsor Bank(s) and the Bankers to the Offer shall provide the audit trail to the BRLM for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/5 dated May 30, 2022.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the Book Running Lead Managers in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

The Sponsor Bank(s) shall host a web portal for Intermediaries (closed user group) from the date of Bid/Issue Opening Date until the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Issue Bidding process.

Participation by the BRLM, the Syndicate Members and their associates and affiliates

The BRLM and the Syndicate Members shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their respective underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members may Bid for Equity Shares in the Issue, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Manager nor any associate of the Book Running Lead Manager can apply in the Issue under the Anchor Investor Portion:

- mutual funds sponsored by entities which are associate of the Book Running Lead Manager;
- insurance companies promoted by entities which are associate of the Book Running Lead Manager;
- AIFs sponsored by the entities which are associate of the Book Running Lead Manager; or
- FPIs other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the Book Running Lead Manager.

For the purposes of the above, a QIB who has the following rights shall be deemed to be a person related to our Promoter or Promoter Group:

(i) rights under a shareholders' agreement or voting agreement entered into with our Promoter or Promoter Group;
(ii) veto rights; or
(iii) right to appoint any nominee director on the Board.

Further, an Anchor Investor shall be deemed to be an "associate of the BRLM" if:

(i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or
(ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or
(iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLM.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the Book Running Lead Manager, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which such Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity-related instruments of any single company, provided that the limit of 10% shall not be applicable for investments in case of index fund or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●]in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●]in colour). Only Bids accompanies by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment.

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSBs (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Participation of Eligible NRIs in the Issue shall be subject to compliance with the FEMA NDI Rules. In accordance with the FEMA NDI Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity share capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Issue, provided the UPI facility is enabled for their NRE/NRO accounts.

For further details of restrictions on investment by NRIs, please see section titled "*Restrictions on Foreign Ownership of Indian Securities*" on page 415.

Participation of Eligible NRIs in the Issue shall be subject to the FEMA NDI Rules.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs should be made, in the individual name of the Karta. The Bidder/applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

Bids by FPIs

An FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognised stock exchange in India, and/or may purchase or sell securities other than equity instruments.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our total paid-up equity share capital on a fully diluted basis. Further, in terms of the FEMA NDI Rules, the total holding by each FPI (or a group) shall be less than 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be sectoral caps applicable to our Company, which is 100% of the total paid-up equity share capital of our Company on a fully diluted basis.

In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case the total holding of an FPI increases beyond 10% of the total paid-up equity share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

As specified in the General Information Document, it is hereby clarified that bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations ("**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids are liable to be rejected. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI Issuing offshore derivative Instruments Is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

(i) such offshore derivative instruments are transferred only to persons in accordance with Regulation 21(1) of the SEBI FPI Regulations; and
(ii) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Participation of FPIs in the Issue shall be subject to the FEMA NDI Rules

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in the Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form "*exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus.*"

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the "**FPI Group**") shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Issue equity share capital shall be liable to be rejected.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs or FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. However, large value funds for accredited investors of Category I AIFs and Category II AIFs may invest up to 50% of the investible funds in an investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. However, large value funds for accredited investors of Category III AIFs may invest up to 20% of the investible funds in an investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLM reserve the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, (the "**Banking Regulation Act**"), and the Master Directions – RBI (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial services company cannot exceed 20% of the investee company's paid up share capital and reserves. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on investment made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in excess of 30% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the RBI (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012, and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, are broadly set forth below:

(i) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;

(ii) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer or 15%

of the investment assets in all companies belonging to the group, whichever is lower; and

(iii) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

** The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,50,00,000 lakhs or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹50,00,000 lakhs or more but less than2,50,00,000 lakhs.*

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500 lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 2,50,00,000 lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2,50,00,000 lakhs , a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLM reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLM in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company in consultation with the BRLM may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditors, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section, the key terms for participation by Anchor Investors are provided below.

(a) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the Book Running Lead Manager.

(b) The Bid was required to be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 1,000 lakhs. A Bid could not be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund were aggregated to determine the minimum application size of ₹ 1,000 lakhs.

(c) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(d) Bidding for Anchor Investors opened one Working Day before the Bid/Issue Opening Date and will be completed on the same day.

(e) Our Company, in consultation with the BRLM, finalised allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion was not less than:

    a. maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 1,000 lakhs;
    b. minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 1,000 lakhs but up to ₹ 25,000 lakhs, subject to a minimum Allotment of ₹ 500 lakhs per Anchor Investor; and
    c. in case of allocation above ₹ 25,000 lakhs under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 25,000 lakhs, and an additional 10 Anchor Investors for every additional ₹ 25,000 lakhs, subject to minimum Allotment of ₹ 500 lakhs per Anchor Investor.

(f) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation will be made, is required to be made available in the public domain by the BRLM before the Bid/Issue Opening Date, through intimation to the Stock Exchanges.

(g) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.

(h) 50% Equity Shares allotted to Anchor Investors shall be locked–in for a period of 90 days from the date of Allotment, whereas, the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.

(i) Neither the BRLM nor any associate of the BRLM (except Mutual Funds sponsored by entities which are associates of the BRLM or insurance companies promoted by entities which are associate of BRLM or AIFs sponsored by the entities which are associate of the BRLM or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLM) nor any "person related to the Promoter or Promoter Group" could apply in the Issue under the Anchor Investor Portion.

(j) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion were not considered multiple Bids.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Issue.

The above information is given for the benefit of the Bidders. Our Company, and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

Bids by BLS International Shareholders

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the BLS International Shareholder does not exceed ₹ 200,000 (net of BLS International Shareholder Discount, if any). Allotment in the BLS International Shareholder Reservation Portion will be as detailed in the section "*Issue Structure*" beginning on page 389.

Bids under the BLS International Shareholders Reservation Portion shall be subject to the following:

a) Only BLS International Shareholders (i.e. individuals and HUFs who are public equity shareholders of BLS International Limited, excluding such other persons not eligible under applicable laws, rules, regulations and guidelines as at the date of the Red Herring Prospectus) would be eligible to apply in this Issue under the BLS International Shareholder Reservation Portion.
b) Made only in the prescribed Bid cum Application Form or Revision Form.
c) In case of joint bids, the first Bidder shall be a BLS International Shareholders.
d) Bids by BLS International Shareholders may be made at Cut-off Price.
e) Only those Bids, which are received at or above the Issue Price, would be considered for allocation under this category.
f) Bids by BLS International Shareholder(s) in the BLS International Shareholders Reservation Portion (subject to qualifying the eligibility criteria and applicable limits) and/or in the Net Issue portion (either under Retail Portion or Non-Institutional Portion) shall not be treated as multiple Bids.
g) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the BLS International Shareholders to the extent of their demand.
h) BLS International Shareholders bidding in the BLS International Shareholders Reservation Portion can bid through the ASBA and the UPI Mechanism.
i) Any unsubscribed portion remaining in the BLS International Shareholder Reservation Portion shall be added to the Net Issue.
j) BLS International Shareholders would need to have a valid PAN and their PAN should be updated with the register of shareholders maintained with BLS International Services Limited. Further, BLS International Shareholders would need to have a valid demat account and details, as Equity Shares can only be Allotted to BLS International Shareholders having a valid demat account.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the BRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders, BLS International Shareholders Bidding under the BLS International Shareholders Reservation can revise or withdraw their Bid(s) until the Bid/ Issue Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

***Do's*:**

1) Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board

of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021.

2) Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

3) Ensure that you have Bid within the Price Band;

4) Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;

5) Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not an UPI Bidder Bidding through the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle) in the Bid cum Application Form;

6) Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;

7) Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;

8) In case of joint Bids, ensure that first Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Bidder is included in the Bid cum Application Form;

9) Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms;

10) Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11) Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

12) UPI Bidders bidding in the Issue to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI (only for UPI Bidders using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;

13) Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

14) Retail Individual Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;

15) Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Bank(s), as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank(s) for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

16) Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

17) Ensure that the Demographic Details are updated, true and correct in all respects;

18) Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

19) Ensure that the category and the investor status is indicated in the Bid cum Application Form;

20) Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

21) Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

22) Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

23) UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

24) In case of QIBs and NIBs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

25) Anchor Investors should submit the Anchor Investor Application Forms to the BRLM;

26) Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) by 5:00 p.m. on the Bid/ Issue Closing Date;

27) FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

28) RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the

attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank(s) to block the Bid Amount mentioned in the Bid Cum Application Form;

29) Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders Bidding through the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

30) Ensure sufficient balance in the relevant ASBA account.

31) Bidders in BLS International Shareholders Reservation Portion should ensure that they have a valid PAN and their PAN is updated with the register of shareholders maintained with BLS.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

- Do not Bid for lower than the minimum Bid size;
- Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
- Do not Bid for a Bid Amount exceeding ₹ 2.00 lakhs (for Bids by Retail Individual Bidders);
- Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
- Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
- Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
- Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
- Do not submit the Bid for an amount more than funds available in your ASBA account.
- Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
- In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
- If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
- Anchor Investors should not Bid through the ASBA process;
- Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
- Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

- Do not submit the General Index Register (GIR) number instead of the PAN;
- Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
- Do not submit your Bid after 5.00 pm on the Bid/Issue Closing Date;
- If you are a QIB, do not submit your Bid after 5:00 pm on the QIB Bid/Issue Closing Date;
- Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
- Do not Bid for Equity Shares in excess of what is specified for each category;
- Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
- Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/Issue Closing Date;
- Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
- If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third party linked bank account UPI ID;
- Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;
- Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding through the UPI Mechanism;
- Do not submit a Bid cum Application Form with a third-party UPI ID or using a third-party bank account (in case of Bids submitted by UPI Bidders using the UPI Mechanism);
- In case of ASBA Bidders (other than 3-in-1 Bids), Syndicate Members shall ensure that they do not upload any bids above ₹ 5.00 lakhs;
- UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned in the list provided on the SEBI website is liable to be rejected; and
- Do not Bid if you are an OCB.
- The Bidder does not have sufficient balance in relevant ASBA account

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders were requested to note that Bids could be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank(s));
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the first Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. ASBA Form by the RIBs by using third party bank accounts or using third party linked bank account UPI IDs;
10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
11. GIR number furnished instead of PAN;
12. Bids by RIBs with Bid Amount of a value of more than ₹ 200,000 (net of retail discount);
13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
14. Bids accompanied by stock invest, money order, postal order or cash; and
15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchanges.

Further, in case of any pre-Issue or post Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, please see section titled "*General Information*" on page 81.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the March 2021 Circular in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

For helpline details of the Book Running Lead Manager pursuant to the SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023, see "*General Information*" on page 81.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares through the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% per cent of the Issue may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis. Not less than 15% of the Issue shall be available for allocation to Non-Institutional Bidders. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 2.00 lakhs and up to ₹ 10.00lakhs, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 10.00 lakhs, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares

Payment into Escrow Account(s) for Anchor Investors

Our Company, in consultation with the BRLM, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company and the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections of Bid amounts from Anchor Investors.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) all editions of [●], an English national daily newspaper; (ii) all editions of [●], a Hindi daily newspaper, a Hindi daily newspaper, Hindi being the regional language of New Delhi, where our Registered Office is located, each with wide circulation.

In the pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment Advertisement

Our Company, the BRLM and the Registrar to the Issue shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper, Hindi also being the regional language of New Delhi, where our Registered Office is located, each with wide circulation.

The above information is given for the benefit of the Bidders/applicants. Our Company and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the RoC Filing

1. Our Company and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price but prior to the filing of Prospectus.

2. After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

"*Any person who—*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

I otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 1.00 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1.00 lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5.00 lakhs or with both.

Undertakings by our Company

Our Company undertakes the following:

i. adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors;

ii. the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;

iii. all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Issue Closing Date or such other period as may be prescribed by the SEBI;

iv. if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;

v. it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Issue, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Issue;

vi. the funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

vii. where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

viii. except for the Pre-IPO Placement, no further issue of the Equity Shares shall be made till the Equity Shares issued through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc

ix. Promoter's contribution, if any, shall be brought in advance before the Bid/Issue Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees.

x. that if our Company does not proceed with the Issue after the Bid/Issue Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly; and

xi. that if our Company, in consultation with the BRLM withdraw the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh draft issue document with SEBI, in the event our Company subsequently decides to proceed with the Issue thereafter.

Utilisation of Issue Proceeds

Our Board of Directors certifies and declares that:

i. all monies received out of the Issue shall be credited/transferred to a separate bank account (for the purpose of monitoring by the Monitoring Agency) other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

ii. details of all monies utilised out of the Issue shall be from the above-mentioned separate bank account only and the same shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

iii. details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries / departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**"), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. Up to 100% foreign investment under the automatic route is currently permitted for our Company.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI / RBI. For further details of the aggregate limit for investments by NRIs and FPIs in our Company, please see section titled *"Issue Procedure –Bids by Eligible NRIs"* and *"Issue Procedure –Bids by FPIs"* on page 392.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Issue shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. In the event such prior approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Issue in writing about such approval along with a copy thereof within the Issue Period. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction / purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. For further details, please see section titled "*Issue Procedure*" on page 394.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in 'offshore transactions' as defined in, and in reliance on, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. The above information is given for the benefit of the bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations, seek independent legal advice about its ability to participate in the issue and ensure that the number of equity shares bid for do not exceed the applicable limits under laws or regulations.

SECTION IX – DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

1. Applicability of Table F

a. The regulations contained in Table “F” in the Schedule I to the Companies Act, 2013, shall apply to the BLS E- Services Limited (“Company”) only in so far as the same are not provided for or are not inconsistent with these Articles.

b. The regulations for the management of the Company and for the observance of the members thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.

2. Definitions and Interpretation

A. Definitions

In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

a. “Act” means the Companies Act, 2013 along with the relevant Rules made there under, in force and any statutory amendment thereto or replacement thereof and including any circulars, notifications and clarifications issued by the relevant authority under the Companies Act, 2013 Reference to Act shall also include the Secretarial Standards issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980.

b. “Annual General Meeting” shall mean a General Meeting of the holders of Equity Shares held annually in accordance with the applicable provisions of the Act.

c. “Articles” shall mean these articles of association as adopted or as amended from time to time.

d. “Auditors” shall mean and include those persons appointed as such by the Company in terms of the provisions of the Companies Act, 2013.

e. “Board” or “Board of Directors” shall mean the collective board of directors of the Company, as duly called and constituted from time to time, in accordance with Law and the provisions of these Articles.

f. “Board Meeting” shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.

g. “Beneficial Owner” means the beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996, as amended.

h. “Business Day” shall mean a day on which scheduled commercial banks are open for normal banking business;

i. “Capital” or “Share Capital” shall means the Equity Share Capital of any face value together with all rights, differential rights, obligations, title, interest and claim in such Shares and includes all subsequent issue of such Shares of whatever face value or description, bonus Shares, conversion Shares and Shares issued pursuant to a stock split or the exercise of any warrant, option or other convertible security of the Company.

j. “Chairman” shall mean such person as is nominated or appointed in accordance with Article 28 herein below.

k. “Companies Act, 1956” shall mean the Companies Act, 1956 (Act I of 1956), to the extent that such provisions have not been repealed or superseded by the Companies Act, 2013 or de-notified.

l. “Company” or “this Company” shall mean BLS E- Services Limited.

m. “Company Secretary” or “Secretary” means a Company Secretary as defined in clause I of subsection (1) of Section 2 of the Company Secretaries Act, 1980 (56 of 1980) who is appointed by a Company to perform the functions of the Company Secretary under the Act.

n. “Committees” shall mean committee of the Board of Directors.

o. “Debenture(s)” means Debenture(s) as defined in sub-section (30) of Section 2 of the Act.

p. “Depositories Act” shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.

q. Depository” means a depository as defined in clause I of sub-section (1) of section 2 of the Depositories Act, 1996.

r. “Director” shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with the Law and the provisions of these Articles.

s. “Dividend” shall include interim and final dividends.

t. “Equity Share Capital” means in relation to the Company, its Equity Share capital within the meaning of Section 43 of the Act, as amended from time to time.

u. “Equity Shares” shall mean fully paid-up equity shares of the Company having or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares of the Company.

v. “Executor” or “Administrator” shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Shares or other Securities of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.

w. “Employee Stock Option” shall have the same meaning as provided under in sub-section (37) of Section 2 of the Act.

x. “Extraordinary General Meeting” shall mean an extraordinary general meeting of the holders of Equity Shares duly called, constituted and any adjourned holding thereof in accordance with the provisions of the Act.

y. “Financial Year” shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.

z. “General Meeting” means any duly convened meeting of the Shareholders of the Company and includes an extra-ordinary general meeting.

aa. “Independent Director” means an independent director referred to in sub-section (6) of section 149 of the Act and applicable provisions of the SEBI Regulations.

bb. “Key Managerial Personnel (KMP)” shall mean the persons as defined in sub-section(51) of Section 2 of the Act.

cc. “Law/Laws” shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, notifications, ordinances or orders of any governmental authority, Regulatory authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority, (iv) rules or guidelines for compliance, of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or Ind-AS or any other generally accepted accounting principles.

dd. “Memorandum” shall mean the Memorandum of Association of the Company, as amended from time to time.

ee. “Office” shall mean the Registered Office of the Company.

ff. “Ordinary Resolution” shall have the meaning assigned to it in Section 114 of the Act.

gg. Paid-up” shall include the capital credited as paid up.

hh. “Person” shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).

ii. “Postal Ballot” means voting by post or through any electronic mode as per the provisions of sub-section (65) of section 2 of the Act.

jj. “Register of Members” shall mean the register of members to be kept pursuant to Section 88 of the Act.

kk. “Registrar” shall mean the Registrar of Companies of the State in which the Registered Office of the Company is for the time being situated.

ll. “Rules” shall mean the rules made under the Act and as notified from time to time.

mm. “Seal” shall mean the common seal(s) of the Company, if any.

nn. “SEBI” shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992 and amendment made thereof.

oo. “SEBI Regulations” shall mean all the regulations, rules, circulars, notifications, orders, advisory including all forms of communication and amendments, modification or re-enactment to any thereof as applicable to the Company and issued by the SEBI, from time to time.

pp. “Securities” or “securities” shall mean the securities as defined in Securities Contracts (Regulation) Act, 1956 or any amendment as may be made from time to time.

qq. “Share” or “shares” shall mean any share issued in the Share Capital of the Company, including Equity Shares and preference shares.

rr. “Shareholder” or “member” shall mean any shareholder of the Company, from time to time.

ss. “Shareholders’ Meeting” shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings, convened from time to time in accordance with the Act, applicable Laws and the provisions of these Articles.

tt. “Stock Exchanges” shall mean BSE, the National Stock Exchange of India Limited and any other stock exchange in India where the Securities of the Company are listed.

uu. “Special Resolution” shall have the meaning assigned to it in Section 114 of the Act, as amended form time to time.

vv. “Tribunal” means the National Company Law Tribunal constituted under Section 408 of the Act.

ww. “Working Days” shall mean all days in a week except Sundays, Saturdays and other public holidays.

B. Interpretation

In these Articles (Unless the context requires otherwise)

a. References to a person shall, where the context permits, include such person’s respective successors, legal heirs and permitted assigns.

b. In “Writing” and “Written” include printing, lithography and other modes of representing or reproducing words in a visible form including electronic mode as provided in the Information Technology Act, 2000 as amended from time to time.

c. Words importing persons shall include bodies corporate, corporations, companies, individuals, sole proprietorship, unincorporated association, unincorporated organization, association of persons, partnership, joint venture, governmental authority, Hindu undivided family, trust, union, organization or any other entity that may be treated as a person under applicable Law (whether registered or not and whether or not having separate legal personality) and where the context permits, shall also include such person’s respective successors, legal heirs and permitted assigns.

d. The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.

e. References to articles and sub-articles are references to Articles and sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and sub-articles herein.

f. Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.

g. Wherever the words “include,” “includes,” or “including” is used in these Articles, such words shall be deemed to be followed by the words “without limitation”.

h. The terms “hereof”, “herein”, “hereto”, “hereunder” or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.

i. Reference to statutory provisions shall be construed to include reference to any rules, regulations or other subordinate legislation made under the statute and shall, unless the context otherwise requires and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.

j. Any reference to an agreement or other document shall be construed to mean a reference to the agreement or other document, as amended or novated from time to time.

k. In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

Public Company

The Company is a public company as defined under Section 2 (71) of the Act, limited by shares.

Article No.	Title	Content
1.	Expressions in the Act and these Articles	Save as aforesaid, any words or expressions defined in the Act or the Depositories Act or the SEBI Regulations (as applicable), shall, as the case may be, if not inconsistent with the subject or context, bear the same meaning in these Articles.

Article No.	Title	Content
2.	Share capital and variation of rights	a. The authorised Share Capital of the Company shall be such amount and be divided into such shares as may be defined from time to time, be provided in Clause V of the Memorandum of Association of the Company as altered from time to time, with such rights, privileges and conditions respectively attached thereto as may be from time to time and the Company may reclassify, subdivide, consolidate and increase the Share Capital from time to time, as may be thought fit, and upon the subdivision of Shares, apportion the right to participate in profits in any manner as between the Shares resulting from the subdivision. b. The Company has the power, from time to time, to increase or reduce its subscribed, authorised, issued and paid-up Share Capital, in accordance with the provisions of the Act, applicable Laws and these Articles. c. The Share Capital of the Company may be classified into Shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time. d. The Board may, subject to the relevant provisions of the Act and these Articles, allot and issue Shares as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or in respect of an acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any Shares which may be so allotted may be issued as fully/partly Paid-up Shares and if so issued shall be deemed as fully/partly Paid-up Shares. e. Except so far as otherwise provided by the conditions of issue or by these Articles, any Share Capital raised by the creation of new Shares, shall be considered as part of the existing Share Capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise. f. Any application signed by or on behalf of an applicant for Shares in the Company, followed by an allotment of any Shares

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		therein, shall be an acceptance of Shares within the meaning of these Articles and every person who thus or otherwise accepts any Shares and whose name is on the Register of Members, shall for the purposes of these Articles, be a Shareholder. g. The money, (if any), which the Board shall, on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
3	Share at the disposal of the Directors	a. Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with section 53 of the Act) at such time as they may, from time to time, think fit to give to any person or persons the option or right to call for any shares either at par or premium or at a discount subject to the provisions of the Act during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid up shares. Provided that option or right to call shares shall not be given to any person or persons without the sanction of the Company in General Meeting. Subject to applicable Law, the Directors are hereby authorised to issue Equity Shares or Debentures (whether or not convertible into Equity Shares) for offer and allotment to such of the officers, employees and workers of the Company as the Directors may decide or the trustees of such trust as may be set up for the benefit of the officers, employees and workers in accordance

Article No.	Title	Content
		with the terms and conditions of such scheme, plan or proposal as the Directors may formulate. Subject to the consent of the Stock Exchanges and SEBI, the Directors may impose the condition that the shares in or debentures of the Company so allotted shall not be transferable for a specified period. b. If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator. c. Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.
4	Further issue of Share Capital	a. Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered iv. to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid-up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely: ● the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days or such lesser number of the day as may be prescribed under law and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined; ● the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in Article 4I(a) (i) above shall contain a statement of this right; ● after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company

Article No.	Title	Content
		ii. to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or v. to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in sub-articles (i) or Article (ii) above, either for cash or for a consideration other than cash at a price determined in the manner provided under the regulations issued by SEBI in this regard. b. Nothing in (a) shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company: Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in general meeting. ● Either has been approved by the central Government before the issue of Debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and ● In the case of Debentures or loans or other than Debentures Issued to, or loans obtained from the Government, or any Institution specified by the Central Government In this behalf, has also been approved by the special resolution passed by the company In General Meeting before the Issue of the loans.
<u>5</u>	Preference Shares	The Company, subject to the applicable provisions of the Act, shall have the power to issue on a cumulative or noncumulative basis, preference shares in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit.
<u>6</u>	Brokerage & Underwriting	a. Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in connection with the subscription or procurement of subscription to its securities, whether absolute or conditional, for any shares or Debentures in the Company in accordance with the provisions of the Companies

Article No.	Title	Content
		(Prospectus and Allotment of Securities) Rules, 2014. b. The Company may also, on any issue of shares or Debentures, pay such reasonable brokerage as may be lawful.
7	Company’s Lien on shares/ Debentures	a. The Company shall have a first and paramount lien upon all the Shares/Debentures (other than fully paid-up Shares/Debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/Debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/Debentures. Unless otherwise agreed the registration of a transfer of Shares/Debentures shall operate as a waiver of the Company’s lien, If any, on such Shares/Debentures. The Directors may at any time declare any Shares/Debentures wholly or in part to be exempt from the provisions or this clause. b. For the purposes of enforcing such a lien, the Board may sell such partly Paid-up shares, subject thereto in such manner as the Board shall think fit, and for that purpose may cause to be issued, a duplicate certificate in respect of such shares and may authorise one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to said shares be affected by any irregularity or invalidity in the proceedings in reference to the sale of such shares; Provided that no sale of such Shares shall be made: ● unless a sum in respect of which the lien exists is presently payable; or ● until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

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		The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale. The fully paid Shares shall be free from all lien and that in the case of partly paid Shares, the Company's lien, if any, shall be restricted to monies called or payable at a fixed time in respect of such shares c. No Shareholder shall exercise any voting right in respect of any shares or Debentures registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien. Subject to the Act and these Articles, the right of lien under this Article 7 shall extend to other Securities
8	Calls	a. Subject to the provisions of Section 49 of the Act, the terms on which any shares may have been issued and allotted, the Board may, from time to time, by a resolution passed at a meeting of the Board, make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by instalments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting. b. 14 (fourteen) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment, provided that before the time for payment of such call, the Board may revoke or postpone the same. c. The call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date as shall be fixed by the Board. d. The joint holder of a share shall be jointly and severally liable to pay all instalments and calls

Article No.	Title	Content
		due in respect thereof. e. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour. f. If any Shareholder or allottee fails to pay the whole or any part of any call or instalment, due from him on the day appointed for payment t hereof, or any such extension thereof, he shall be liable to pay interest on the same from the day appointed for the payment to the time of actual payment at 10 (ten) per cent per annum or such lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder and the Board shall be at liberty to waive payment of such interest either wholly or in part. g. Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by instalments at a fixed time whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified. h. On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the

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		Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt and the same shall be recovered by the Company against the Shareholder or his representative from whom it is ought to be recovered, unless it shall be proved, on behalf of such Shareholder or his representatives against the Company that the name of such Shareholder was improperly inserted in the Register of Members or that the money sought to be recovered has actually been paid. i. The Company may enforce a forfeiture of shares under Article 11 below notwithstanding the following : (i) a judgment or a decree in favour of the Company for calls or other money due in respect of any share; (ii) part payment or satisfaction of any calls or money due in respect of any such judgement or decree; (iii) the receipt by the Company of a portion of any money which shall be due from any Shareholder to the Company in respect of his shares; and (iv) any indulgence granted by the Company in respect of the payment of any such money. j. The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board may agree upon; provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. Provided always that if at any time after the payment of any such money the rate of interest so agreed to be paid to any such Member appears to the Board to be excessive, it shall be lawful for the Board from time to time to repay to such Member so much of such

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		money as shall then exceed the amount of the calls made upon such shares in the manner determined by the Board. Provided also that if at any time after the payment of any money so paid in advance, the Company shall go into liquidation, either voluntary or otherwise, before the full amount of the money so advanced shall have become due by the members to the Company, on instalments or calls, or in any other manner, the maker of such advance shall be entitled (as between himself and the other Members) to receive back from the Company the full balance of such moneys rightly due to him by the Company in priority to any payment to members on account of capital, in accordance with and subject to the provisions of the Act. k. No Shareholder shall be entitled to voting rights in respect of the money (ies) so paid by him until the same would but for such payment, become presently payable l. The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

Article No.	Title	Content
9	Transfer and Transmission of shares	1. The Company shall record in the Register of Members fairly and distinctly particulars of every transfer or transmission of any share, Debenture or other Security held in a material form. 2. There shall be a common form of transfer in accordance with Act and rules made thereunder. 3. Subject to provisions of the Act, Depositories Act and other applicable laws, transfer or transmission, as the case may be, of Shares in the Company shall only be allowed in dematerialized form. 4. Subject to the provisions of the Act, a person entitled to a share by transmission shall, subject to the right of the Board to retain such Dividends as hereinafter provided in these Articles be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the shares. 5. The Board shall have power on giving not less than 7 (seven) days prior notice or such lesser period as may be specified by SEBI, by advertisement in a vernacular newspaper and in an English newspaper in the city, town or village in which the Office of the Company is situated and by publishing a notice on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient. 6. Subject to the provisions of Sections 58 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to issue the letter of confirmation in case of transmission by operation of law of the right to, any Securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the intimation of such transmission, was delivered to the Company, send a notice of refusal to the person giving notice of such transmission, giving reasons for such refusal. Provided that the issuance of letter of confirmation shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever

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		except where the Company has a lien on shares. 7. In case of the death of any one or more Shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder(s) recognized by the Company as having any title to or interest in such shares, but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other Person. 8. Subject to applicable Laws, the Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint- holders) or his nominee(s), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India. 9. Subject to the provisions of Articles , the Act and other applicable Laws, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, be registered himself as the holder of the shares after obtaining necessary letter of confirmation. 10. A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Article No.	Title	Content
		11. The provision of these Articles shall be subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.
10	Dematerialisation of Securities	a. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any. b. Subject to the applicable provisions of the Act, the Company may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned, and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act. c. If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of

Article No.	Title	Content
		the allottee as the Beneficial Owner of the Securities. d. Securities in Depositories to be in fungible form: All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners e. Rights of Depositories & Beneficial Owners: i. Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner. ii. Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it. iii. Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company. iv. The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository. f. Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the

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		Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them, subject to these Articles. g. Register and Index of Beneficial Owners: The Company shall cause to be kept a register and index of members with details of Shares and Debentures held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media. The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country. h. Cancellation of Certificates upon surrender by Person – Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly. i. Service of Documents – Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs. j. Allotment of Securities dealt with in a Depository: Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities. k. Certificate Number and other details of Securities in Depository: Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive

Article No.	Title	Content
		numbers for Securities issued by the Company shall apply to Securities held with a Depository. l. Provisions of Articles to apply to Shares held in Depository: Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act. m. Depository to furnish information: Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf. n. Option to opt out in respect of any such Security: Subject to compliance with applicable Law, if a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfilment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be. o. Overriding effect of this Article: Provisions of this Article will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles. p. Notwithstanding anything contained in these Articles, the Company shall subject to applicable Law be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any. q. Subject to the applicable provisions of the Act, the Company may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form

Article No.	Title	Content
		and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned, and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act. r. If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities. s. Securities in Depositories to be in fungible form: All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners t. Rights of Depositories & Beneficial Owners: i. Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner. ii. Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it. iii. Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company. iv. The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository. u. Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of

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		any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them, subject to these Articles. v. Register and Index of Beneficial Owners: The Company shall cause to be kept a register and index of members with details of Shares and Debentures held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media. The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country. w. Cancellation of Certificates upon surrender by Person – Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly. x. Service of Documents: Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs. y. Allotment of Securities dealt with in a Depository: Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant

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		Securities thereof to the Depository immediately on allotment of such Securities. z. Certificate Number and other details of Securities in Depository: Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository. aa. Provisions of Articles to apply to Shares held in Depository: Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act. bb. Depository to furnish information: Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf. cc. Option to opt out in respect of any such Security: Subject to compliance with applicable Law, if a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfilment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be. dd. Overriding effect of this Article: Provisions of this Article will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles
11	Forfeiture of Shares	a. If any member fails to pay any call or instalment of a call or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or instalment or any part thereof or

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		other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to such Shareholder or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment. b. The notice shall name a day, (not being less than 14 (fourteen) days from the date of service of notice), and a place or places on or before which such call or instalment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or instalment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is payable, will be liable to be forfeited. c. If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, instalments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act. d. When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid. e. Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-

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		allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit. f. Any Shareholder whose shares have been forfeited shall, cease to be a shareholder of the Company and notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, instalments, interest and expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture. g. The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved. h. A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the shares. i. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. j. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in

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		respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto. k. The Board may, at any time, before any share so forfeited shall have been sold, re- allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit. l. The Directors may subject to the provisions of the Act, accept a surrender of any share certificates from or by any Shareholder desirous of surrendering them on such terms as the Directors think fit.
12	Alteration of Share Capital	Subject to these Articles and Section 61 of the Act, the Company may from time to time, by an Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may: a. increase its Share Capital by such amount as it thinks expedient; b. consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares: c. Provided that no consolidation and division which results in changes in the voting percentage of Shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner; d. convert all or any of its fully Paid-up shares into stock, and reconvert that stock into fully Paid-up shares of any denomination; e. subdivide its existing Shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so, however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and f. cancel its Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. Cancellation of shares in pursuance of this Article shall not be deemed to be reduction of Share Capital within the meaning of the Act.
13	Reduction of Share Capital	The Company may, subject to the applicable provisions of the Act and applicable SEBI Regulations, from time

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		to time by a Special Resolution, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted
14	Power of Company to purchase its own securities	Pursuant to a resolution of the Board or a Special Resolution of the Shareholders, as required under the Act, the Company may purchase its own Equity Shares or other Securities, as may be specified by the Act read with Rules made there under from time to time, by way of a buy- back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Buy Back Rules and subject to compliance with the applicable Laws out of (i) its free reserves; or (ii) the securities premium account; or (iii) the proceeds of the issue of any Shares or other specified securities or (iv) otherwise specified by the law for the time being in force
15	Power to modify rights	a. Where, the Capital, is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may be varied, subject to the provisions of Section 48 of the Act and applicable Laws, and whether or not the Company is being wound up, be varied provided the same is affected with consent in writing of the holders of not less than three-fourths of the issued shares of that class or by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class. a. To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
16	Registers to be maintained by the Company	a. The Company shall keep and maintain at its registered office or such other place as may be allowed under the Act and the Rules, all statutory registers (as and when required) namely, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of contracts and arrangements etc., minutes book of General

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		Meeting , for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. b. The registers and documents referred to in (a) and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all Working Days, other than Saturdays, at the registered office of the Company or any other place where the register ,documents or copies of the annual return are kept in the manner as prescribed under the Act and the Rules, by the persons entitled thereto under the Act and Rules, on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules. c. Copy or extract of the registers and documents referred to in (a) and copies of annual return, if allowed under the Act or the Rules, can be obtained from the registered office of the Company or any other place where the register, documents or copies of the annual return are kept in the manner as prescribed under the Act and the Rules by the persons entitled thereto, on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules. d. The foreign register (if any) shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members. e. The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members. f. No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board.
17	Shares and Share certificates	a. The Company shall issue, re-issue and issue share certificate, as the case may be in accordance with the provisions of the Act and other applicable Laws. b. The Company shall be entitled to dematerialise its existing Shares, rematerialise its Shares held in the depository and/or to offer its fresh shares

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		in a dematerialised form pursuant to the Depositories Act, and the regulations framed there under, if any. c. The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company. d. When a new share certificate has been issued in pursuance of these Articles, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014. e. All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine–numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished. f. The Secretary of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub article I of this Article. g. All books referred to in sub-article (f) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014. h. If any Shares stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of such Shares shall be severally as well as jointly liable for the payment of all deposits, instalments and calls due in respect of such Shares, and for all incidents thereof according to these Articles.

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		i. Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of such Equity Shares or whose name appears as the beneficial owner of such Equity Shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such Equity Shares on the part of any other Person whether or not such Shareholder shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any Equity Shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them. The Company shall not be bound to register more than 3 (three) persons as the joint holders of any share except in the case of executors or trustees of a deceased member
18	Nomination by securities holders	a. Every holder of Securities of the Company holding the Securities in physical form may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death. b. Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014 or rules issued under the Depositories Act, a Person as their nominee in whom all the rights in the Securities of the Company shall vest in the event of death of all the joint holders. c. Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to

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		such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014. d. Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority. e. The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.
19	Borrowing Powers	a. Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board the Board shall: i. accept or renew deposits from Shareholders ii. borrow money by way of issuance of Debentures; iii. borrow money otherwise than on Debentures;accept deposits from Shareholders either in advance of calls or otherwise; and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company, its free reserves and securities premium, the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting b. Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board (not by circular resolution) shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture–stock, or any

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		mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company (including its uncalled Capital), both present and future. And Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued. c. Subject to the applicable provisions of the Act and these Articles, any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, drawing, attending (but not voting) at the General Meeting, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution. d. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board. Company shall have the power to keep in any state or country outside India a branch register of debenture holders resident in that state or country. e. Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time. f. The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation

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		and registration of aforesaid charges by the Company.
<u>20</u>	Conversion of shares into stock and reconversion	a. The Company in general meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose. b. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantages, (except participation in the Dividends and profits of the Company and in the assets on winding-up), shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. c. Where the shares are converted into stock, such provisions of these Articles as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock - holder" respectively
<u>21</u>	Capitalisation of Profits	The Company in General Meeting may, upon the recommendation of the Board, may resolve: a. that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the Company's profit and loss account or otherwise, as available for distribution, and b. that such sum be accordingly set free from distribution in the manner specified herein below in sub-article I as amongst the

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		Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions. c. The sum aforesaid shall not be paid in cash but shall be applied either in or towards: i. paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively; ii. paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or iii. partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii). d. A securities premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares
22	Resolution for capitalisation of Reserves and issue of fractional certificate	a. The Board shall give effect to a Resolution passed by the Company in pursuance of this Article 21. a. Whenever such a Resolution as aforesaid shall have been passed, the Board shall: i. make all appropriation and applications of undivided profits (resolved to be capitalized thereby), and all allotments and issues of fully paid shares or Securities, if any; and ii. generally do all acts and things required to give effect thereto. b. The Board shall have full power: i. to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of Shares or Debentures becoming distributable in fraction; and ii. to authorize any person, on behalf of all the Shareholders entitled thereto, to enter into an agreement with the Company providing for the allotment to such Shareholders, credited as fully paid up, of any further Shares or Debentures to which they may be entitled upon such capitalization or (as

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		the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on the shares. c. Any agreement made under such authority shall be effective and binding on all such shareholders.
23	Annual General Meeting	In accordance with the provisions of Section 96 of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, subject to the provisions of the Act, not more than 15 (fifteen) months' gap shall elapse between the dates of two consecutive Annual General Meetings.
24	Venue, Day and Time for holding Annual General Meeting	a. Every Annual General Meeting shall be called during business hours as specified under the Act or Rules on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting. b. Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.
25	Notice of General Meetings	a. Number of days' notice of General Meeting to be given: As per the provisions of section 101 of the Act, a General Meeting of the Company may be called by giving not less than 21 (twenty-one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served and the date of meeting. However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode, in case of annual general meeting, by not less than 95 (ninety-five) percent of the Shareholders entitled to vote at that meeting and in case of any other general meeting, by members of the company holding, majority in number of members entitled to vote and who represent not less than ninety-five per cent. Of

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		such part of the paid-up share capital of the company as gives a right to vote at the meeting. The notice of every meeting shall be given to: i. Every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company, ii. Auditor or Auditors of the Company, iii. All Directors and iv. Such other persons as required under the Act The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting. b. Notice of meeting to specify place, etc., and to contain statement of business: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act. c. Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act. d. Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act. e. Notice when not necessary: Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. f. The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014
26	Requisition of Extraordinary General Meeting	a. The Board may, whenever it thinks fit, call an Extraordinary General Meeting or it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the

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		Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit. b. Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists. c. Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty -one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid. d. Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board. e. No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened. f. The Extraordinary General Meeting called under this Article shall be subject to and in accordance with the provisions under the Act read with the Companies (Management and Administration) Rules, 2014.
27	No Business to be transacted in General Meeting if Quorum is not present	The quorum for the General Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the meeting if convened by or upon the requisition of Members, shall stand dissolved but in case of any other General Meeting shall be

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		adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day at such other time and place as the Board may determine and the agenda for the adjourned General Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.
28	Chairman	As per the provisions of section 104 of the Act the Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director Is present or If all the Directors present decline to take the Chair, then the Shareholders present shall elect one of their members to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant
29	Chairman can adjourn the General Meeting	The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
30	Demand or Poll	a. At any General Meeting, a resolution put to the vote of the General Meeting shall, unless voting is carried out electronically, be decided by way of show of hands. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise. b. In the case of equal votes, the Chairman shall have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.

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		c. If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the city, town or village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand. d. Where a poll is to be taken, the Chairman of the meeting shall appoint such number of scrutinizers as prescribed under the Act and Rules to scrutinise the votes given on the poll and to report thereon to him. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutinizer from office and fill vacancies in the office of scrutinizer arising from such removal or from any other cause. e. Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. f. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded. g. A Shareholder may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting. h. A Shareholder present by proxy shall be entitled to vote only on a poll. i. Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set

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		out under Section 105 and other provisions of the Act and in the Companies (Management and Administration) Rules, 2014. j. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting. k. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive. l. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such pole. The Company shall cause minutes of the proceedings of every General Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered. The book containing the Minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge. All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote m. Any corporation which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in

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		the Company (including the right to vote by proxy). n. The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, applicable SEBI Regulations or any other Law, if applicable to the Company.
31	Directors	a. Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). However, the Company may at any time appoint more than 15 (fifteen) directors after passing Special Resolution at a General Meeting. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the applicable SEBI Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time. b. Subject to Article 32(a), Sections 149, 152 and 164 of the Act and other provisions of the Act, the Company may increase or reduce the number of Directors. c. The Company may, and subject to the provisions of Section 169 of the Act, remove any Director before the expiration of his period of office and appoint another qualified Director. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed. d. At least one Director shall reside in India for a total period of not less than 182 (one hundred and eighty-two) days or for such number of days as may be notified by the Government from time to time in each Financial Year
32	Chairman of the Board of Directors	a. The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie. b. If for any reason the Chairman is not present at the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.

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33	Appointment of Alternate Directors	Subject to Section 161 of the Act, the Board shall be entitled to nominate an alternate director to act for a director of the Company during such director's absence for a period of not less than 3 (three) months from India. The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called "the Original Director") (subject to such person being acceptable to the Chairman) during the Original Director's absence. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of the office of the Original Director is determined before he so returns to India, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director
34	Casual Vacancy and Additional Directors	Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 31. Any Person so appointed as an addition shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.
35	Debenture Directors	If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company, but shall automatically cease and vacate office as a Director if and when the Debentures are fully discharged
36	Independent Directors	The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification

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		of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed SEBI Regulations.
37	Nominee Directors	The Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any Law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government Company.
38	Period of holding of office by Nominee Directors	The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds or continues to hold Debentures/shares in the Company as a result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding or pursuant to any private arrangement between the Company and institution and the Nominee Director/s so appointed in exercise of the said powers shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold Debentures/ shares in the Company or on the satisfaction of liability of the Company arising out of any guarantee furnished by the Corporation.
39	Appointment of Special Directors	On behalf of the Company, whenever Directors enter into a contract with any Government, Central, State or Local, any Bank or Financial institution or any person or persons (hereinafter referred to as "the appointer") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or entering into any other arrangement whatsoever the Directors shall have, subject to the provisions of Section 152 of the Act, the power to agree that such appointer shall have right to appoint or nominate by notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Directors may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill in any vacancy which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including

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		payment of remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with the appointer.
40	No Qualification Shares for Directors	A Director shall not be required to hold any qualification shares of the Company.
41	Remuneration of Directors	a. Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the SEBI Regulations, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole-time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act. b. Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board or any Committee thereof attended by him or remuneration in form of commission or fixed fees in accordance with the applicable provisions of the Act and the Rules. c. The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act. d. All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board subject to Section 197 and other applicable provisions of the Act, the Rules thereunder and of these Articles. Notwithstanding anything contained in this Article, the Independent Directors shall not be eligible to receive any stock options.
42	Special remuneration for extra services rendered by a Director	If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration

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		otherwise provided, subject to the applicable provisions of the Act.
43	Miscellaneous expenses of Directors	In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or (b) in connection with the business of the Company. The rules in this regard may be framed by the Board of Directors from time to time.
44	Continuing Directors	The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 31 hereof, the continuing Directors may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.
45	Disqualification and Vacation of office by a Director	a. A person shall not be eligible for appointment as a Director of the Company if he incurs any of the disqualifications as set out in section 164 and other relevant provisions of the Act. Further, on and after being appointed as a Director and subject to the provisions of the Act, the office of a Director shall ipso facto be vacated on the occurrence of any of the circumstances under section 167 and other relevant provisions of the Act. b. Subject to the applicable provisions of the Act, the resignation of a director shall take effect from the date on which the notice is received by the company or the date, if any, specified by the director in the notice, whichever is later.
46	Retirement of Directors by rotation	a. At every Annual General Meeting of the Company, one third of such of the Directors as are liable to retire by rotation in accordance with section 152 of the Act (excluding Independent Directors), or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re- election. b. The Directors to retire by rotation shall be those who have been longest in office since their last appointment but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Provided that and to the extent permissible under the Act and subject to the terms and condition of the appointment, the Managing Director, Joint Managing Director,

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		Deputy Managing Director, Manager, Independent Directors and Whole-Time Director(s) appointed or such other directors nominated pursuant to Articles 35 and 37 hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.
<u>47</u>	Managing Director(s) / Whole Time Director(s) / Executive Director(s) / Manager	a. Subject to the provisions of Section 203 of the Act and other applicable provisions of the Act and of these Articles, the Board may appoint from time to time one or more of their Directors to be the Managing Director or Joint Managing Director or Whole Time Director or Deputy Managing Director or Manager of the Company on such terms and on such remuneration (in any manner, subject to it being permissible under the Act) as the Board may think fit in accordance with the applicable provisions of the Act and the Rules thereunder. Subject to the provisions of the Act, the Managing Director or Joint Managing Director or Wholetime Director or Deputy Managing Director or Manager of the Company so appointed by the Board shall not while holding that office, be subject to retirement by rotation or taken into account in determining the rotation of retirement of directors unless otherwise provided in the terms and conditions of their appointment, but their office shall be subject to determination ipso facto if they cease from any cause to be a director or if the company in General Meeting resolve that their tenure of the office of Managing Director or Joint Managing Director or Wholetime Director or Deputy Managing Director or Manager be so determined. b. Subject to the approval of the Board of Directors of the Company, the Chairman of the Board of Directors of the Company can hold the position of the Managing Director and / or the Chief Executive Officer of the Company at the same time
<u>48</u>	Power and duties of Managing Director(s)/ Whole Time Director(s) / Executive Director(s)/ Manager	Subject to the provisions of the Act, the Directors, may from time to time entrust and confer upon a Managing Director, whole time director(s), executive director(s) or managers for the time being such of the powers exercisable upon such terms and conditions and with such restrictions as they may think fit either collaterally with or to the exclusion of and in substitution for all or any of their own powers and from time-to-time revoke, withdraw, alter or vary ail or any of such powers.

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49	Power to be exercised by the Board only by meeting	Subject to the provisions of the Act, the Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board: a. to make calls on Shareholders in respect of money unpaid on their shares; b. to authorise buy-back of securities under Section 68 of the Act; c. to issue securities, including debentures, whether in or outside India; d. to borrow money(ies); e. to invest the funds of the Company; f. to grant loans or give guarantee or provide security in respect of loans; and g. any other matter which may be prescribed under the Act, Companies (Meetings of Board and its Powers) Rules, 2014 and the applicable SEBI Regulations to be exercised by the Board only by resolutions passed at the meeting of the Board. The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any person permitted by Law the powers specified in sub clauses (d) to (f) above. In respect of dealings between the company and its bankers the exercise by the company of the powers specified in clause (d) shall mean the arrangement made by the company with its bankers for the borrowing of money by way of overdraft or cash credit or otherwise and not the actual day to day operation on overdraft, cash credit or other accounts by means of which the arrangement so made is actually availed of. The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the restrictions on the powers of the Board under section 180 of the Act.
50	Proceedings of the Board of Directors	a. At least 4 (four) Board Meetings shall be held in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings. b. The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio-visual means, as may be prescribed under the Act, which are capable of recording and recognising

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		the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio-visual means. Any meeting of the Board held through video conferencing or other audio-visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014. c. The Secretary, as directed by a Director, or any other Director shall, as and when directed by the Chairman or a Director convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014. d. At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any urgent matters as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one Independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances. e. At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.
51	Quorum for Board Meeting	a. Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be one-third of its total strength or two directors, whichever is higher, and the presence of Directors by video conferencing or by other audio-visual means shall also be counted for the purposes of calculating quorum. Provided that where at any time the number of interested

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		Directors exceeds or is equal to two- thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested present at the meeting being not less than two, shall be the quorum during such meeting. b. If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned to such other time as may be fixed by the Chairman.
52	Casting Vote	Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote. No regulation made by the Company in General Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.
53	Powers of the Board	Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law: a. The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the Memorandum and Articles of association of the Company. b. The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company. Provided that the Board shall not, except with the consent of the Company by a Special Resolution: - 1. Sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. The term ‘undertaking’ and the expression ‘substantially the whole of the undertaking’ shall have the meaning ascribed to them under the provisions of Section 180 of the Act; 2. Remit, or give time for repayment of, any debt due by a Director; 3. Invest otherwise than in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation; and

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		4. Borrow money(ies) where the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of businesses), will exceed the aggregate of the paid-up capital of the Company, its free reserves and securities premium account c. Certain Powers of the Board – Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article and other provisions of the Act, it is hereby declared that the Directors shall have the following powers, that is to say, power: ● To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the company. ● Payment out of Capital: To pay and charge to the capital account of the company any commission or interest lawfully payable thereout under the provisions of Sections 40(6) of the Act, ● To acquire property: Subject to Sections 179 and 188 of the Act to purchase or otherwise acquire for the Company any property, rights, privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they think fit, and in any such purchases or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory, ● To pay for property, etc.: At their discretion and subject to the provisions of the Act, to pay for any property, rights, or privileges acquired or services rendered in the Company either wholly or partially, in cash or in shares, bonds, debentures, mortgages, or other securities of the such amount credited as paid up thereon as may be agreed upon and any such bonds; debentures, mortgages or other securities may be either, specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged. ● To secure contracts: To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its

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		uncalled capital for the time being or in such manner as they may think fit. ● To accept surrender of shares: To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed. ● To appoint Trustees: To appoint any person to accept and to hold in trust for the Company any property belonging to the Company, or in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees. ● To bring and defend actions: To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers or otherwise payment or satisfaction of any debts due, and of any claims or demands by or against the Company, and to refer any differences to arbitration, and observe and perform any awards made thereon. ● To act in insolvency matters: To act on behalf of the Company in all matters relating to bankrupts and insolvents. ● To give receipts: To make and give receipts, releases and other discharges for moneys payable to the Company, and for the claims and demands of the Company. ● To invest moneys: Subject to the provisions of Sections 179, 180 (1) I, 185, and 186 of the Act, to invest, deposit and deal with any moneys of the Company not immediately required for the purpose thereof, upon such security (not being shares of this Company), or without security and in such manner as they may think fit, and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name. ● To provide for Personal Liabilities: To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety; for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit; and any such mortgage may contain a power of sale, and such other powers, provisions, covenants and agreements as shall be agreed upon. ● To authorise acceptances: To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend

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		warrants, releases, contracts and documents and to give necessary authority for such purpose. ● To distribute bonus: To distribute by way of bonus amongst the staff of the Company a share in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as part of the working expenses of the Company. ● To provide for welfare of employees: To provide for the welfare of Directors or Ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependants or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of moneys, pensions, gratuities, allowances, bonus or other payments; or by creating and from time to time subscribing or contributing to provident and other associations, institutions or funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and subject to the provisions of Section 180 of the Act. To subscribe or contribute or otherwise to assist or to guarantee money to any charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation, or of public and general utility or otherwise. ● To create reserve fund : Before recommending any dividend to set aside, out of the profits of the Company such sums as they may think proper for depreciation or to a Depreciation Fund or to an Insurance Fund or as a Reserve Fund or Sinking Fund or any special fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause), as the Board may in their absolute discretion think conducive to the interest of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they think fit, and from time to time to deal with and vary such investments and dispose of and apply and

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		expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion, think, conducive to the interest of the company notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the company might rightly be applied or expended, and to divide the reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of the Reserve Fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund and with full power to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the company or in the purchase or repayment of debentures or debenture- stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.
54	Committees and delegation by the Board	a. The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the applicable SEBI Regulations. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive director(s) or manager or the chief executive officer of the Company. The Managing Director(s), the executive director(s) or the manager or the chief executive officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board. b. Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time-to-time revoke and discharge any such committee of the Board

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		either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board. c. The meetings and proceedings of any such Committee of the Board consisting of more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.
55	Acts of Board or Committee valid notwithstanding informal appointment	All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.
56	Passing of resolution by circulation	a. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the Chairman shall put the resolution to be decided at a meeting of the Board.

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		A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and be recorded in the minutes of such meeting.
57	Minutes of the proceedings of the meeting of the Board	a. The Company shall prepare, circulate and maintain minutes of each Board Meeting in accordance with the Act and Rules and such minutes shall contain a fair and correct summary of the proceedings conducted at the Board Meeting. b. The minutes kept and recorded under this Article shall also comply with the provisions of Secretarial Standard 1 issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980 and approved as such by the Central Government and applicable provisions of the Act and Law.
58	The Secretary	Subject to the provisions of Section 203 of the Act, the Board may, from time to time, appoint any individual as the Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him/ her by the Board. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.
59	Seal	a. The Board may provide a Seal of the Company, and shall have power from time to time to substitute or destroy the same and substitute a new Seal in lieu thereof. b. Subject to Article 59 (a), the Board may, if a Seal is required to be affixed on any instrument, affix the Seal of the Company, to any instrument by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least 2 (two) Directors and of the Secretary or such other person as the Board may appoint for the purpose; and those 2 (two) Directors and the Secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.
60	Dividend	a. The profits of the Company, subject to any special rights relating thereto being created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the Shareholders in proportion to the amount of

Article No.	Title	Content
		Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment. b. Subject to the provisions of Section 123 of the Act, the Company in General Meeting may declare Dividends, to be paid to Shareholders according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof. c. No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act or out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with the provisions of the Act and remaining undistributed, or out of both, and provided that the declaration of the Board as to the amount of the net profits shall be conclusive. d. Subject to Section 123, the Board may, from time to time, pay to the Shareholders such interim Dividend as in their judgment the position of the Company justifies. e. Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend. f. Subject to the rights of Persons, if any, entitled to shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof Dividend is paid but if and so long as nothing is paid upon any shares in the Company, Dividends may be declared and paid according to the amount of the shares. No amount paid or credited as paid on shares in advance

Article No.	Title	Content
		of calls shall be treated for the purpose of this Article as paid on shares. All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid, but if any shares are issued on terms providing that it shall rank for Dividend as from a particular date such shares shall rank for Dividend accordingly. g. Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon shares in respect of any Person, until such Person shall have become a Shareholder, in respect of such shares or until such shares shall have been duly transferred to him. h. Any one of several Persons who are registered as the joint -holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other money(ies) payable in respect of such shares. i. Subject to the applicable provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any such Shareholder all sums of money so due from him to the Company. j. Subject to Section 126 of the Act, a transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer. k. No unpaid Dividend shall bear interest as against the Company.
61	Unpaid or Unclaimed Dividend	a. Subject to the provisions of the Act, if the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank.

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		b. Subject to provisions of the Act, any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. "Investors Education and Protection Fund". c. Subject to the provisions of the Act, no unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.
62	Accounts and Board's Report	a. The Company shall prepare and keep the books of accounts or other relevant books and papers and financial statements for every Financial Year which give a true and fair view of the state of affairs of the Company, including its branch office or offices, if any, in accordance with the Act, Rules and as required under applicable Law. b. In accordance with the provisions of the Act, along with the financial statements laid before the Shareholders, there shall be laid a 'Board's report' as to the state of the Company's affairs and as to the amounts, if any, which it proposes to carry to any reserves in such balance sheet and the amount, if any, which it recommends should be paid by way of dividend; and material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the balance sheet relates and the date of the report. The Board shall also give the fullest information and explanations in its report aforesaid or in an addendum to that report, on every reservation, qualification or adverse remark contained in the auditor's report and by the company secretary in practice in his secretarial audit report. c. The Company shall comply with the requirements of Section 136 of the Act.
63	Documents and Notices	a. A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either personally or by sending it by post or by registered post or by courier or by any electronic means to him to his registered address. b. Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing,

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		prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course. c. A document or notice may be given or served by the Company to or on the joint – holders of a Share by giving or serving the document or notice to or on the joint- holder named first in the Register of Members in respect of the Share. d. Every person, who by operation of Law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the register of Shareholders, shall have been duly served on or given to the Person from whom he derives his title to such Share. e. Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed, photostat or lithographed. f. All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office. g. Where a document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a member has registered his

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		electronic mail address with the Company,. Provided that the Company, shall provide each member an opportunity to register his email address and change therein from time to time with the Company or the concerned depository. The Company shall fulfil all conditions required by Law, in this regard.
64	Service on Members having no registered address	If a Shareholder does not have registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.
65	Notice by Advertisement	Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.
66	Winding up	a. If the Company shall be wound up, the Liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act divide amongst the Shareholders, in specie or kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. b. For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. c. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.
67	Indemnity	Every officer of the company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.
68	Director’s etc. not liable for certain acts	Subject to the provision of the Act, no Director, Manager or Officer of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director,

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		Manager or Officer or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the company through the insufficiency or deficiency of title to any property acquired by order of the directors or for any loss or expenses happening to the Company through the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof, unless the same shall happen through the negligence, default, misfeasance, breach of duty or breach of trust of the relevant Director, Manager or Officer.
69	Signing of Cheques	Subject to applicable Law and Section 22 of the Act, all cheques, promissory notes, drafts, bills of exchange, and other negotiable instruments, and all receipts for moneys paid by the company, shall be signed, drawn, accepted or otherwise executed as the case may be, in such manner as the Board shall from time to time by resolution determine.
70	Amendment to Memorandum and Articles of Association	The Company may amend its Memorandum of Association and Articles of Association subject to Sections 13, 14 and 15 of the Act and such other provisions of Law, as may be applicable from time-to-time.
71	Secrecy of works or information	No shareholder shall be entitled to visit or inspect the Company's work without permission of the Directors or to require discovery of any information respectively of any details of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Directors will be inexpedient in the interest of the Shareholders of the Company to communicate to the public.
72	Duties of the Officer to observe secrecy	Every Director, Managing Directors, manager, Secretary, Auditor, trustee, members of the committee, officer, servant, agent, accountant or other persons employed in the business of the Company shall, if so required by the Directors before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company with its customers and the state of accounts with individuals and all manufacturing, technical and business information of the company and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which

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		may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors, or by resolution of the Company in the general meeting or by a court of law a except so far as may be necessary in order to comply with any of the provision of these Articles or Law.
73	Authorizations	a. Wherever in the Act it has been provided that the Company or the Board shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company or the Board is so authorized by its Articles, then and in that case these Articles hereby authorize and empower the Company and/ or the Board (as the case may be) to have all such rights, privileges, authorities and to carry out all such transactions as have been permitted by the Act without there being any specific regulation to that effect in these Articles save and except to the extent that any particular right, privilege, authority or transaction has been expressly negated or prohibited by any other Article herein). b. If pursuant to the approval of these Articles, if the Act requires any matter any matter previously requiring a special resolution is, pursuant to such amendment, required to be approved by an ordinary resolution, then in such a case these Articles hereby authorize and empower the Company and its Shareholders to approve such matter by an ordinary resolution without having to give effect to the specific provision in these Articles requiring a special resolution to be passed for such matter.
74	Other Powers	To guarantee or join in guaranteeing either alone or jointly or jointly and severally the payment of money secured by, or payable under, or in respect of any bill of exchange, promissory note, debenture, debenture bond, debenture stock, contract, mortgage, charge, obligation or security executed, entered into or given by the Company, group companies, subsidiaries, or joint venture or otherwise to guarantee or become sureties for the performance of any contracts or obligations of such persons;

SECTION X - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company), which are or may be deemed material will be attached to the copy of the Red Herring Prospectus and the Prospectus which will be filed with the RoC and will also be available on the website of the Company which can be accessed at www.blseservices.com . Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at our Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid / Issue Closing Date (except for such agreements executed after the Bid / Issue Closing Date).

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A. Material contracts for the Issue

1. Issue Agreement dated August 4, 2023, entered into between our Company and the BRLM.

2. Registrar Agreement dated August 4, 2023, entered into between our Company and the Registrar to the Issue.

3. Cash Escrow and Sponsor Bank Agreement dated [●] entered into between our Company, the Registrar to the Issue, Syndicate Members, the BRLM and the Banker(s) to the Issue.

4. Syndicate Agreement dated [●] entered into between our Company, the BRLM, the Syndicate Members and the Registrar.

5. Monitoring Agency Agreement dated [●] entered into between our Company and the Monitoring Agency.

6. Underwriting Agreement dated [●] entered into between our Company and the Underwriters.

B. Material documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended from time to time.

2. Certificate of incorporation dated April 12, 2016.

3. Fresh certificate of incorporation consequent upon conversion to public limited company dated April 10, 2023.

4. Resolution of the Board of Directors and the Shareholders of our Company dated July 31, 2023 and August 1, 2023, respectively authorising the Issue and other related matters.

5. Resolution of the Board of Directors of our Company dated August 4, 2023, approving this Draft Red Herring Prospectus.

6. Appointment letter dated June 27, 2023, appointing CRISIL as the industry report provider.

7. Consent dated July 27, 2023 from CRISIL to rely on and reproduce part or whole of the report, "*Assessment of Business Correspondents, E-Governance and other Digital services in India*" dated July 2023 and include their name in this Draft Red Herring Prospectus.

8. Report issued by the Statutory Auditor dated August 1, 2023, on the statement of special tax benefits available to our Company.

9. Industry report titled "Assessment of Business Correspondents, E-Governance and other Digital services in India" dated July 2023, issued by CRISIL Research which is a paid report and was commissioned by us pursuant to an engagement letter dated June 27, 2023, exclusively in connection with the Issue.

10. Certificate on KPIs issued by MRKS and Associates, Independent Chartered Accountants dated August 4, 2023.

11. Consent from the Statutory Auditor namely, S S Kothari Mehta & Company, Chartered Accountants to include their name as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as Statutory Auditor and in respect of the: (i) examination report dated July 10, 2023 on our Restated Consolidated Financial Information, and (ii) report dated August 1, 2023 on the statement of special tax benefits available to our Company and included in this Draft Red Herring Prospectus.

12. Consent from MRKS and Associates, Chartered Accountants to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of various certifications issued by them in their capacity as Independent Chartered Accountant to our Company.

13. Consent from Chetan Sharma & Associates, Chartered Engineer, to include their name as required under Section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the chartered engineer in respect of certification issued and included in this Draft Red Herring Prospectus.

14. Copies of annual reports of our Company for the Fiscals 2022, 2021 and 2020.

15. Consent of our Directors, BRLM, Syndicate Members, the legal counsel to the Issue, International Legal Counsel to the Book Running Lead Manager, Registrar to the Issue, Statutory Auditor, Independent Chartered Accountant, Chartered Engineer, Monitoring Agency, Banker(s) to the Issue, Banker to our Company, Company Secretary and Compliance Officer, and Chief Financial Officer, as referred to in their specific capacities.

16. Tripartite agreement dated November 4, 2022, amongst our Company, NSDL and the Registrar to the Issue.

17. Tripartite agreement dated October 4, 2022, amongst our Company, CDSL and the Registrar to the Issue.

18. Due diligence certificate dated August 4, 2023, addressed to SEBI from the BRLM.

19. In-principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively.

20. SEBI observation letter dated [●] and the in-seriatim reply of the BRLM dated [●].

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines/regulations issued by the Government of India and the guidelines / regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, and or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Rahul Sharma
Executive Director

Place: New Delhi
Date: August 4, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines/regulations issued by the Government of India and the guidelines / regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Shikhar Aggarwal
Chairman and Non-Executive Director

Place: New Delhi
Date: August 4, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines/regulations issued by the Government of India and the guidelines / regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Diwakar Aggarwal
Non- Executive Director

Place: New Delhi
Date: August 4, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines/regulations issued by the Government of India and the guidelines / regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Shivani Mishra
Independent Director

Place: New Delhi
Date: August 4, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines/regulations issued by the Government of India and the guidelines / regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ram Prakash Bajpai
Independent Director

Place: New Delhi
Date: August 4, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines/regulations issued by the Government of India and the guidelines / regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Rakesh Mohan Garg
Independent Director

Place: New Delhi
Date: August 4, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines/regulations issued by the Government of India and the guidelines / regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Mohan Joshi
Independent Director

Place: New Delhi
Date: August 4, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines/regulations issued by the Government of India and the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or the rules made or guidelines / regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Rahul Sharma
Chief Financial Officer

Place: New Delhi
Date: August 4, 2023