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Issue Details

| Issue Details | |
|---|-----------|
| Issue Size (Value in ₹ million, Upper Band) | 3,109 |
| Fresh Issue (No. of Shares in Lakhs) | 230.30 |
| Offer for Sale (No. of Shares in Lakhs) | Nil |
| Bid/Issue opens on | 30-Jan-24 |
| Bid/Issue closes on | 01-Feb-24 |
| Face Value | ₹ 10 |
| Price Band | 129-135 |
| Minimum Lot | 108 |

Objects of the Issue

➤ Fresh Issue: ₹3,109 million

- Strengthening the technology infrastructure to develop new capabilities and consolidating the existing platforms;
- Funding initiatives for organic growth by setting up of BLS Stores;
- Achieving inorganic growth through acquisitions; and
- General Corporate Purposes

| Book Running Lead Managers | |
|----------------------------------|--|
| Unistone Capital Private Limited | |
| Registrar to the Offer | |
| Kfin Technologies Limited | |

| Capital Structure (₹ million) | Aggregate Value |
|--|-----------------|
| Authorized share capital | 1,100.00 |
| Subscribed paid up capital (Pre-Offer) | 678.26 |
| Paid up capital (Post - Offer) | 908.57 |

| Share Holding Pattern % | Pre-Issue | Post Issue |
|----------------------------|-----------|------------|
| Promoters & Promoter group | 92.3 | 68.9 |
| Public | 7.7 | 31.1 |
| Total | 100 | 100 |

Financials

| Particulars (₹ In million) | H1 FY24 | FY23 | FY22 | FY21 |
|---|---------------|---------------|--------------|--------------|
| Revenue from operations | 15,617 | 24,306 | 9,670 | 6,449 |
| Operating expenses | 13,555 | 21,000 | 8,977 | 5,976 |
| EBITDA | 2,062 | 3,306 | 692 | 473 |
| Other Income | 187 | 323 | 170 | 75 |
| Depreciation | 138 | 278 | 82 | 7 |
| EBIT | 2,111 | 3,351 | 780 | 540 |
| Interest | 34 | 393 | 102 | 148 |
| Profit before tax and excep item | 2,077 | 2,958 | 678 | 392 |
| Exceptional item | - | 260 | - | - |
| PBT | 2,077 | 2,698 | 678 | 392 |
| Tax | 609 | 665 | 140 | 77 |
| Consolidated PAT | 1,467 | 2,033 | 538 | 315 |
| EPS | 16.15 | 22.38 | 5.92 | 3.47 |
| Ratios | H1 FY24 | FY23 | FY22 | FY21 |
| EBITDAM | 13.20% | 13.60% | 7.16% | 7.33% |
| PATM | 9.40% | 8.36% | 5.56% | 4.88% |
| Sales growth | | 151.36% | 49.95% | |

Sector- IT Services

Company Description

BLS E-Services is a 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 their robust network company provides 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. Their merchants act as interface with the consumers and play a critical role in delivery of goods and services on the ground. Presently, their merchants are organized in two categories i.e. BLS touch points and BLS Stores. All merchants registered with them are treated as BLS touch points and they have access to offer multiple services being extended by them. BLS Stores are BLS branded stores which offer 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 their consumers after having a touch and feel experience of such goods. As on September 30, 2023, they have 98,034 BLS touch points, which includes 1,016 BLS Stores.

Through their tech-enabled integrated business model, company 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. Company organize their 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 their business segments are merchants, with whom they collaborate for delivery of their products and services to the citizens.

As a part of their operations, company 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 their subsidiaries, namely ZMPL and Starfin. They generate revenue from monthly commission; transaction-based commission; and registration Fees. Further, company also provides a variety of Assisted E-Services through retailers and digital stores also known as BLS touch points, including PoS services, ticketing services, assisted e-commerce services, etc. The revenue generated under this business segment is through registration fees; transaction-based commission on goods & services supplied; and support service charge.

Valuation

BLS E-Services Ltd is having an asset light business model with multiple cross-selling and up-selling opportunities, network effect and wide reach for customer acquisition and a business model with diverse sources of revenue and negligible customer acquisition and retention costs along with experienced senior management, skilled employees, and strong parentage of our Corporate Promoter "BLS International Services Limited.

At the upper price band company is valuing at P/E of 60.0x, with a market cap of ₹ 12,265 million post issue of equity shares and return on capital employed of 30.62%.

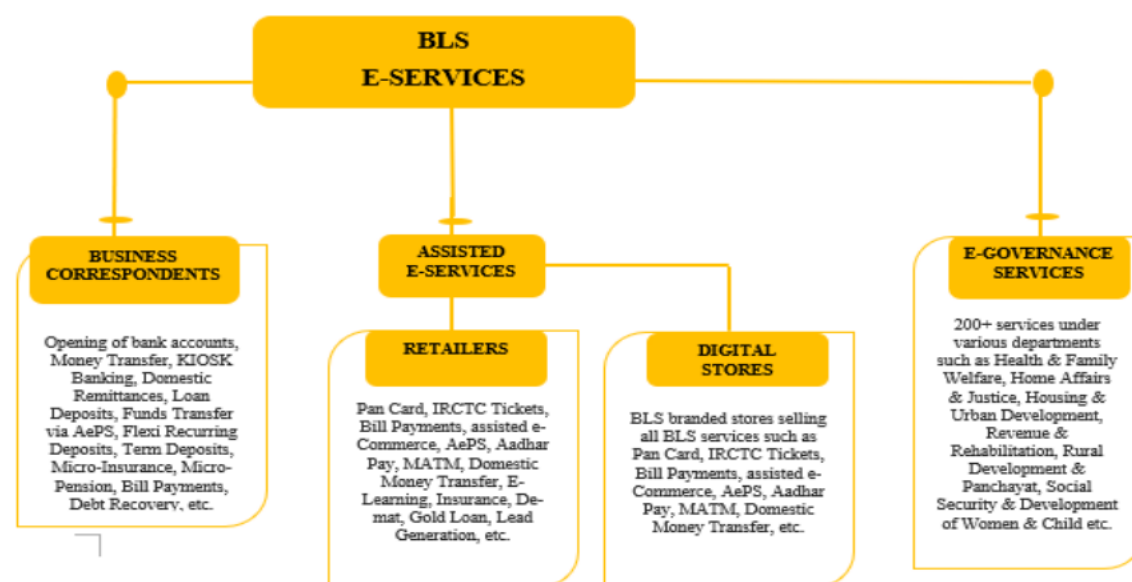
We believe that valuations of the company are fairly priced, hence we recommend a '**SUBSCRIBE- Long term**' rating to the IPO.

Business Segments

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

| Particulars | H1 FY24 | FY23 | FY22 | FY21 |
|--------------------------------------|------------------|------------------|-----------------|-----------------|
| BC Business Revenue | 10,315.28 | 14,830.95 | 2,149.49 | 1,795.56 |
| E-Governance Revenue | 4,426.41 | 8,258.27 | 7,073.66 | 4,612.02 |
| Assisted E-Services | 876.19 | 1,216.85 | 446.66 | 41.14 |
| Total Revenue from Operations | 15,617.88 | 24,306.07 | 9,669.82 | 6,448.72 |

Company diversified platform allows them 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 their company:



Strengths:

➤ Asset light business model

Company's merchant led models are a capital light business strategy in respect of network expansion. They have developed their own technology platform and continue to invest in it for further improvements, which allows them to service a wide pool of citizens and merchants and cater to their diversified requirements. The premises from which BLS Touch points and the BLS Stores operate are owned / leased by their merchants and they provide them with necessary technology and other infrastructure (as applicable) enabling them to extend their services to the end consumers. The success of their reliance on these merchants emanates from a robust mechanism of background checks and minimum qualification criteria, they undertake and their respective position in the local societies which acts as a deterrent for such merchants from delinquencies in their arrangement with them.

In addition, their focus on and use of technology throughout their business assists them in expanding their reach throughout India without incurring the relatively higher costs associated with traditional brick and mortar branch presence. They incur minimal capital expenditure in connection with on-boarding their 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 their technology significantly simplifies their 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 their merchants to make investments for converting a BLS touch point to BLS Store they intend to assist such merchants by making investments to substantially increase their BLS Stores footprint on a pan-India basis from the proceeds of the Offer.

➤ Company enable social and financial inclusion in India

Company believe that access to technology and financial services gives power to citizens to improve their lives and impact their 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, their Material Subsidiary, ZMPL was the first ever business correspondent in the history of Indian banking system. They provide a variety of products and services in India through their BLS touch points and BC network, including PoS services, ticketing services, assisted e-commerce services, etc. Their presence in the local market and community help them 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 their business model. Through their business model, they 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.

Their Business Correspondent services enable financially illiterate and unaware citizens understand the need to shift from informal to formal sources of finance. With services offerings, company intend to reach out to a wider section of society, as well as underprivileged people with no access to credit or E-Governance Services. They use their understanding of the regions and provide an array of products and services keeping in mind local demands and preferences. Their dedicated B2B2C services portal which supports their merchants to earn money from various assisted e-services that they cross sell to citizens visiting their centres for G2C services. Company's 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.

➤ **Multiple cross-selling and up-selling opportunities, network effect and wide reach for customer acquisition**

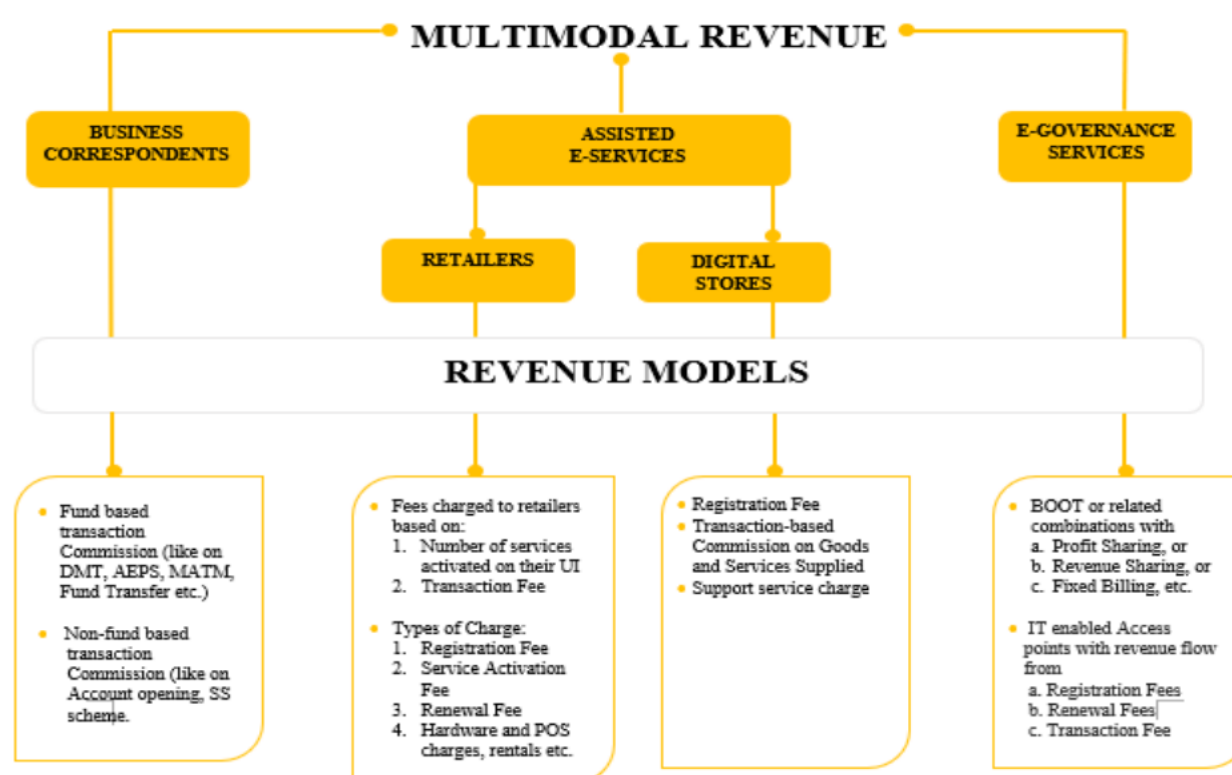
Company's ability to bring together the advantages of G2C, B2B and B2C models within a single platform, provide many touch points for the consumer and back-end entities, thereby enhancing the customer footfall by 4,04,153 consumers at their BLS touch points and BLS Stores and to increase scalability. This, coupled with their 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 their ability to cross-sell various complementary products and services, in addition to their presence in multiple industries, they typically have low marketing and business promotion expenses and thus, improved opportunities for profitability and unit economics metrics.

Accordingly, company have a high operating leverage business model, allowing them to reduce customer onboarding costs over time. Their newly launched, BLS Sewa app is a one-stop solution for all their products and services such as edu-tech 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. They combine their one-stop solution approach with sophisticated data analytics capabilities to anticipate customer behavior and profiles to generate insights for cross-selling and up-selling these products within their network. Company has witnessed significant cross-sell traction on the newly launched BLS Sewa App from consumers visiting the app for buying other products.

➤ **Business model with diverse sources of revenue and negligible customer acquisition and retention costs**

Company's revenue from operations in the six months period ended September 30, 2023 and Fiscals 2023, 2022 and 2021 was ₹15,617.88 lakhs, ₹24,306.07 lakhs, ₹9,669.82 lakhs and ₹6,448.72 lakhs, respectively. This was primarily attributable to an increase in their array of services provided through BLS touch points and BCs. Profit before tax ("PBT") in the six months period ended September 30, 2023 and in Fiscals 2023, 2022 and 2021 was ₹2,077.54 lakhs, ₹2,697.94 lakhs, ₹677.74 lakhs and ₹392.22 lakhs, respectively.

Set forth below is a depiction of their multimodal revenue streams:



They charge their consumers a service fee and transactional commission for implementing their product and services offerings. Further, company charge their 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, they have also begun to earn merchant commissions and commission on assisted e-services sales.

Key Strategies:➤ **Strengthening and integrating their 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. They 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.

Company have developed expense management tool, field management tool and business tool which has reduced the cost of resources. Further, they 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, company intend to integrate their existing technology platforms to a common technology platform comprising of a common service portal and mobile application. Through their common technology platform they intend to link all channels i.e., Business Correspondents, Assisted E-Services and E-Governance Services. They are dedicated to investing in technology to derive the growth of their business.

➤ **Grow their merchants and BLS Stores network**

The company endeavour to continue growing their merchant network across India, to provide more efficient services to citizen of India, especially to people belonging to semi-urban, rural and remote areas. They intend to upgrade their 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 their 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 they intend to increase their BLS Stores network by converting BLS touch points to BLS Stores.

As of September 30, 2023, company had an operational presence of BLS touch points in over majority districts in India, and during the last three financial years and as of September 30, 2023, they on boarded 96,162 new merchants in their network. With a goal to penetrate into the rural market and acquire more consumers, they intend to continue expanding their 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. They expect that growth will come via further expansion of their geographic footprint and deeper penetration in the regions they 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 their payment of commission to their merchants increases per transaction.

Company 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, they are exploring partnerships with national and State Governments for delivery of ICT based citizen centric services. Their Corporate 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, company will be implementing the same.

➤ **Pursue strategic investments and acquisitions to enhance product and service capabilities**

Company have a successful track record of having implemented acquisition strategies to enter complementary businesses or to enter new geographies. They intend to continue making accretive acquisitions in geographies of interest and in complementary business areas, while centralizing all their core functionalities, to facilitate efficiencies and cross selling opportunities. Given their expertise in handling a range of IT/ ITES projects and their ability to provide diversified services and solutions, company intend to offer their services selectively in jurisdictions outside India. They will look to leverage their expertise of working and developing projects for the Indian government to similar projects in countries where they are currently evaluating projects. Company may also consider selective acquisitions and investments that will complement their existing infrastructure and service offerings.

➤ **Leverage existing market position to grow each business segments, with an aim to improve cross-selling results**

The company aim to continue growing each of their business segments and with a particular focus on their cross-selling strategies, which they believe will further entrench their value proposition with their consumers and is consistent with mission to serve their consumers' entire digital journey in a comprehensive manner by merging all their product and service functionalities into a single ecosystem. While company believe that they already have strong market positions in each of their business segments and others, they believe that there is continued scope for expansion given the growing demand for the various products and services offer and in particular, the growing demand for digital products and services in India alone.

Company endeavour to continue to increase the engagement and retention of their consumers on their platform by offering them relevant, innovative and integrated products. With an aim to improve cross selling opportunities, their Subsidiary Starfin, has obtained registration from Insurance Regulatory and Development Authority of India as corporate agents. Company 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.

Future BLS Center – One Stop Solution



Industry Snapshot:

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.

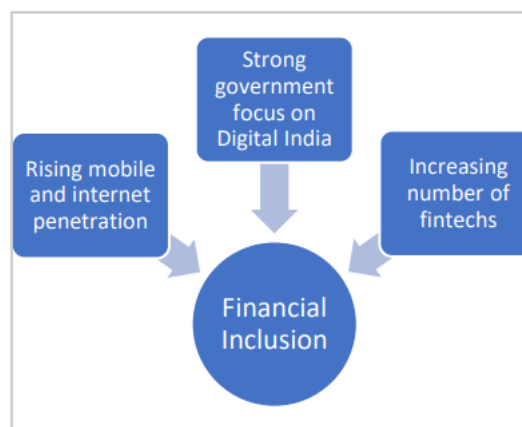
While advancement in e-government development remains strongly correlated with national income, there are some notable exceptions which indicates that income level of the country matters but is not the sole factor determining the level of e-government development. High-income countries have already reached 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.

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.



Digital Transactions

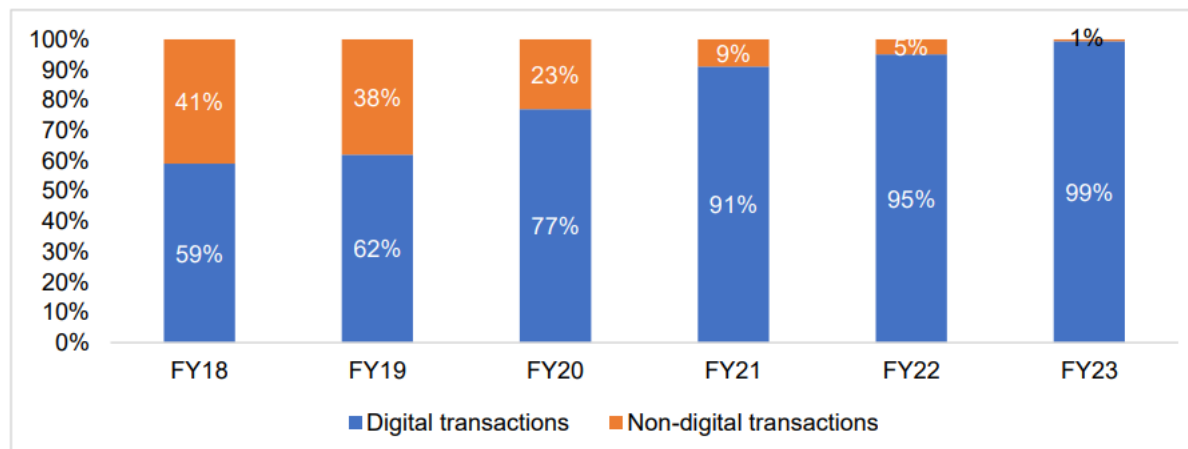
- Increasing share of digital channels in domestic monetary transactions

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.

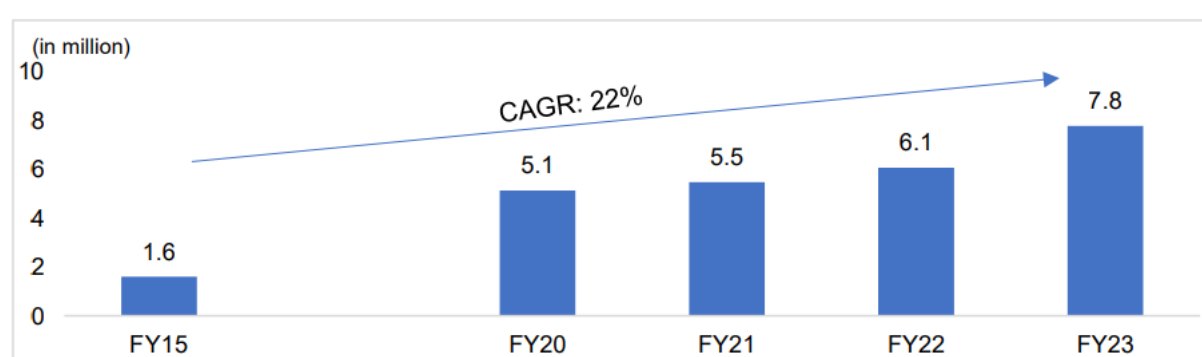
Trend in volume of digital payments



- 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



➤ **Accounting ratios**

| Particulars | H1 FY24 | FY23 | FY22 | FY21 |
|----------------------------|-----------|-----------|----------|----------|
| Revenue From operations | 15,617.88 | 24,306.07 | 9,669.82 | 6,448.72 |
| Total revenue | 15,804.53 | 24,629.27 | 9,839.56 | 6,523.35 |
| EBITDA | 2,249.61 | 3,628.96 | 862.07 | 547.29 |
| EBITDA Margin (%) | 14.23 | 14.73 | 8.76 | 8.39 |
| Profit after tax | 1,468.11 | 2,033.18 | 537.96 | 314.82 |
| PAT Margin (%) | 9.4 | 8.36 | 5.56 | 4.88 |
| Return on Equity (ROE) (%) | 12.92 | 33.33 | 43.48 | 38.91 |
| Debt To Equity Ratio | 0.07 | 0.05 | 1.01 | 1.14 |

Key Risk:

- Company predominantly undertake fee and commission-based activities, and their financial performance may be adversely affected by their inability to generate income from such activities.
- None of the e-governance projects are awarded to their Company directly. All of their contracts with respect to E-Governance projects are awarded to their Corporate Promoter, BLS International Services Limited by governmental agencies for providing G2C services to the citizens and to BLS Kendras, their subsidiary for providing E- Governance.
- As a result of their limited operating history, they may not be able to compete successfully, and it may be difficult to evaluate their business and future operating results on the basis of their past performance.
- Company and their 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 the past, SEBI had issued summons to their corporate promoter, for production of documents and for personal appearance before the investigating authority. Their Corporate Promoter may be subject to investigations, enquiries or legal actions.
- A substantial portion of the revenue is generated by BC business operated by their subsidiaries, ZMPL and Starfin for their banking partners. The businesses of their banking partners are regulated by the RBI and any change in the RBI's policies, decisions and regulatory framework could adversely affect their business, cash flows, results of operations and financial condition.
- Deterioration in the performance of their Subsidiaries may adversely affect their results of operations and their ability to pay dividends on the Equity Shares depends on their ability to obtain cash dividends or other cash payments.

Valuation:

BLS E-Services Ltd is having an asset light business model with multiple cross-selling and up-selling opportunities, network effect and wide reach for customer acquisition and a business model with diverse sources of revenue and negligible customer acquisition and retention costs along with experienced senior management, skilled employees, and strong parentage of our Corporate Promoter "BLS International Services Limited.

At the upper price band company is valuing at P/E of 60.0x, with a market cap of ₹ 12,265 million post issue of equity shares and return on capital employed of 30.62%.

We believe that valuations of the company are fairly priced, hence we recommend a '**SUBSCRIBE- Long term**' rating to the IPO.

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- ☐ Analysts' ratings and the corresponding expected returns take into account our definitions of Large Caps, Mid-Caps & Small Caps as described in the Ratings Table below:

| Ratings Guide (12 months) | Buy | Hold | Sell |
|--|------|--------|----------|
| Large Caps (Top 100 companies) | >15% | 0%-15% | Below 0% |
| Mid Caps (101st-250th company) | >20% | 0%-20% | Below 0% |
| Small caps (251 st company onwards) | >25% | 0%-25% | Below 0% |

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