

May 14, 2024

To, National Stock Exchange of India Ltd., Exchange Plaza, C-1 Block G, Bandra Kurla Complex Bandra [E], Mumbai – 400051	To, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai -400 001
NSE Scrip Symbol: BLSE	BSE Scrip Code: 544107
ISIN: INE0NLT01010	ISIN: INE0NLT01010

Dear Sir/Madam,

Sub: Monitoring Agency Report for the Quarter Ended March 31, 2024**Ref: Regulation 32(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“Listing Regulations”).**

Pursuant to Regulation 32(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“Listing Regulations”), we are enclosing herewith the Monitoring Agency Report, received from Monitoring Agency CRISIL dated 14/05/2024, for the quarter ended 31st March, 2024 in relation to the utilization of proceeds from Initial Public Offer of the Company.

You are requested to take the same on record.

For BLS E-Services Limited

Sameer Kumar
Company Secretary and Compliance Officer
Membership No. A32216

Encl: as above

**Monitoring Agency Report
for
BLS E-Services Limited
for the quarter ended
March 31, 2024**

CRL/MAR/ BSESP5 /2023-24/1090

May 14, 2024

To

BLS E-Services Limited

G-4B-1, Extension, Mohan Co-operative
Indl. Estate Mathura Road, South Delhi,
New Delhi -110044

Dear Sir,

**Monitoring Agency Report for the quarter ended March 31, 2024 - in relation to the Initial Public Offer ("IPO")
of BLS E-Services Limited ("the Company")**

Pursuant to Regulation 41 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**ICDR Regulations**") and Monitoring Agency Agreement dated January 23, 2024, entered with the Company, we enclose herewith the Monitoring Agency Report, issued by CRISIL Ratings Limited, as per Schedule XI of the SEBI ICDR Regulations towards utilization of IPO proceeds for the quarter ended March 31, 2024.

Request you to kindly take the same on records.

Thanking you,

For and on behalf of CRISIL Ratings Limited



Sushant Sarode

Director, Ratings (LCG)

Report of the Monitoring Agency (MA)

Name of the issuer: BLS E-Services Limited

For quarter ended: March 31, 2024

Name of the Monitoring Agency: CRISIL Ratings Limited

(a) Deviation from the objects: Not applicable

(b) Range of Deviation: Not applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit-related analyses. We confirm that we do not perceive any conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management/ Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Signature: 

Name and designation of the Authorized Signatory: Sushant Sarode

Designation of Authorized person/Signing Authority: Director, Ratings (LCG)

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1) Issuer Details:

Name of the issuer	BLS E-Services Limited
Names of the promoter	a. Diwakar Aggarwal b. Shikhar Aggarwal c. BLS International Services Limited
Industry/sector to which it belongs	IT Enabled Services

2) Issue Details

Issue Period:	Tuesday, January 29, 2024, to Thursday, February 1, 2024
Type of issue (public/rights):	Initial Public Offer (IPO)
Type of specified securities:	Equity Shares
IPO Grading, if any:	NA
Issue size:	Fresh issuance - gross proceeds of Rs 30,929.29 lakh (net proceeds of Rs 27,774.50 lakh)

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source information of / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Management undertaking, Statutory Auditor's Certificate ^, Prospectus, Bank Statements	No Comments	No Further Comments
Whether shareholder approval has been obtained in case of material deviations from expenditures disclosed in the Offer Document?	NA	Management undertaking, Prospectus	No Comments	NA
Whether the means of finance for the disclosed objects of the issue has changed?	No		No Comments	No Further Comments

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Particulars	Reply	Source information certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Is there any major deviation observed over the earlier monitoring agency reports?	No	Management undertaking	No Comments	No Further Comments
Whether all Government/statutory approvals related to the object(s) have been obtained?	NA		No Comments	NA
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	NA		No Comments	NA
Are there any favorable events improving the viability of these object(s)?	NA		No Comments	NA
Are there any unfavorable events affecting the viability of the object(s)?	NA		No Comments	NA
Is there any other relevant information that may materially affect the decision making of the investors?	NA		No Comments	NA

NA represents Not Applicable

^Certificate dated April 17, 2024, issued by M/s S. S. Kothari Mehta & Co. LLP, Chartered Accountants (Firms' Registration No. 000756N/N500441), Statutory Auditors of the Company.

Ratings

4) Details of object(s) to be monitored:

i. Cost of the object(s):

Sr. No	Item Head	Source of information/certifications considered by MA for preparation of report	Original cost (as per the Offer Document) (Rs in lakh)	Revised Cost (Rs in lakh)	Comments of the MA	Comments of the Board of Directors		
						Reason of Cost revision	Proposed financing option	Particulars of firm arrangements made
1	Strengthening technology infrastructure to develop new capabilities and consolidating our existing platforms	Management undertaking, Prospectus	9,758.71	NA	No Comments	No Further Comments		
2	Funding initiatives for organic growth by setting up of BLS Stores		7,478.30	NA	No Comments	No Further Comments		
3	Achieving inorganic growth through acquisitions		2,871.00	NA	No Comments	No Further Comments		
4	General Corporate Purposes (GCP)#		7,666.49	NA	No Comments	No Further Comments		

ii. Progress in the object(s):

Sr. No.	Item Head#	Source of information/certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document (Rs in lakh)	Amount utilized (Rs in lakh)			Total unutilized amount (Rs in lakh)	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
1	Strengthening technology infrastructure to develop new capabilities and consolidating our existing platforms	Statutory Auditor's Certificate [^] , Management Undertaking, Prospectus, Bank Statements	9,758.71	-	0.00	0.00	9,758.71	No proceeds were utilized towards this object during the reported quarter	No Further Comments	
2	Funding initiatives for organic growth by setting up of BLS Stores		7,478.30	-	0.00	0.00	7,478.30	No proceeds were utilized towards this object during the reported quarter	No Further Comments	
3	Achieving inorganic growth through acquisitions		2,871.00	-	0.00	0.00	2,871.00	No proceeds were utilized towards this object during the reported quarter	No Further Comments	

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Sr. No.	Item Head#	Source of information/certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document (Rs in lakh)	Amount utilized (Rs in lakh)			Total unutilized amount (Rs in lakh)	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
4	GCP	Statutory Auditor's Certificate [^] , Management Undertaking	7,666.49	-	0.00	0.00	7,666.49	No proceeds were utilized towards this object during the reported quarter	No Further Comments	
Total			27,774.50	-	0.00	0.00	27,774.50			

[^]Certificate dated April 17, 2024, issued by M/s S. S. Kothari Mehta & Co. LLP, Chartered Accountants (Firms' Registration No. 000756N/N500441), Statutory Auditors of the Company.

#Brief description of objects:

Object of the Issue	Description of objects as per the offer document filed by the issuer
Strengthening technology infrastructure to develop new capabilities and consolidating our existing platforms	The company plans to integrate all technology platforms into a common platform with a service portal and mobile app, supported by a data center and disaster recovery site. They will link all channels and invest in technology to grow their business. They plan to expand their service offerings by adapting and expanding their technology upgrades to cater to changing customer preferences and requirements. The estimated cost for strengthening their technology infrastructure includes design, development, implementation, and support of the portal and app, as well as setting up the data center.
Funding initiatives for organic growth by setting up of BLS Stores	The company plans to utilize net proceeds to upgrade and renovate 1,576 BLS Touchpoints across 22 states in India to convert them into BLS Stores for e-services such as as PoS services, banking correspondent services, ticketing services, assisted e-commerce services etc.
Achieving inorganic growth through acquisitions	The company plans to utilize net process towards potential acquisitions. Such acquisitions will be based on the management's decision.

GCP	<p>The general corporate purposes for which the 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 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 the Board or a duly constituted committee thereof from time to time, subject to compliance with applicable law, including provisions of the Companies Act.</p>
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iii. Deployment of unutilised IPO proceeds[^]:

S. No.	Type of investment and name of the entity invested in	Amount invested (Rs in lakh)	Maturity Date	Return on Investment (%)	Earnings (Rs in lakh)	Market Value as at the end of quarter (Rs in lakh)
1	FD 1248931682- Kotak Bank	9,500.00	06.03.2025	7.60%	108.50	9,608.50
2	FD 1248932054- Kotak Bank	9,000.00	06.04.2025	7.60%	102.79	9,102.78
3	FD 1248932061- Kotak Bank	9,000.00	07.02.2025	7.60%	102.79	9,102.78
4	FD 20052421586469- SBM Bank	124.00	27.03.2025	8.10%	0.93	124.93
5	Balance in Monitoring account of the Company - ICICI Bank*	3.43	-	-	-	-
6	Balance in public issue account of the Company - ICICI Bank**	147.07	-	-	-	-
Total		27,774.5				

*The Company initially funded its NSE issue expenses from the Company's current account (maintained with ICICI Bank) on an estimated basis. Subsequently, the Company received reimbursement from the Public Issue Account (maintained with ICICI Bank) to its Current Account for the same. However, after the Company had taken the reimbursement from the Public Issue Account, NSE actualized the payment and transferred an excess amount of Rs 2.43 lakh as a refund to the BLS E-Services Limited's current account. During the reported quarter, the Company had transferred this excess amount of Rs 2.43 lakh to its Monitoring Account (maintained with ICICI Bank) for utilisation towards objects of the issue.

As of March 31, 2024, funds transferred from Public Issue Account to MA Account of the Company is Rs 27,625.00 lakh and from Current Account to MA account is Rs 2.43 lakh. Balance of Rs 149.50 lakh lying in Public Issue account which will be adjusted with the excess fund.

**Public issue bank A/c balance as on March 31, 2024, is Rs 341.30 lakh, out of which Rs 147.07 lakh pertains to Net Proceeds basis aforementioned adjustment.

[^]On the basis of the management undertaking and certificate dated April 17, 2024, issued by M/s S. S. Kothari Mehta & Co. LLP, Chartered Accountants (Firms' Registration No. 000756N/N500441), Statutory Auditors of the Company.

iv. Delay in implementation of the object(s)^ -

Object(s)	Completion Date		Delay (no. of days/months)*	Comments of the Board of Directors	
	As per the Offer Document	Actual completion		Reason of delay	Proposed course of action
Strengthening our technology infrastructure to develop new capabilities and consolidating our existing platforms	FY 2024 - Rs 2,927.61 lakh	-	Refer Note 1	No Further Comments	No Further Comments
Funding initiatives for organic growth by setting up of BLS Stores	FY 2024 - Rs 2,243.49 lakh	-	Refer Note 2	No Further Comments	No Further Comments
General Corporate Purpose	FY 2024 - Rs 2,900.00 lakh	-	Refer Note 3	No Further Comments	No Further Comments

Note 1: As of the current date, the company is in the initial stages of contract finalization for planned initiatives related to strengthening the technology infrastructure and site consolidation. Despite the recent IPO, which occurred approximately 50 days ago, the Company was actively engaged in conducting thorough technical assessments and ensuring compliance with regulatory standards. Additionally, resources are being strategically allocated, and consultations with key stakeholders are ongoing to ensure alignment and consensus on the proposed initiatives. The Company anticipates that the utilization of IPO proceeds for the specified purposes will commence promptly upon the completion of these preparatory activities, underscoring the commitment to utilize funds judiciously and effectively to achieve the strategic objectives.

Note 2: The Company is currently in discussions with partners and suppliers, conducting market research, and finalizing the selection of suitable time for the BLS Stores. Certain delay in execution is primarily due to the meticulous planning required to ensure the success of each store launch. The Company remains fully committed to leveraging the IPO proceeds to drive organic growth through the establishment of BLS Stores and anticipates tangible progress in the near future.

Note 3: The allocation for general corporate purposes aligns with the Company's long-term strategy and will be utilized judiciously alongside other objectives in the future. These funds are intended to complement its one-time growth capital utilization. It serves as a flexible resource to support ongoing operations, strategic initiatives, and potential opportunities that may arise. As such, the Company is committed to deploying these funds thoughtfully to bolster the overall corporate resilience and drive sustained value creation for the stakeholders.

**Aforementioned notes are based on management undertaking submitted by the Company and has not been independently verified by CRISIL Ratings.*

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

Not applicable on the basis of management undertaking submitted by the Company.

Disclaimers:

- a) This Report is prepared by CRISIL Ratings Limited (*hereinafter referred to as "Monitoring Agency" / "MA" / "CRL"*). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.
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