

Company Name: BLS E-Services Ltd

Sector: IT

Industry: Digital & E-service provider

Issue Opens on: Jan 30, 2024 | Issue Closes on: Feb 1, 2024 | Price Band: ₹ 129 to ₹ 135
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IPO Timeline

Opening Date	January 30, 2024
Closing Date	February 1, 2024
Allotment Date	February 2, 2024
Initiation of Refunds	February 5, 2024
Credit of Shares to Demat	February 5, 2024
IPO Listing Date	February 6, 2024

IPO Lot Size

Application	Lots	Shares	Amount
Retail (Min)	1	108	14580
Retail (Max)	13	1404	1,89,540
S-HNI (Min)	14	1512	2,04,120
B-HNI (Max)	68	7344	9,91,440
B-HNI (Min)	69	7452.0	10,06,020

Financial Performance

INR (Cr)	FY21	FY22	FY23
Revenue	64.5	96.7	243.1
Growth (%)	-	49.9%	151.4%
EBITDA	5.5	8.6	36.3
EBITDA growth	-	57.6%	321.0%
EBITDA margin	8.5%	8.9%	14.9%
Net Profit	3.15	5.38	20.33
Profit growth	-	70.8%	277.9%
Profit margins	4.9%	5.6%	8.4%
ROE (%)	39	43	33
ROCE (%)	30	28	31
D/E ratio	1.14	1.01	0.05
P/BV	-	-	7.2
Net Worth	9.68	15.07	106.94
Total Borrowings	11.02	8.76	0

Valuation	Pre-IPO	Post-IPO
EPS	3.05	2.24
P/E Ratio	44.3	60.3

IPO Key Details

Price Band	129 to 135 per share
Face Value	10 per share
Issue Size	310.91 Cr
Reservation	Retail 10%, QIB 75%, NII 15%
Listing	BSE, NSE

Our Recommendation: Given the strong financial position and industry growth aided by Govt's main focus on e-commerce inclusion, company fares well to boost its position in near future. The company is actively engaging in strategic investments and acquisitions to improve its product range and service capabilities. This initiative aims to enter into complementary sectors and explore new geographical markets. **We recommend Subscribe for long-term gains.**

BLS-E Services Limited is a digital service provider, delivering Business Correspondence services to major Indian banks, as well as offering Assisted E-Services and E-Governance Services at the grassroots level in the country. It is a subsidiary of BLS International Services Ltd., a globally recognized entity with a diverse service portfolio and a significant role in global visa application outsourcing.

Business Outlook:

- ❖ The company's service offers services in three parts (i) Business Correspondents Services; (ii) Assisted E-services; and (iii) E-Governance Services.
- ❖ The company focuses on social and financial inclusion in India, connecting semi-urban, rural, and remote communities through digital and financial services.
- ❖ BLSe's strong network delivers vital public services, welfare programs, and various services, including government-to-citizen (G2C), business-to-business (B2B), and business-to-citizen (B2C) offerings. This includes assisted e-services like PoS, ticketing, and e-commerce through BLS Touchpoints in diverse areas.

Strong Financial Position: Company's Revenue has grown exponentially from Rs. 64.5 crores in FY19 to Rs. 243 crores in FY23. Net profit has increased from Rs. 3.15 crores in FY19 to Rs. 20.33 crores in FY23. Operating profit is also improving from 8.5% in FY19 to 15% in FY23. Company's ROE/ROCE are 33% and 31 respectively. Company has negligible debt with D/E ratio is 0.05.

Key Risks: Heavy reliability on PSU banks; any cancellation of agreement could impact revenue negatively.

Disclosure:

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