

August 05, 2022

<b>National Stock Exchange of India Ltd.,</b>  Exchange Plaza, C-1 Block G, Bandra Kurla Complex Bandra [E], Mumbai – 400051	<b>BSE Ltd.,</b>  Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001	<b>Metropolitan Stock Exchange of India Ltd.,</b>  Vibgyor Towers, 4 <sup>th</sup> Floor, Plot No. C62, G - Block, Opp. Trident Hotel, Bandra Kurla, Complex, Bandra (E), Mumbai – 400098
NSE Scrip Symbol: BLS	BSE Scrip Code: 540073	MSE Scrip Symbol: BLS

Subject:

Dear Sir / Madam,

**Subject: Investor Presentation**

Pursuant to Regulation 30 read with Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed a Investor Presentation with respect to Un-audited financial performance of the BLS International Services Limited for the first quarter ended June 30, 2022.

You are requested to take the same on your records.

For **BLS International Services Limited**

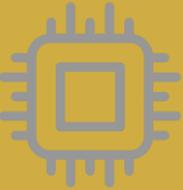
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**Dharak A. Mehta**  
**Company Secretary and Compliance Officer**  
**ICSI Membership No.: ACS40502**

Encl: as above



# Investor Presentation

## Q1 FY23





# Q1 FY23 Highlights

# Recent Strategic Acquisition

## Acquired ZMPL

- BLS acquired ZERO Mass Private Limited (ZMPL), to become largest business correspondent (BC) of SBI
- Group, through its wholly owned subsidiary BLS E-Services Private Limited, acquired 88.71% equity stake in ZMPL., while SBI continues to hold 6.83% stake in ZMPL
- Acquisition made at enterprise value of Rs. 135 cr, of which net equity valuation was at Rs. 120, plus Rs. 15 cr debt which has been repaid.

## About ZMPL

- Incorporated in 2007, ZMPL operates as one of the largest business correspondents for SBI across India
- It has ~11,500 active CSP's, which is more than 15% of all SBI BC's, with a pan-India presence in all States and Union Territories
- ZMPL also has contracts with Utkal Grameen Bank and Karur Vysya Bank and accounts for ~5-6% of the bank accounts, deposit base and aggregate value of transaction of the BC system in India
- The company had revenues of INR 161 Cr and EBITDA of INR 18.5 Cr in FY21-22

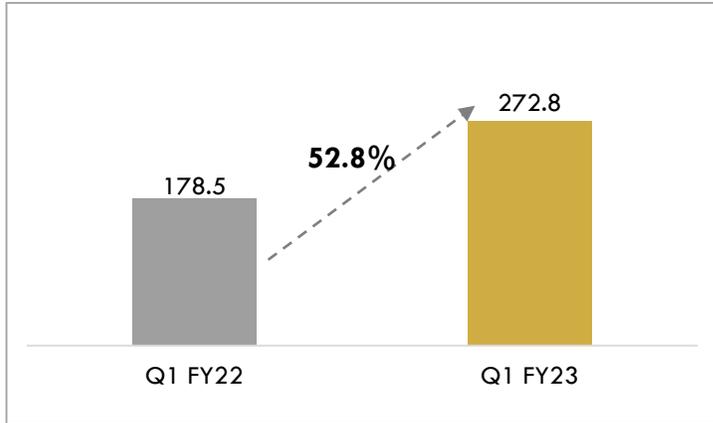
## Benefits & Rationale of Acquisition

- Company utilized internal cash accruals for the acquisition
- BLS aims to expand and consolidate its BC business through this strategic move
- The acquisition is EBITDA and EPS accretive from Day One
- Revenue from ZMPL at Rs. 10 cr between 8<sup>th</sup> to 30<sup>th</sup> June

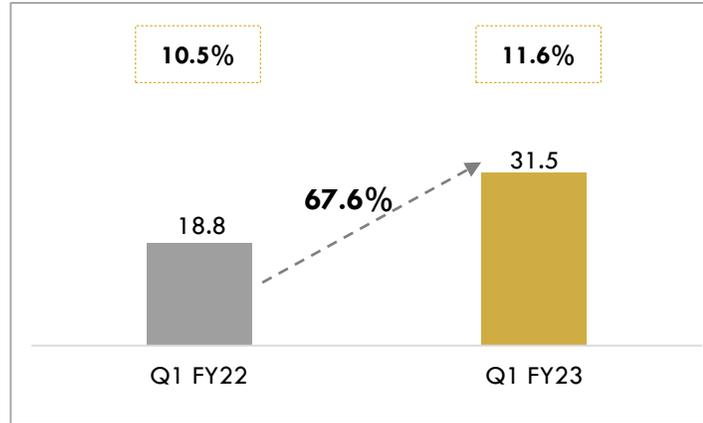
# Financial Highlights

Quarterly Highlights

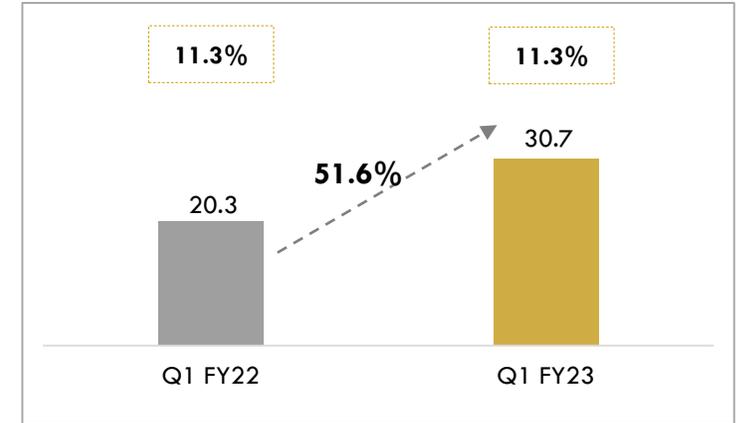
**Revenue (Rs Cr)**



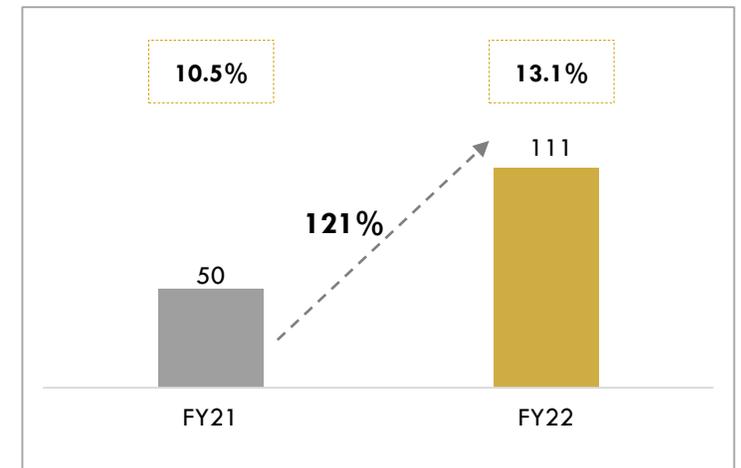
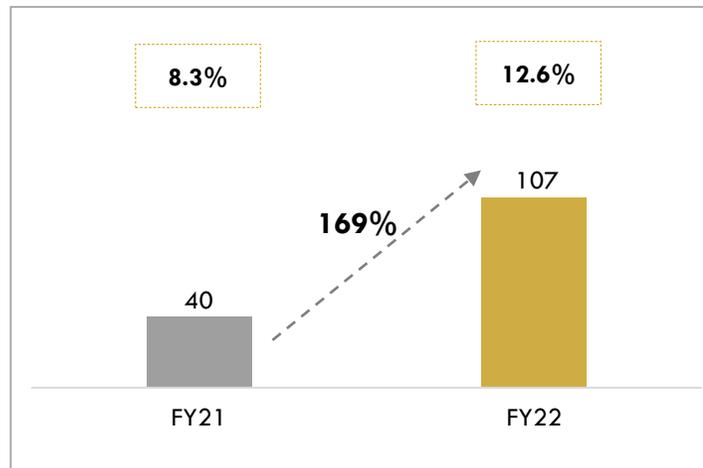
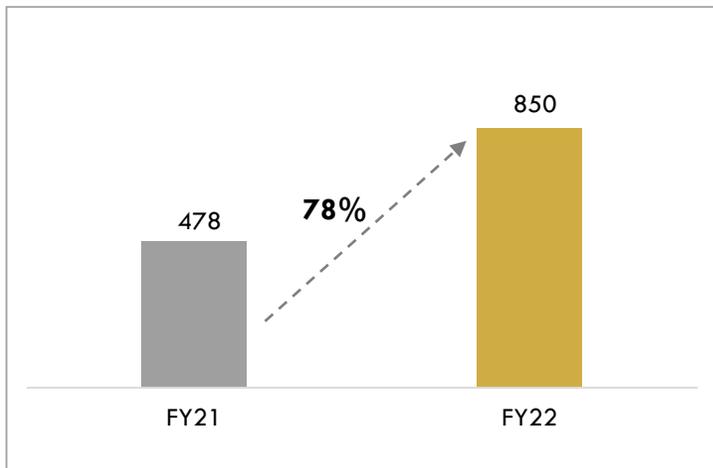
**EBITDA (Rs Cr) & EBITDA Margin (%)**



**PAT (Rs Cr) & PAT Margin (%)**



Full Year Highlights



# Consolidated Profit and Loss Statement

(Rs. in Cr)	Q1 FY23	Q1 FY22	% Change	Q4 FY22
<b>Revenue</b>	<b>272.82</b>	<b>178.53</b>	<b>52.82%</b>	<b>253.84</b>
<b>Gross Profit</b>	<b>89.36</b>	<b>55.05</b>	<b>62.33%</b>	<b>83.35</b>
(Gross Margin)	32.76%	30.83%	193 bps	32.83%
Operating expenses	57.87	36.26		48.31
<b>EBITDA</b>	<b>31.50</b>	<b>18.79</b>	<b>67.61%</b>	<b>35.04</b>
<b>(EBITDA Margin)</b>	<b>11.55%</b>	<b>10.53%</b>	<b>102 bps</b>	<b>13.80%</b>
Other Income	3.76	3.80		5.06
Depreciation	2.61	1.77		2.39
Finance Cost	0.24	0.02		0.45
<b>PBT</b>	<b>32.41</b>	<b>20.80</b>	<b>55.81%</b>	<b>37.26</b>
Tax Expenses	1.71	0.55		2.06
<b>PAT</b>	<b>30.70</b>	<b>20.25</b>	<b>51.60%</b>	<b>35.20</b>
<b>(PAT Margin)</b>	<b>11.25%</b>	<b>11.34%</b>	<b>(9 bps)</b>	<b>13.87%</b>
EPS (in Rs.)	1.49	1.98	(24.75%)	3.45

- Q1 FY23 operational revenue up 52.8% YoY driven by continued strong recovery in visa & consular business as well as citizen services business
- Addition of ZMPL\* further boosted top line by Rs. 10 cr just during 8<sup>th</sup> June to 30<sup>th</sup> June

- EBITDA for Q1 FY23 up 67.6% YoY with EBITDA margin of 11.6% up by 102 bps
- One-time rise in employee cost due to addition of ZMPL workforce and increments given during the period
- One time rise in other expense – Rs. 2.5 cr mainly due to acquisition cost
- Lower interest income mainly due to utilization of cash for acquisition

\* ZMPL: ZERO Mass Private Limited – recently acquired



# Company overview

# Our competitive edge

## Expanding global network

Operating in 66 countries with a network of 30,000 application centers globally

**Existing network offers a platform to pitch for new contracts**

## Ability to win marquee contracts

2016-21: Europe, GCC & ME, South American contracts

**Marquee wins to build credential for other global contracts (1.5B USD worth contracts under renewal in next 2 years)**

## State-of-the-art digital infra

Highly secure processes with capabilities to handle large quantities of complex data

**High entry barrier for any company**

## Value added services

Convenience services offered to the applicants is rapidly expanding

**Key driver for margin expansion and a potential differentiator to win contracts**

## Diversified in other high growth tech-enabled services

e-Gov for UP, Punjab, Rajasthan, Karnataka, Estonia and Nigeria are key wins in addition to last mile connectivity for SBI

**Centers across states to facilitate citizen services and financial inclusion**

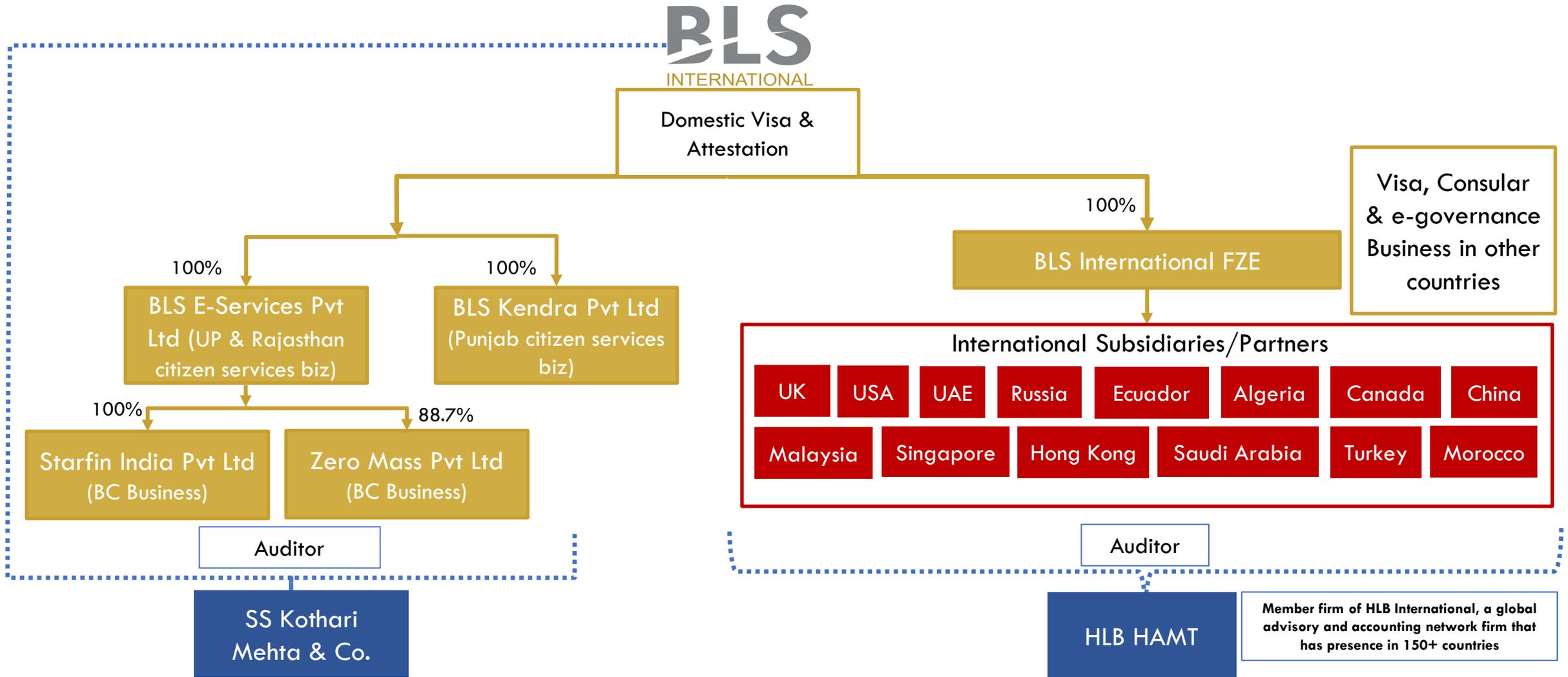
## Net debt free and high FCF business

Visa Application Centers are leased and Citizen service offices are developed by Govt. and operated by BLS

**Healthy balance sheet and return ratios**

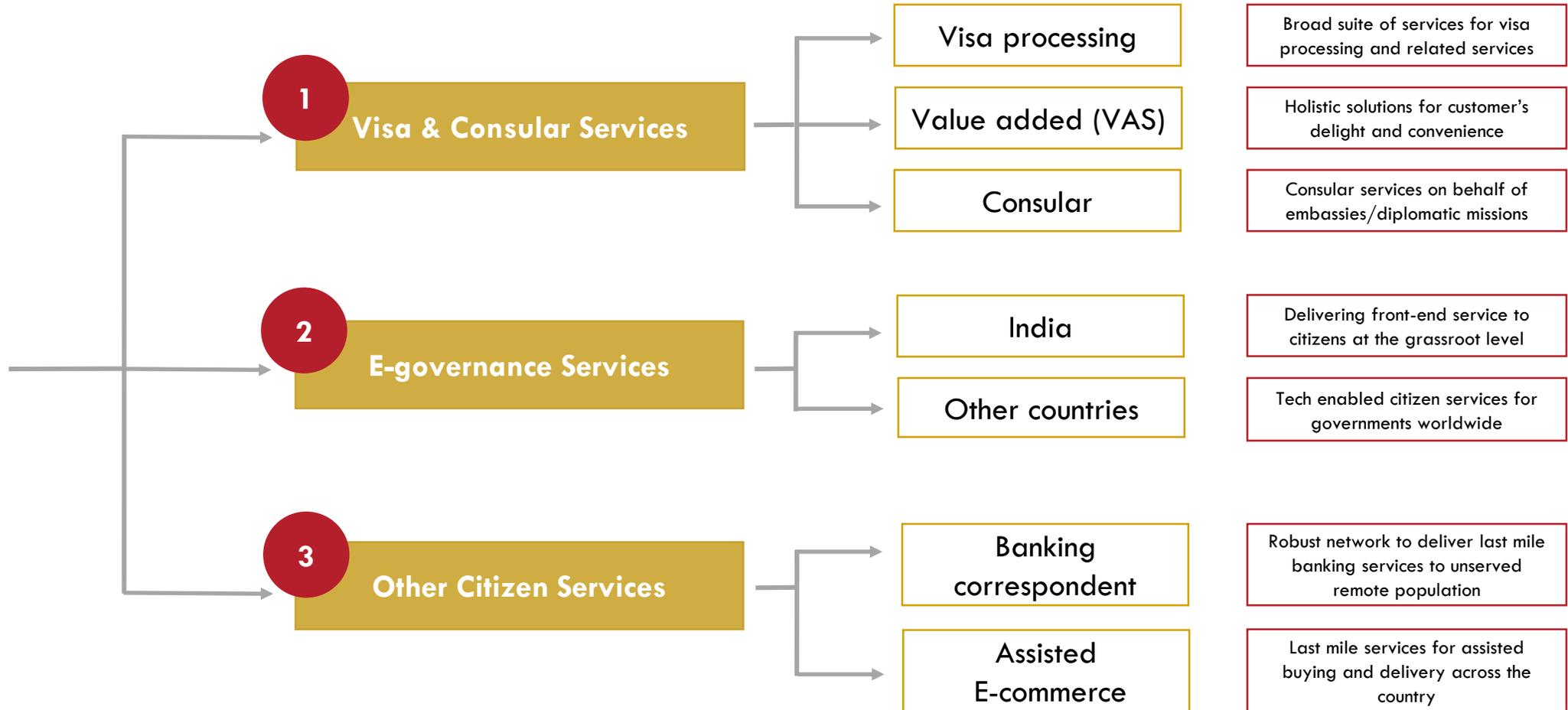
**BLS has become a leading global player in visa processing and one of the early movers in tech-enabled citizen services**

# Corporate Structure



\* Only key operational subsidiaries/partners have been included

# Business overview



## Visa Processing

Leading global player in the visa outsourcing service industry, with over 17 years of experience and ~62 million applications processed; Winning contracts across the globe

### Services include:

- Outsourced visa processing
- Verification of documents
- Attestation of documents
- Biometrics
- E-Visa
- Other allied services

## Value Added

Additional holistic services rolled out with speed & agility and offered to applicants for convenience and better experience.

### Services include:

- Photocopy, courier & internet facility
- Premium lounge, form filling, insurance, SMS alert, translation services
- Mobile biometric

## Consular

Services provided by the diplomatic mission of a country to citizens of that country who are living or traveling overseas - BLS has been working extensively with Indian mission and other missions globally

### Services include:

- Passport renewal
- Authentication of travel documents
- Legalization of documents
- Renunciation of citizenship
- Notary services

### India

#### **Punjab Project**

- Delivered front-end service (~254 G2Cs) to Indian citizens at the grassroots level and enhanced citizen's convenience
- Catered 1.84 crore population and covered 16 districts across the state
- Decentralized service helped decongest traffic flow into cities, moderate carbon footprint and reduce unproductive commuting

#### **Uttar Pradesh Project**

- Rolled out citizen services centres on behalf of Uttar Pradesh Government
- Citizen services of all Government departments of UP through 12,000 Customer Service Centres (CSCs) opened through partners
- ~360 G2C services being provided through CSCs

#### **Rajasthan Project**

- Awarded the contract for e-Mitra Kiosks in Rajasthan in 5 districts including Jaipur, Alwar, Ajmer, Jodhpur and Nagaur
- Launched the online portal for e-Mitra Kiosk operators wherein a mix of G2C & B2C services are available

### Global

#### **Trained cadre (UAE)**

- Working closely with UAE Ministry of External Affairs, providing customized solutions for its seven centers

#### **National Identification Card Programme**

- Application centres for Identity Management for Afghanistan. Registration and identification of Afghan nationals in GCC countries
- Issuing digital ID to e-residents granted by the Estonian Police and Border Guard Board (PBGB)
- Initiative by National Identity Management Commission in Nigeria to enrol Nigerian citizens into the national identity database

## Starfin & Zero Mass – National Business Correspondent (NBC)

- BLS has established a robust network of centers to deliver last mile banking services to unserved and underserved rural and remote populations as part of Financial Inclusion Program of Govt. Of India.
- Offers various banking services like enrolment of customers, opening bank accounts, balance enquiry, money transfer, passbook updating etc.
- As one of the largest BC for SBI, ZMPL has ~11,500 active CSP's, which is >15% of all SBI BC's across India. It also has contracts with Utkal Grameen Bank and Karur Vysya Bank
- Starfin India has recently won a contract with BOB; It is already empanelled as the NBC for SBI; Corporate Business Correspondent for Uttarakhand Gramin Bank; and Microfinance Agency for Punjab National Bank
- Distinctively positioned to expand services, branches as well as our banking and non-banking collaborations

Present in all states & Union Territories

~15,000 CSP's across the country

INR 5,000 crores monthly average volume

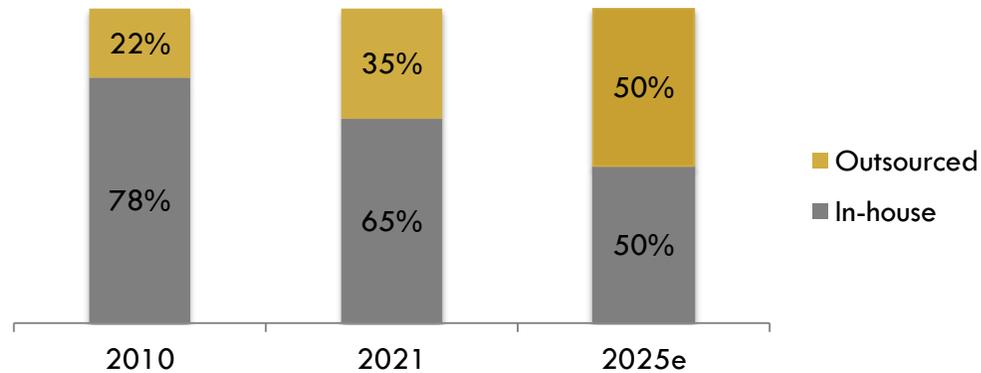
## E-commerce & Other Services

- Providing help for e-commerce, insurance and travel assistance wherein people come to these centers for availing additional services along with the existing government services – helps in utilizing existing network and centers to cross sell more services
- Tying up with e-commerce players for assisted buying and delivery
- Last mile delivery of products to centers or customer's place

# Huge opportunities across business segments

## Visa processing

Growth in outsourcing of visa application worldwide



Majority of the market still managed in-house by embassies – growth opportunity is immense

Niche industry with high entry barriers – established players like BLS at advantage to tap renewals

Significant opportunities and high growth potential helping increase market share gains

## Citizen services

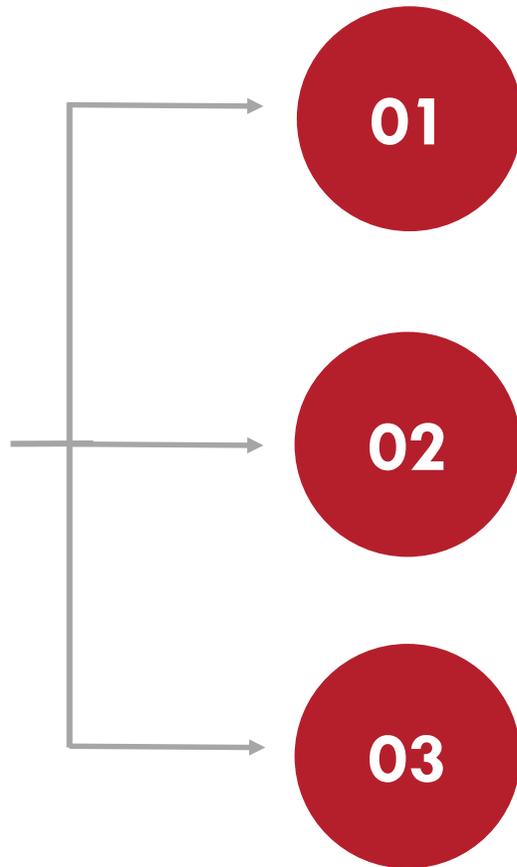
### Global

- Most services offered by governments to consumers are still only semi-automated with a low penetration of cutting-edge technologies
- Outsourcing to a specialized partner reduces delivery time, increases efficiency. Win-win proposition for the government both from cost point and service quality point

### India

- Government is leveraging solutions & services from specialist providers to realize the vision of Digital India
- At both center and state levels, initiatives are being undertaken to promote the Digital India model for rendering public services effectively.

# Strong balance sheet to support for the next leg of growth



## Organic growth in the existing businesses

- Focus on large ticket size projects and establish own centers for such contracts
- More services to existing clients thereby increasing wallet share
- Tap new geographies and countries for all businesses visa, consular and e-governance services

## Invest in tech to further build robust systems and processes

- Invest in technologies to tap exciting possibilities related to digitalization, last mile penetration and enhanced service experience
- Tech like identity management, blockchain, facial recognition, AI, chat bots etc. to boost servicing capabilities

## Inorganic opportunities

- Scouting for a potential investment across the value chain which would provide synergy to existing business
- Businesses in existing areas such as government related or IT related processing (digitization etc)

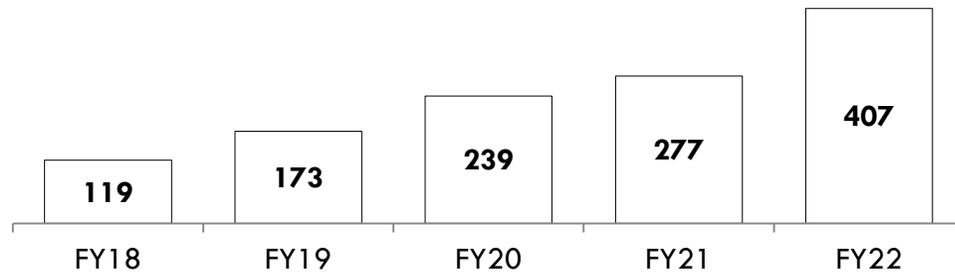
Cash, bank and equivalent to be utilized to support the growth strategy



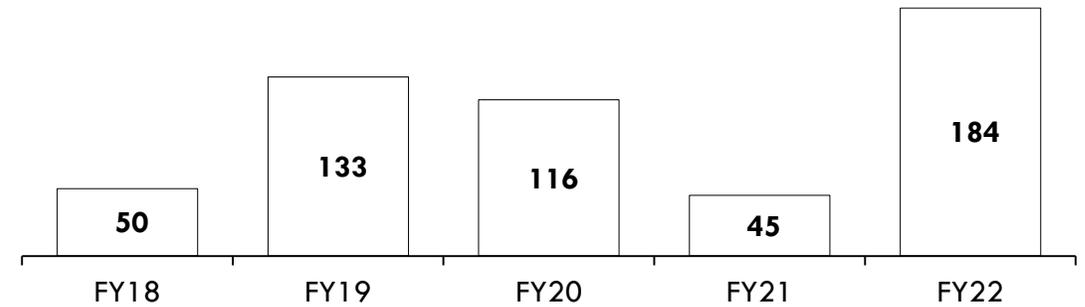
# Historical Financial Highlights

# Net cash positive, high FCF business model

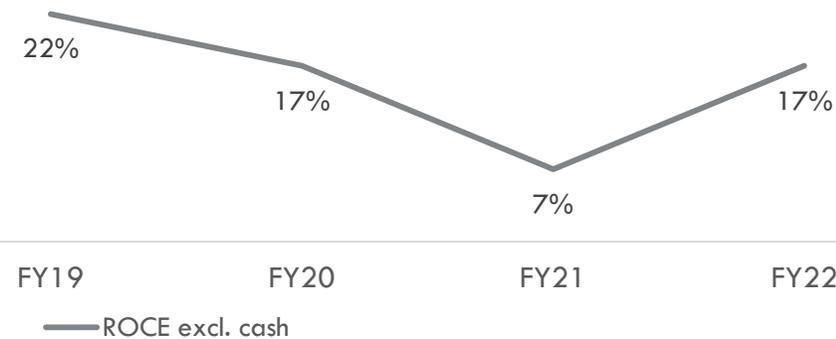
**Cash, bank and equivalents (Rs. Crores)**



**Cash flows from operations (Rs. Crores)**



**ROCE excl. cash (%)**



# Historical Consolidated P&L Highlights

(Rs. in Cr)	FY18	FY19	FY20	FY21	FY22
<b>Revenue</b>	<b>789</b>	<b>804</b>	<b>786</b>	<b>478</b>	<b>850</b>
<b>Gross Profit</b>	<b>295</b>	<b>266</b>	<b>236</b>	<b>142</b>	<b>276</b>
(Gross Margin)	37%	33%	30%	30%	33%
Operating expenses	136	157	153	102	169
<b>EBITDA</b>	<b>159</b>	<b>108</b>	<b>83</b>	<b>40</b>	<b>107</b>
<b>(EBITDA Margin)</b>	<b>20%</b>	<b>13%</b>	<b>11%</b>	<b>8%</b>	<b>13%</b>
Finance Cost	12	10	2	0.5	0.7
Depreciation	40	19	12	9.5	7.2
Other Income	4.1	43	13	18	15
One-time income/ (expense)	-	35	(28)	-	-
<b>PBT</b>	<b>111</b>	<b>122</b>	<b>55</b>	<b>48</b>	<b>114</b>
(PBT Margin)	14%	15%	7%	10%	13%
Tax Expenses	14	17	2	(2)	3
<b>Reported PAT</b>	<b>97</b>	<b>105</b>	<b>52</b>	<b>50</b>	<b>111</b>
<b>(PAT Margin)</b>	<b>12%</b>	<b>13%</b>	<b>7%</b>	<b>10%</b>	<b>13%</b>

# Historical Consolidated Balance Sheet

(Rs. in Cr)	Mar'20	Mar'21	Mar'22
Share Capital	10.3	10.3	10.3
<b>Shareholders' Funds</b>	<b>428.5</b>	<b>459.8</b>	<b>569.8</b>
<b>Non controlling Interest</b>	<b>(0.1)</b>	<b>0.1</b>	<b>0.0</b>
Provisions	2.8	3.0	2.9
<b>Total Non-Current Liabilities</b>	<b>2.8</b>	<b>3.3</b>	<b>9.2</b>
Borrowings	-	-	3.1
Trade Payables	16.5	9.6	18.3
Other Current Liabilities	5.0	7.5	9.3
Current Tax Liabilities	0.4	0.1	0.0
Other Financial Liabilities	16.0	17.6	21.7
Provisions	0.1	0.1	0.1
<b>Total Current Liabilities</b>	<b>38.0</b>	<b>34.9</b>	<b>54.3</b>
<b>Total Liabilities</b>	<b>469.2</b>	<b>498.1</b>	<b>633.3</b>

(Rs. in Cr)	Mar'20	Mar'21	Mar'22
Fixed Assets incl. CWIP	23.0	23.9	84.2
Intangible Assets	18.2	13.8	20.0
Deferred Tax (Net)	5.5	6.7	8.7
Investments	28.5	24.1	70.1
Other Financial Assets	7.0	15.9	41.4
Other Non-Current Assets	0.0	0.8	0.2
<b>Total Non-Current Assets</b>	<b>82.2</b>	<b>85.2</b>	<b>232.6</b>
Sundry Debtors	112.8	100.2	22.3
Cash and Bank	239.3	277.4	324.2
Other Financial Assets	25.9	27.0	38.8
Other Current Assets	7.2	5.1	10.2
Current Tax (Net)	1.8	3.2	5.2
<b>Total Current Assets</b>	<b>387.0</b>	<b>412.9</b>	<b>400.7</b>
<b>Total Assets</b>	<b>469.2</b>	<b>498.1</b>	<b>633.3</b>

# Historical Consolidated Cash Flow

(Rs. Cr)	FY22		FY21	
C/F from operating activities	144	185	Operating profit before WC change	48
	48		Change in Working Capital	(3) 45
	(7)		Direct taxes	0
C/F from investing activities	(82)	(171)	Purchase of property, plant and equipment and intangibles	(5)
	(48)		Proceeds from sale / purchase of investment	3 (22)
	-		Gain on business acquisition	-
	(45)		Investments in term deposits	(25)
	4		Interest incomes	5
C/F from financing activities	-	(12)	Repayments of non-current borrowings	(1)
	-		Proceeds from non-current borrowings	-
	3		Repayment of current borrowing (Net)	- (10)
	(2)		Repayment of lease liabilities	0
	(13)		Dividend paid (including dividend distribution tax)	(8)
	-		Interest paid	(1)
<b>Net increase /(decrease) in cash and cash equivalent</b>		<b>2</b>		<b>13</b>
<b>Cash and cash equivalent at the beginning of the year</b>		<b>35</b>		<b>22</b>
<b>Cash and cash equivalent acquired during the acquisition new subsidiary</b>		<b>-</b>		<b>-</b>
<b>Cash and cash equivalent at the end of the year</b>		<b>37</b>		<b>35</b>



Way Ahead



01

## Actively grow new contracts with Embassies and Consulates

- Focus on upcoming tenders on visa & outsourcing services - potential market size ~ \$1.5 bn
- Target governments that are outsourcing for the first time
- Capitalize on the rebound in travel and tourism post pandemic
- Tie-up with more regional & international governments for visa-related services

02

## Expand Existing Businesses

- Grow existing businesses across India and globally
- Focus on pay-per-use & negative working capital businesses
- Leverage recent acquisition of ZMPL to grow our Business Correspondent business

03

## Inorganic Expansion

- Seeking good opportunities to utilize cash in acquisitions
- To acquire businesses that would improve the bottom line immediately

# Disclaimer

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