

November 05, 2020

<b>National Stock Exchange of India Ltd.,</b>  Exchange Plaza, C-1 Block G, Bandra Kurla Complex Bandra [E], Mumbai - 400051	<b>BSE Limited,</b>  Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001	<b>Metropolitan Stock Exchange of India Ltd.,</b>  Vibgyor Towers, 4 th 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: **Disclosure under regulation 30 of SEBI LODR - Credit Rating**

Dear Sir / Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, We enclose herewith the relevant credit rating rationale letter dated November 04, 2020 received by the Company from CRISIL. Rating action is as under:

Total Bank Loan Facilities Rated	Rs. 50 Crore (Enhanced from Rs. 22.50Crore)
Long Term Rating	CRISIL BBB+ / Stable (assigned)
Short Term Rating	CRISIL A2+ (upgraded from 'CRISIL A2')

The aforementioned letters are also available on their website. We request you to treat this intimation as compliance with the disclosure requirements under the Regulations 30 read with Schedule III of the of the SEBI (LODR) Regulations, 2015.

The aforesaid presentation is also uploaded on Company's website.

You are requested to take the same on your records.

**For BLS International Services Limited**

.....  
**Dharak A. Mehta**  
**Company Secretary and Compliance Officer**  
**ICSI membership no. ACS40502**

**Encl: as above**

# Ratings

**CRISIL**

An S&amp;P Global Company

## Rating Rationale

November 04, 2020 | Mumbai

### BLS International Services Limited

*Short-term rating upgraded to 'CRISIL A2+'; Rated amount enhanced*

#### Rating Action

<b>Total Bank Loan Facilities Rated</b>	<b>Rs.50 Crore (Enhanced from Rs.22.5 Crore)</b>
<b>Long Term Rating</b>	<b>CRISIL BBB+/Stable (Assigned)</b>
<b>Short Term Rating</b>	<b>CRISIL A2+ (Upgraded from 'CRISIL A2')</b>

1 crore = 10 million

Refer to annexure for Details of Instruments &amp; Bank Facilities

#### Detailed Rationale

CRISIL has assigned its '**CRISIL BBB+/Stable**' rating to the long term bank facilities of BLS International Services Ltd (BIS; part of the BIS group) and upgraded its short-term rating on the bank facilities to '**CRISIL A2+**' from 'CRISIL A2'.

The upgrade in short term rating is driven by gradual improvement in liquidity risk profile and reduced debtors outstanding from the Punjab government. Unencumbered cash balance and debtors from the Punjab government were outstanding at Rs 221 crore and Rs 67.5 crore as on March 31, 2020 compared to Rs 160 crore and Rs 118 crore respectively as on March 31, 2019.

The cash balance is estimated to have improved to Rs 240 crore as on September 30, 2020 out of which management has undertaken that minimum Rs 50 crore of cash will be kept free for meeting any exigencies and the remaining will be used for both organic and inorganic expansion. Any deviation from CRISIL's understanding of management of liquidity profile will be a key rating sensitivity factor.

The rating also factors in the impact on business risk profile arising out of Covid-19 outbreak globally and its impact on the revenue generation from visa and consular services provided by the group. Since visa and consular services business contributed around 85% to total revenue in fiscal 2020, the revenue anticipated for fiscal 2021 would be significantly lower than previous year. CRISIL expects pickup in fiscal 2022 in revenue profile driven by both existing and new business opportunities. However, the risks arising from new business opportunities will remain a key monitorable.

The ratings reflect the BIS group's established market position in the visa outsourcing services sector, strong ties with Indian diplomatic missions, and comfortable financial risk profile. These strengths are partially offset by tender-based business, susceptibility to changes in regulations by the concerned ministries of various countries.

#### Analytical Approach

For arriving at its ratings, CRISIL has combined the business and financial risk profiles of BIS, BLS International FZE (100% subsidiary of BIS), and their step-down subsidiaries. This is because all these entities, collectively referred to as the BIS group, are under a common management and have strong financial linkages in the form of equity share capital, revenue sharing, and loans and advances.

Refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

#### Key Rating Drivers & Detailed Description

##### Strengths

##### \* Established market position

Set up in 2005, the BIS group is present in over 62 countries and provides services through 2,325 offices worldwide. Within a decade, it has attained a comfortable position in the visa services outsourcing market. Though it has grown considerably in a short span, sustainability of market position in the long term is a key rating sensitivity factor. The group recorded an operating income of Rs 792.9 crore in fiscal 2020 but because of the severe impact on travel and tourism industry arising out of Covid-19 outbreak globally, the revenue for Q1 FY21 was down by 77% on Y-o-Y basis at Rs 52.1 crore.

##### \* Strong ties with Indian diplomatic missions

The group serves around 20 Indian diplomatic missions in various geographies, which contribute a major part to the revenue. Not only has it been able to acquire new tender-based contracts from various International governments at new locations, but has also successfully renewed arrangements with them.

**\* Comfortable financial risk profile**

Gearing was nil as on March 31, 2020 as there was only a single loan of Rs 0.88 crore outstanding which will be repaid by the end of fiscal 2021. Debt protection metrics remained robust, with interest coverage and net cash accrual to total debt ratios of 25.7 times and 55.6 times, respectively, in fiscal 2020.

**Weaknesses****\* Tender-based business and susceptibility to changes in regulations by the concerned ministries of various countries**

The contracts with diplomatic missions are generally tender-based with a three-year tenure, and have certain pre-requisites such as experience in visa outsourcing, robust credit history, adequate information technology, operational expertise, and strong background check function. This makes revenue susceptible to the risk of non-renewal of contract at the end of the term or inability to bag new contracts. Any changes in regulation or conditions of contract mid-way will thus continue to remain a key rating sensitivity factor.

**Liquidity Strong**

Liquidity is strong with healthy unencumbered cash balance of Rs 221 crore as on March 31, 2020. Group is expected to generate healthy cash accruals, expected to be lower than previous year (Rs 49.1 crore), against debt obligations of Rs 0.9 crore in fiscal 2021. Current ratio was comfortable at 10.18 times as on March 31, 2020.

**Outlook: Stable**

CRISIL believes that strong financial risk profile, esp. liquidity will continue to support the overall credit risk profile of the group.

**Rating Sensitivity factors****Upward Factors**

- \* Significant improvement in business risk profile with revenue remaining sustainably over Rs 800 crore
- \* Sustainable improved operating margins of upwards of 15% driven by organic/ inorganic initiatives

**Downward Factors**

- \* Large debt-funded capex or acquisition impacting the liquidity profile with unencumbered cash dropping below Rs 50 crore at any point of time.
- \* Significantly lower than anticipated generation of net cash accruals

**About the Group**

Established in early 1983, BIS is a specialist provider for outsourcing visa, passport, and attestation services to Indian missions across the world. It serves the diplomatic missions by managing all administrative and non-judgmental tasks related to the entire life cycle of a visa application process. The company was listed on the Bombay Stock Exchange, National Stock Exchange and Metropolitan Stock Exchange in 2016.

BIS has operations in over 62+ countries either through joint venture with a local player or through wholly owned subsidiaries (BLS International FZE and others).

**Key Financial Indicators**

Particulars	Unit	2020	2019
Revenue	Rs crore	792.9	807.8
Profit after tax	Rs crore	52.4	105.2
PAT margin	%	6.6	13.0
Adjusted debt/adjusted networkth	Times	0.0	0.1
Interest coverage	Times	25.7	9.1

**Any other information:** Not applicable

**Note on complexity levels of the rated instrument:**

CRISIL complexity levels are assigned to various types of financial instruments and are included (where applicable) in the Annexure -- Details of Instrument in this Rating Rationale. For more details on the CRISIL complexity levels, please visit [www.crisil.com/complexity-levels](http://www.crisil.com/complexity-levels).

**Annexure - Details of Instrument(s)**

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs cr)	Complexity Level	Rating assigned with outlook
NA	Fund-based facilities	NA	NA	NA	10.0	NA	CRISIL BBB+/Stable
NA	Overdraft	NA	NA	NA	7.0	NA	CRISIL A2+
NA	Bank Guarantee	NA	NA	NA	33.0	NA	CRISIL A2+

**Annexure - List of entities consolidated**

Names of Entities Consolidated	Extent of	Rationale for Consolidation
--------------------------------	-----------	-----------------------------

	Consolidation	
BLS E-Services Pvt Ltd	Full	Indian subsidiary of holding company
BLS E-Solutions Pvt Ltd	Full	Indian subsidiary of holding company
BLS IT Services Pvt Ltd	Full	Indian subsidiary of holding company
BLS International FZE, UAE	Full	Foreign subsidiary of holding company
BLS International Services, UAE	Full	Foreign subsidiary of BLS International FZE
BLS International Services Norway AS	Full	Foreign subsidiary of BLS International FZE
BLS International Services Singapore PTE Ltd	Full	Foreign subsidiary of BLS International FZE
BLS International Services Canada INC	Full	Foreign subsidiary of BLS International FZE
BLS International Services Malaysia SDN BHD	Full	Foreign subsidiary of BLS International FZE
BLS International Services (UK) Ltd	Full	Foreign subsidiary of BLS International FZE
Consular Outsourcing BLS Services INC	Full	Foreign subsidiary of BLS International FZE
Starfin India Private Limited	Full	Indian subsidiary of BLS E Services Pvt Ltd
BLS KENDRAS PRIVATE LIMITED	Full	Indian subsidiary of holding company
Reired BIS International Services Private Limited	Full	Indian subsidiary of holding company
BLS International Vize Hizmetleri Ltd. Sti., Turkey	Full	Foreign subsidiary of BLS International FZE

### Annexure - Rating History for last 3 Years

Instrument	Current			2020 (History)		2019		2018		2017		Start of 2017
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
<b>Fund-based Bank Facilities</b>	LT/ST	13.00	CRISIL BBB+/Stable/ CRISIL A2+		--		--		--		--	--
<b>Non Fund-based Bank Facilities</b>	LT/ST	37.00	CRISIL A2+			19-12-19	CRISIL A2	29-03-18	CRISIL A2			CRISIL A2
						12-04-19	CRISIL A2					

All amounts are in Rs.Cr.

### Annexure - Details of various bank facilities

Current facilities			Previous facilities		
Facility	Amount (Rs.Crore)	Rating	Facility	Amount (Rs.Crore)	Rating
Bank Guarantee	33	CRISIL A2+	Bank Guarantee	22.5	CRISIL A2
Overdraft	7	CRISIL A2+	--	0	--
Fund-Based Facilities	10	CRISIL BBB+/Stable	--	0	--
<b>Total</b>	<b>50</b>	<b>--</b>	<b>Total</b>	<b>22.5</b>	<b>--</b>

### Links to related criteria

[CRISILs Approach to Financial Ratios](#)

[CRISILs Bank Loan Ratings - process, scale and default recognition](#)

[Rating criteria for manufacturing and service sector companies](#)

[Rating Criteria for Software Industry](#)

[CRISILs Criteria for Consolidation](#)

[CRISILs Criteria for rating short term debt](#)

### For further information contact:

Media Relations	Analytical Contacts	Customer Service Helpdesk
<b>Saman Khan</b> Media Relations <b>CRISIL Limited</b> D: +91 22 3342 3895 B: +91 22 3342 3000	<b>Nitin Kansal</b> Director - CRISIL Ratings <b>CRISIL Limited</b> D: +91 124 672 2154 <a href="mailto:nitin.kansal@crisil.com">nitin.kansal@crisil.com</a>	Timings: 10.00 am to 7.00 pm Toll free Number: 1800 267 1301  For a copy of Rationales / Rating Reports: <a href="mailto:CRISILratingdesk@crisil.com">CRISILratingdesk@crisil.com</a>

[saman.khan@crsil.com](mailto:saman.khan@crsil.com)

**Naireen Ahmed**

Media Relations

**CRISIL Limited**

D: +91 22 3342 1818

B: +91 22 3342 3000

[naireen.ahmed@crsil.com](mailto:naireen.ahmed@crsil.com)

**Himank Sharma**

Associate Director - CRISIL Ratings

**CRISIL Limited**

D: +91 124 672 2152

[Himank.Sharma@crsil.com](mailto:Himank.Sharma@crsil.com)

**ANKUR KALRA**

Rating Analyst - CRISIL Ratings

**CRISIL Limited**

D: +91 22 3342 3555

[Ankur.Kalra@crsil.com](mailto:Ankur.Kalra@crsil.com)

For Analytical queries:

[ratingsinvestordesks@crsil.com](mailto:ratingsinvestordesks@crsil.com)



**Note for Media:**

This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper / magazine / agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to CRISIL. However, CRISIL alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites, portals etc.

**About CRISIL Limited**

CRISIL is a leading agile and innovative, global analytics company driven by its mission of making markets function better. We are India's foremost provider of ratings, data, research, analytics and solutions. A strong track record of growth, culture of innovation and global footprint sets us apart. We have delivered independent opinions, actionable insights, and efficient solutions to over 1,00,000 customers.

We are majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit [www.crisil.com](http://www.crisil.com)

Connect with us: [TWITTER](#) | [LINKEDIN](#) | [YOUTUBE](#) | [FACEBOOK](#)

**About CRISIL Ratings**

CRISIL Ratings is part of CRISIL Limited ("CRISIL"). We pioneered the concept of credit rating in India in 1987. CRISIL is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI"). With a tradition of independence, analytical rigour and innovation, CRISIL sets the standards in the credit rating business. We rate the entire range of debt instruments, such as, bank loans, certificates of deposit, commercial paper, non-convertible / convertible / partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 24,500 large and mid-scale corporates and financial institutions. CRISIL has also instituted several innovations in India in the rating business, including rating municipal bonds, partially guaranteed instruments and microfinance institutions. We also pioneered a globally unique rating service for Micro, Small and Medium Enterprises (MSMEs) and significantly extended the accessibility to rating services to a wider market. Over 1,10,000 MSMEs have been rated by us.

---

**CRISIL PRIVACY**

CRISIL respects your privacy. We may use your contact information, such as your name, address, and email id to fulfil your request and service your account and to provide you with additional information from CRISIL. For further information on CRISIL's privacy policy please visit [www.crisil.com](http://www.crisil.com).

**DISCLAIMER**

This disclaimer forms part of and applies to each credit rating report and/or credit rating rationale that we provide (each a "Report"). For the avoidance of doubt, the term "Report" includes the information, ratings and other content forming part of the Report. The Report is intended for the jurisdiction of India only. This Report does not constitute an offer of services. 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 licenses and/or registration to carry out its business activities referred to above. Access or use of this Report does not create a client relationship between CRISIL and the user.

We are not aware that any user intends to rely on the Report or of the manner in which a user intends to use the Report. In preparing our Report we have not taken into consideration the objectives or particular needs of any particular user. It is made abundantly clear that the Report is not intended to and does not constitute an investment advice. The Report is not an offer to sell or an offer to purchase or subscribe for any investment in any securities, instruments, facilities or solicitation of any kind or otherwise enter into any deal or transaction with the entity to which the Report pertains. The Report should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in the US).

Ratings from CRISIL Rating are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities / instruments or to make any investment decisions. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. CRISIL assumes no obligation to update its opinions following publication in any form or format although CRISIL may disseminate its opinions and analysis. CRISIL rating contained in the Report is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment or other business decisions. The recipients of the Report should rely on their own judgment and take their own professional advice before acting on the Report in any way. CRISIL or its associates may have other commercial transactions with the company/entity.

Neither CRISIL nor its affiliates, third party providers, as well as their directors, officers, shareholders, employees or agents (collectively, "CRISIL Parties") guarantee the accuracy, completeness or adequacy of the Report, and no CRISIL Party shall have any liability for any errors, omissions, or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the Report. EACH CRISIL PARTY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall any CRISIL Party be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the Report even if advised of the possibility of such damages.

CRISIL Ratings may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors. CRISIL's public ratings and analysis as are required to be disclosed under the regulations of the Securities and Exchange Board of India (and other applicable regulations, if any) are made available on its web sites, [www.crisil.com](http://www.crisil.com) (free of charge). Reports with more detail and additional information may be available for subscription at a fee – more details about CRISIL ratings are available here: [www.crisilratings.com](http://www.crisilratings.com).

CRISIL and its affiliates do not act as a fiduciary. While CRISIL has obtained information from sources it believes to be reliable, CRISIL does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives and / or relies in its Reports. CRISIL keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of the respective activity. As a result, certain business units of CRISIL may have information that is not available to other CRISIL business units. CRISIL has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. CRISIL has in place a ratings code of conduct and policies for analytical firewalls and for managing conflict of interest. For details please refer to: <https://www.crisil.com/en/home/our-businesses/ratings/regulatory-disclosures/highlighted-policies.html>

CRISIL's rating criteria are generally available without charge to the public on the CRISIL public web site, [www.crisil.com](http://www.crisil.com). For latest rating information on any instrument of any company rated by CRISIL you may contact CRISIL RATING DESK at [CRISILratingdesk@crisil.com](mailto:CRISILratingdesk@crisil.com), or at (0091) 1800 267 1301.

This Report should not be reproduced or redistributed to any other person or in any form without a prior written consent of CRISIL.

