



# 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

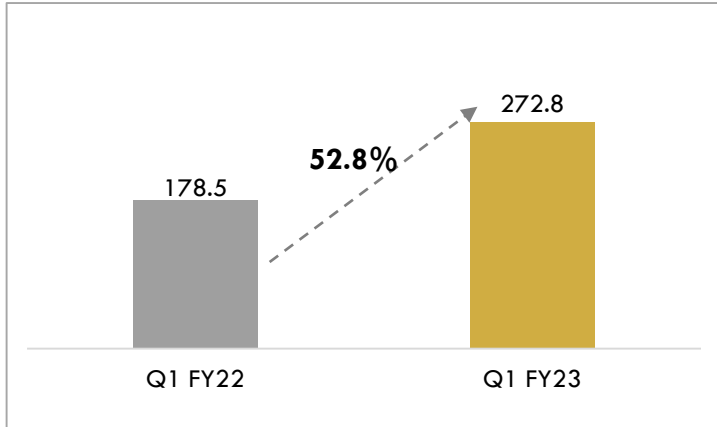
## Benefits & Rationale of Acquisition

- 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

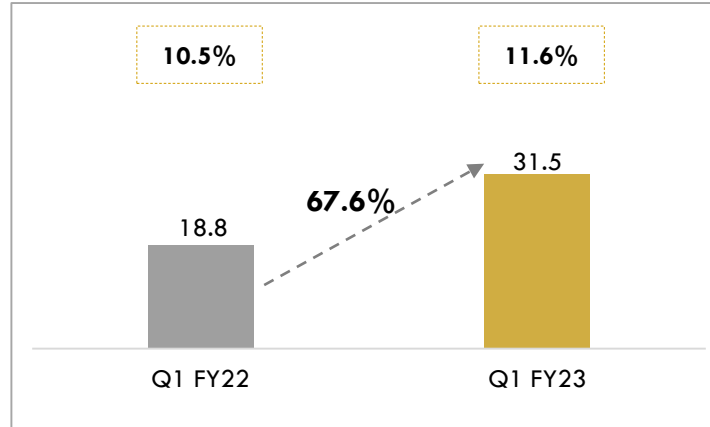
# Financial Highlights

Quarterly Highlights

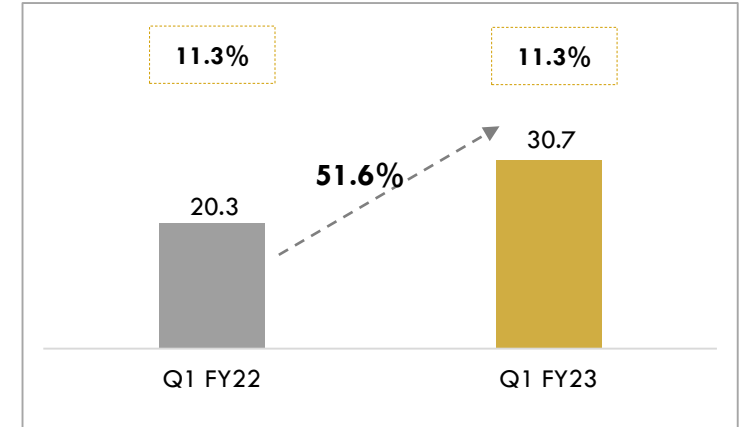
**Revenue (Rs Cr)**



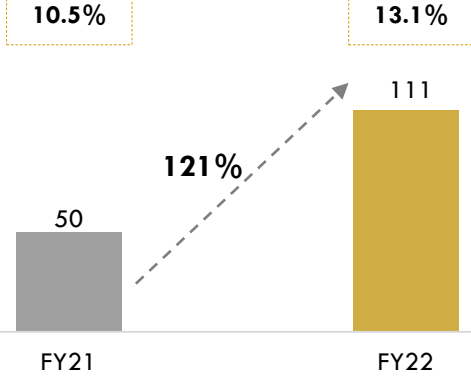
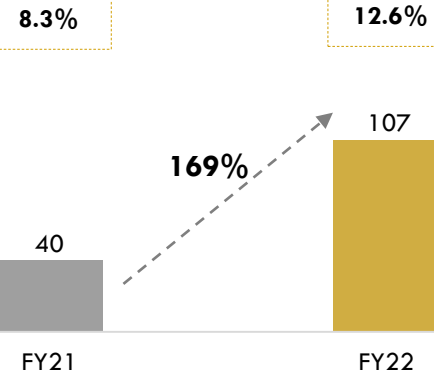
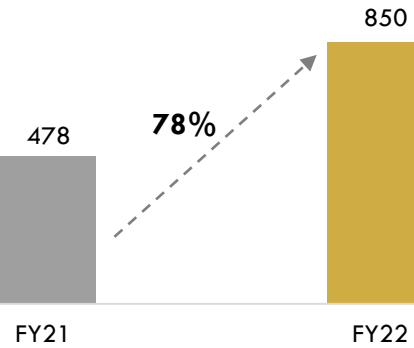
**EBITDA (Rs Cr) & EBITDA Margin (%)**



**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**

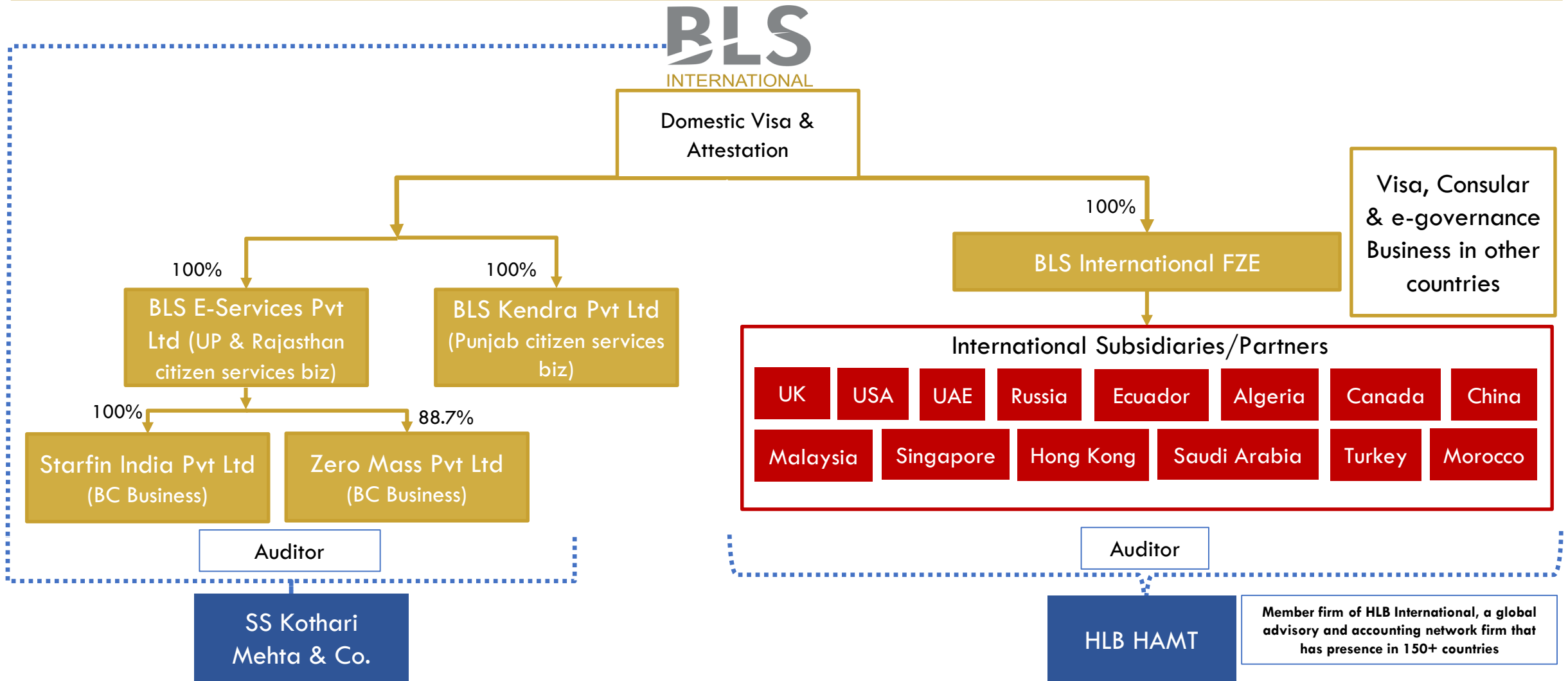
## Net debt free and high FCF business

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**

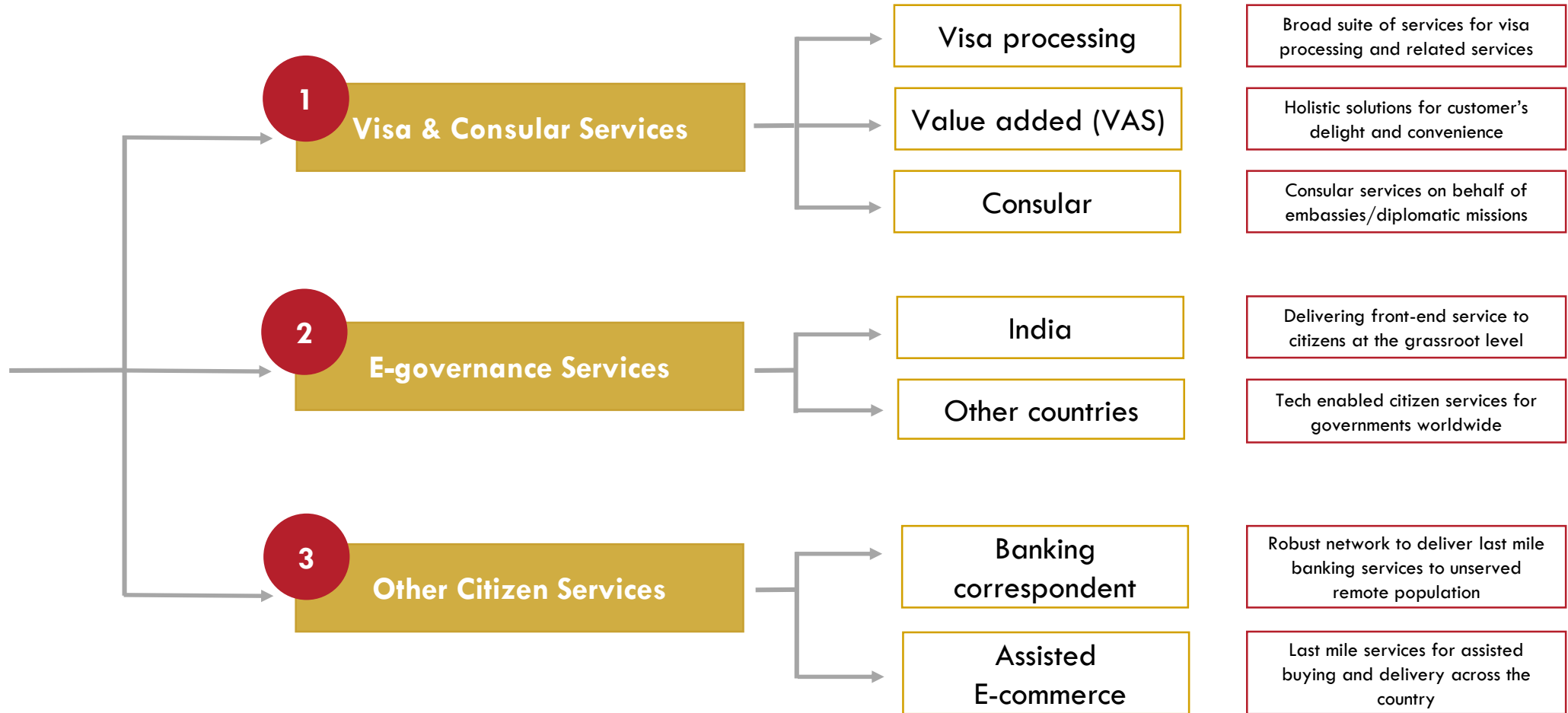
# Corporate Structure



\* 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

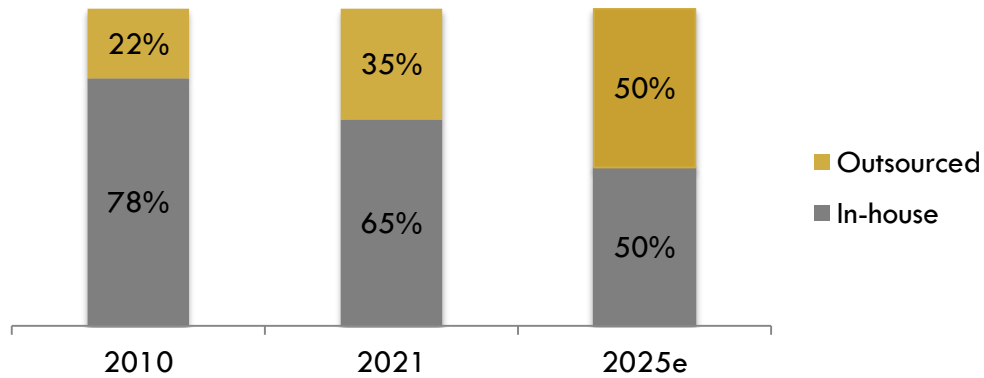
## E-commerce & Other Services

- 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



01

## 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

02

## 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

03

## 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)

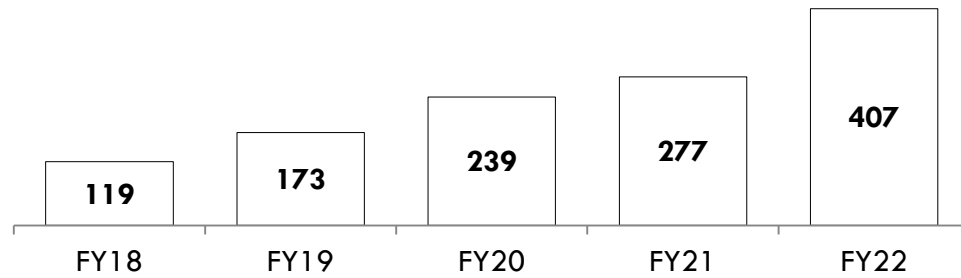
Cash, bank and equivalent to be utilized to support the growth strategy



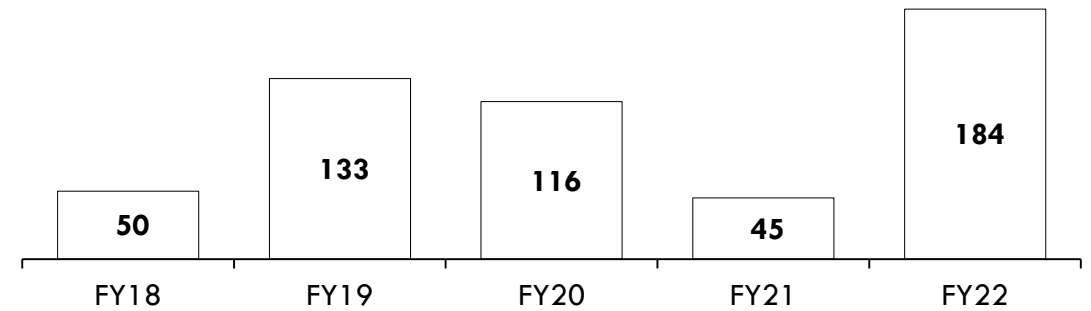
# Historical Financial Highlights

# Net cash positive, high FCF business model

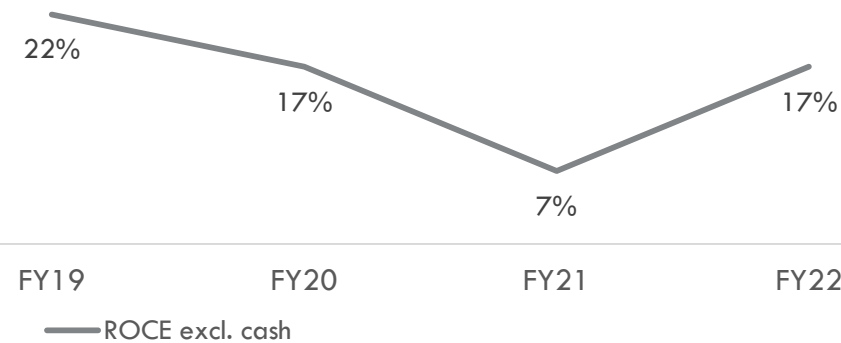
**Cash, bank and equivalents (Rs. Crores)**



**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		Operating profit before WC change	48
	48	<b>185</b>	Change in Working Capital	(3) <b>45</b>
	(7)		Direct taxes	0
C/F from investing activities	(82)		Purchase of property, plant and equipment and intangibles	(5)
	(48)	<b>(171)</b>	Proceeds from sale / purchase of investment	3 <b>(22)</b>
	-		Gain on business acquisition	-
	(45)		Investments in term deposits	(25)
	4		Interest incomes	5
C/F from financing activities	-		Repayments of non-current borrowings	(1)
	-		Proceeds from non-current borrowings	-
	3	<b>(12)</b>	Repayment of current borrowing (Net)	- <b>(10)</b>
	(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

---

This presentation and the accompanying slides (the “Presentation”), which have been prepared by BLS International Services Limited (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company. This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded. Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guaranteeing of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third-party statements and projections.



**Mr. Amit Sudhakar**  
CFO, BLS International  
[amit.s@blsinternational.net](mailto:amit.s@blsinternational.net)

---



**Mr. Amit Sharma / Mr. Rahul Trivedi**  
Bridge IR (Investor Relations Advisor)  
[amit@bridge-ir.com](mailto:amit@bridge-ir.com)  
[rahul@bridge-ir.com](mailto:rahul@bridge-ir.com)

---