BLS International (BLS) BUY

Quasi-annuity revenue, emerging digital anchors strong growth narrative

TP	Rs 445
CMP	Rs 324
Potential upside/downside	37%

Key Stock Data	
Bloomberg/Reuters	BLSIN IN / BLSN.BO
Sector	Tour & Travel
Shares o/s (mn)	412
Market cap. (Rs mn)	133,425
3-m daily avg Trd value(Rs mn)	17.3
52-week high / low	Rs 522 / 277
Sensex / Nifty	85,138 / 26,032

Price Performance (%)

	-1m	-3m	-12m
Absolute	3.0	(12.2)	(17.9)
Rel to Sensex	1.6	(18.4)	(24.0)

V/s Consensus

EPS (Rs)	FY25	FY26E	FY27E
IDBI Capital	13	18	21
Consensus	--	--	--
% difference	--	--	--

Shareholding Pattern (%)

Promoters	70.4
FII	6.8
DII	2.9
Public	19.9

Summary

BLS International Services Ltd. is one of the largest tech-enabled outsourcing partners globally focused on visa, passport, consular, and citizen services with operations across 70+ countries. The company benefits from long-term multi-year government contracts, anchoring predictable, quasi-annuity revenue with a diversified client base. Recent contract wins like the three-year Ministry of External Affairs India deal and the INR 20.55bn UIDAI Aadhaar Seva Kendra engagement exemplify strong revenue visibility. The business is pivoting towards higher gross margin digital services such as digital identity, and e-governance platforms, which are expanding rapidly and enhancing recurring revenue potential, despite short-term margin pressure due to integration costs. BLS's operational efficiency and scale support improving EBITDA margins, projected to reach 29.4% by FY27E. With revenue forecasted to grow at a 24% CAGR to INR 33.5bn and PAT at 26% CAGR to INR 8.54bn by FY27E, the company maintains a strong balance sheet with a healthy net cash position enabling strategic acquisitions. We initiate with a BUY rating, valuing the stock at 21.5x FY27E EPS with a target price of INR 445.

Key Highlights and Investment Rationale

- **Key differentiating factor:** Long-term government contracts provide stable revenue and renewal-dependent cash flows, minimizing volatility and deepening client relationships.
- **Key digital strategies:** Digital transformation strategy drives higher margin, recurring revenue streams through e-visas, digital identity platforms, and e-governance services.
- **Healthy balance sheet & scope for inorganic expansion:** Strong balance sheet and cash flow enable M&A-led growth despite recent regulatory tender restrictions in Indian Missions till 2027; global diversification helps mitigate risks.

Financial snapshot (Rs mn)

Year	FY23	FY24	FY25	FY26E	FY27E
Revenue	15,162	16,768	21,933	29,084	33,471
Change (yoy, %)	*78*	*11*	*31*	*33*	*15*
EBITDA	2,210	3,457	6,293	8,361	9,832
Change (yoy, %)	*107*	*56*	*82*	*33*	*18*
EBITDA Margin(%)	*14.6*	*20.6*	*28.7*	*28.7*	*29.4*
Adj.PAT	2,069	3,256	5,396	7,354	8,539
EPS (Rs)	5	8	13	18	21
Change (yoy, %)	*86.0*	*56.9*	*65.7*	*36.3*	*16.1*
PE(x)	64.3	41.0	24.7	18.1	15.6
Dividend Yield (%)	*0.2*	*0.2*	*0.2*	*0.3*	*0.3*
EV/EBITDA (x)	58.1	35.9	20.6	14.6	11.6
RoE (%)	*30.1*	*32.4*	*36.7*	*35.4*	*30.2*
RoCE (%)	*28.4*	*27.2*	*28.7*	*27.6*	*25.5*

Source: Company, IDBI Capital Research

Saptarshi Mukherjee
saptarshi.mukherjee@idbicapital.com
+91-22-4069 1853

Shubham Satavase
Shubham.satavase@idbicapital.com
+91-22-4069 1859

Investment Rationale

Long-term government contracts drive predictable revenue streams

Visa services leverage multi-year government contracts generating stable, renewal-dependent revenues with minimal vendor switching, and expanding margins.

BLS International's core visa and consular business is anchored on large multi-year government mandates, establishing a quasi-annuity revenue foundation. In Q2FY26, the Visa & Consular segment expanded revenue by 9.8% YoY to ~INR 4.6bn, while EBITDA margin surged to 41.9%, up 550bps YoY. These services operate through formal government tenders and demonstrate minimal vendor switching, enabling a business model where onboarding yields stable, renewal-dependent cash flows. BLS recently secured a prestigious three-year contract (effective 14 Oct 2025) from India's Ministry of External Affairs to operate visa application centers across Beijing, Shanghai, and Guangzhou, a defined engagement that confirms revenue visibility for an extended period.

The management disclosures indicate Indian Missions represented approximately 12% of consolidated revenue (based on quarterly revenue), emphasizing a geographically diversified client portfolio where individual large country contracts materially influence growth trajectories. Due to this structure, the revenue continues to be less volatile in nature and maintains a minimal dependency on walk-in volumes. A majority of the revenue depends on contract renewals, winning new deal wins and through inorganic expansions which supports forward-looking revenue projections derived from locked-in government mandates, with contract renewal provisions offering supplementary upside. BLS positions itself as a tech-enabled, AI-powered service partner for governments and bolsters these contractual agreements with the highest level of security.

Digital transformation yields higher margins and recurring fees

BLS is strategically positioning itself with high gross margin and stable/recurring revenue stream on the back of technology-driven citizen services including digital identity platforms, and e-governance portals. In Q2FY26, the Digital Services segment experienced material expansion, with revenue surging 259.3% YoY to INR 2.78bn, predominantly driven by new government platform contracts and the consolidation of recently acquired entities. Empirical data suggests resiliency in digital vertical which shows substantial growth potential. Digital services offerings such as software licensing platform and transaction based fees model includes higher fixed cost and subscription based revenue component vis-à-vis purely volume dependent walk-in service model. BLS experienced margin compression during transitional phase which was mainly impacted by integration costs rather fundamental business deterioration. Post integration, margin is transitioning towards favorable level

Material uptick in digital services was mainly driven by e-governance contracts and acquisitions including software licensing platform and transaction based fees model as a future profit engine.

due to digital revenue mix coupled with operational benefits. If digital revenue continues to expand at elevated rates relative to legacy services, the dependency on the traditional services (Travel facilitation) will go down materially in the long run.

Recent landmark contract awards demonstrate this strategic pivot where BLS secured a INR 20.55bn engagement from UIDAI to establish and operate Aadhaar Seva Kendras across district-level locations, representing a deployment of government platform initiative over span of six year period and possibly recurring. In essence, deliberate diversification into e-governance and digital identity infrastructure substantially widens BLS's addressable market opportunity and profit dynamics. As digital revenue scales proportionally, each incremental rupee from subscription-like models contributes elevated gross margin profiles, thereby compounding overall profitability expansion. The digital transformation narrative will solidify if and only if the digital traction continues to accelerate with a steady rate which justifies the re-rating of the structural valuation of BLS International in the near term.

Conditional deal wins reiterate the revenue growth and cash flow strategy

Recent financial performance substantiates that BLS's strategic initiatives are generating tangible returns backed by continuous large contract acquisition. In Q2FY26, the company delivered its highest-ever quarterly revenue of INR 7.37bn, representing 48.8% YoY growth, alongside EBITDA expansion of 29.7% YoY to INR 2.13bn. Profit after tax increased 27.4% YoY to INR 1.86bn, while application volumes surged 11.7% YoY to 1.13mn visa applications, reflecting the broader global travel sector recovery dynamics.

Contract-driven model, digital diversification and robust cash generation support earnings growth, contingent on pipeline conversion and execution timelines.

BLS maintained a net cash position of INR 13.06bn as of Sept 2025, notwithstanding aggregate capital deployment exceeding INR 10bn toward strategic acquisitions during the preceding fiscal year leads to healthy balance sheet with strong cash. This cash conversion capability has facilitated technology infrastructure investments and accretive tuck-in acquisitions that strengthen intellectual property portfolios and geographic market penetration while maintaining negligible leverage metrics. Robust cash conversion enhances strategic flexibility for prospective capital deployment and mitigates execution-related downside scenarios. At this moment, the management is focusing on deal conversion metrics (deal pipeline to deal win) in the near term (12 to 18 months) featuring substantial multi-year contracts across digital services and multi-geographies visa mandates (new/renewals). It is reasonable to project future earnings growth with a high level of confidence assuming expected contract signings occur as planned. However, any significant delays in contracts or increased competition could lead to the normalization of profit margins, if traditional visa application volume experiences seasonality. The core investment thesis supports BLS's integrated approach of combining travel sector recovery with technology-driven services. However, the success of this strategy depends on the company's ability to convert pipeline opportunities into signed contracts. A delay of 6 to 12 months in contract closure could affect the liquidity and compliance in debt covenants.

Strong balance sheet enables M&A but tender ban introduces risk

Net cash position, global diversification, and digital acquisitions offset tender restrictions, supporting long-term growth through inorganic expansion strategies.

Despite significant regulatory development clouds the near term growth potential, BLS International's healthy balance sheet creates opportunity for strategic growth via inorganic acquisitions. The company's consolidated net cash position reached INR 13.06bn as of Sept 2025 even after acquiring iData, Aadifidelis Solutions, and Citizenship Invest in recent years. The service portfolio got extended and these acquisitions further strengthened its technological capabilities. Incremental client base coupled with advanced technologies are driving the BLS growth story and have also helped company to expand across 70+ countries with new centers established in Colombia, Peru, Gambia, Sri Lanka, the Philippines, Egypt, UAE, and Vietnam. Strategic acquisitions helped BLS to mine more through innovative digital solutions. Headwind emerged in October 2025 when India's Ministry of External Affairs imposed a two-year prohibition restricting BLS from competing for new Indian Mission contract tenders effective immediately due to procedural violations and applicant grievances which debars BLS from any kind of participation in future embassy and consulate mandate opportunities till 2027. Tender restriction may have a minor impact on the topline (Indian Mission contributes around 12% of Revenue/EBITDA, quarterly-basis) as majority of the Indian contracts are L1 only (low margin business). Majority of the margin contribution comes from Schengen and other developed countries (e.g. USA, Canada, Japan). BLS clarified that all existing embassy and consulate contractual arrangements remain unaffected operationally, and is actively exploring remedial pathways. The company's international diversification spanning 70+ countries including the United States, UAE, European markets, and other regions provides meaningful offset against India-specific disruption dynamics. The company has emphasized that its acquisition-driven expansion strategy, coupled with the transformative INR 20.55bn UIDAI Aadhaar Seva Kendra contract, substantially strengthens the domestic revenue visibility independent of Indian Mission bidding opportunities. In aggregate, the strong balance sheet and recurring revenue foundation support medium-term upside trajectories through acquisitions and scaling initiatives, though the MEA tender prohibition constitutes a material downside risk warranting active monitoring.

Platform scaling and cross-selling expand the addressable market

BLS establishes an operational footprint for legacy visa and passport processing services, it leverages that established platform and client relationship to introduce complementary service modules, which will expand its addressable market opportunity substantially. The management has identified high value verticals which includes citizenship, residency and entry services etc. in addition to traditional offerings (Visa and Passport processing). The incremental cost of incorporating supplementary modules such as biometric identity verification, e-attestation, e-governance portals, or citizen back-office outsourcing functions within an operational facility remains materially lower than acquiring brand-new country contracts through competitive procurement processes. Identifying the companies for acquisitions and their successful incorporations led to strategic success for BLS so far.

Company leverages existing operational footprint to introduce high margin complementary services such as citizenship, residency, e-governance which will mine the existing as well as the expanding addressable market.

The company completed its INR 2.6bn acquisition of Citizenship Invest in October 2024, gaining entry into the high-margin citizenship and residency domain, with Citizenship Invest demonstrating an exceptional 45% EBITDA margins and a 99% application success rate across 20 programs serving over 1,800+ high-net-worth clients (based on CY23). BLS simultaneously acquired iDATA in Turkey, which operates across 15 countries handling visa processing for Italian, Czech, and German missions with approximately USD ~30mn run rate (Approx. revenue/year). These strategic acquisitions enable cross-location revenue amplification, allowing each established processing hub to generate incremental high-margin revenues through service module expansion.

BLS's global footprint currently spans 70+ countries with contractual partnerships across the United States, UAE, Spain, Slovakia, Hungary, Poland, Portugal, and numerous other jurisdictions. These international engagements frequently incorporate multi-year commitments with embedded technology components, establishing a predictable recurring revenue streams. Cross-sell transaction trends, average revenue-per-contract expansion metrics, and quarterly digital services penetration rates within legacy visa centers incorporates lifetime value generation per geographic locations through disciplined service modules. Assuming similar disciplined execution continues in the near term, BLS's total addressable market is likely to outpace low-single-digit historical visa volume growth substantially, leading to a material improvement to group average revenue per user metrics and consolidated profit margins.

Operating leverage and efficiency drive margin expansion

Operational centralization, high gross margin service mix and integration of recent acquisitions bode well with the company's structural profitability expansion.

BLS International has successfully elevated profitability margins by meaningfully capturing economies of scale and operational efficiencies. The management has deliberately rationalized the operational infrastructure framework to deliver a favorable revenue mix shift backed by high-margin service offerings. Notably, a substantial number of visa processing centers have transitioned from partner-managed operating models to company-controlled in-house operations which has materially enhanced the realization metrics per application and optimized cost structure. Despite elevated integration costs (due to recent acquisitions), the company has executed a structural transformation successfully backed by key metrics with consolidated EBITDA margin of 28.8% in H1FY26. The Visa and Consular Services segment demonstrated a powerful margin expansion dynamic, with EBITDA margin improving to 41.9% in Q2FY26, up 550 bps YoY driven by disciplined fixed-cost absorption as application volumes scaled and the transition to self-managed operational models from third-party managed centers. The management's strategic aspirations target meaningfully elevated adjusted EBITDA margin trajectories above historically observed levels, supported by continued mix optimization toward annuity-like subscription revenue streams and operational centralization. The integration of recent acquisitions such as iDATA, which operates at elevated 50-55% EBITDA margins coupled with high gross-margin from digital business, further supports the management's narrative of structural profitability expansion. We believe that the incremental consolidated revenue particularly from digital services and recurring government mandates is anticipated to flow through operating profit at an accelerated rate compared with legacy volume-dependent visa application services. The management emphasized that competitive bidding, one-time acquisition integration costs, and evolving regulatory environments could contract near-term margin, but the consolidated EBIT trajectory coupled with long term profitability will outperform in the longer run.

Valuation outlook

BLS International is set for robust growth with revenue projected to rise at a 24% CAGR to INR 33.47bn by FY27, driven by international expansion, cost control, process automation, and high gross margin digital services. EBITDA margin is expected to improve to 29.4% while PAT should grow by 37% CAGR, hitting INR 8.54bn. Strong free cash flow, conservative capex, and high return ratios (ROE/ROCE 25–30%) highlight financial strength and flexibility. Strategic acquisitions, key contracts, and expanding digital platforms underpin a positive outlook and BUY rating, with a target price of INR 445, representing a 37% upside.

Company Background

Established in 2005, BLS International Services Ltd. is the world's second-largest tech-enabled outsourcing partner for governments, specializing in visa, passport, consular, and citizen services. The company has processed over 360mn applications across 70+ countries with 46+ government clients, offering end-to-end solutions such as visa processing, biometric enrolment, passport renewals, and document attestation.

In India, through BLS E-Services, the company operates one of the largest Business Correspondent and assisted service networks, enabling financial inclusion and e-governance at the grassroots level. This dual global-local model positions BLS as a key beneficiary of rising cross-border mobility and India's accelerating digital transformation.

Exhibit 1: Visa and Consular Business

Visa & Allied Services (including Value-Added Services)		Consular Services
Core Service Include:	**Value Added Services:**	**Providing Citizen Services including:**
• Outsourced visa processing	• Photocopy, courier and internet facility	• Passport Renewal
• Verification of documents	• Premium lounge	• Authentication of Travel Documents
• Attestation of documents	• Form Filling	• Legalization of Documents
• Biometrics	• Insurance	• Renunciation of Citizenship
• E-Visa	• SMS Alert	• Notary Services
	• Translation services	
	• Mobile biometrics	

Source: Company; IDBI Capital Research

Visa Processing Services

BLS International is among the major global players in outsourced visa processing, working with 46+ governments across 70+ countries. The company manages the full lifecycle of visa applications, including intake, biometric enrolment, verification, and coordination with diplomatic missions. Its model integrates AI-driven tools, biometric authentication, and multilingual digital support to enhance security and efficiency. Services also extend to e-visas, attestation, and value-added offerings. With a strong compliance framework and a shift toward self-managed centers, BLS has improved operational control and customer experience. This segment remains the backbone of its international operations, anchored in trust and scale.

Consular Services

Consular services form a vital extension of BLS International's offerings, supporting diplomatic missions with sensitive functions. The company handles passport renewals, replacements, and issuance of travel documents, along with national ID services and notarial tasks such as authentication and witnessing. It also manages Overseas Citizenship of India (OCI) and renunciation services for Indian missions globally. BLS provides applicants with structured workflows such as application intake, verification, approval, fulfilment, grievance redressal, and feedback collection which ensures transparency and reliability. By positioning itself as a trusted partner for governments, the company strengthens long-term relationships and contributes to the modernization of global consular support systems.

E-Visa Services

BLS International has built a secure technology platform to deliver end-to-end e-visa solutions, prioritizing simplicity, speed, and compliance. The digital infrastructure supports the entire application lifecycle, including online submissions, document uploads, secure payments, and digital approvals. Applicants typically receive confirmations electronically for use during travel. For governments, the model streamlines visa issuance, reduces administrative workload, and integrates with border control systems for real-time validation. By enabling electronic visas, BLS supports inbound tourism and business mobility while enhancing convenience for applicants. Strong data protection and encryption ensure the integrity of sensitive personal information, reinforcing trust in its digital-first approach.

Exhibit 2: Digital Business

Business Correspondent	E-Governance Services	Assisted E-Services
• Enrolment of customers • Opening of bank accounts • Balance enquiries • Money transfers • Passbook updates and other basic banking services	• Birth and death certificates • PAN and Aadhaar registrations • Property registrations and land record management • Ayushman Bharat quality checks • Digital Ration Cards • Pension and Social Welfare Schemes • Utility Bill Payments and Recharges	• Point-of-Sale (PoS) services • Ticketing services • Assisted e-commerce services • Other digital and retail services

Source: Company; IDBI Capital Research

Digital Business

The Digital Business is housed under subsidiary BLS E-Services, which operates on an asset-light model. It focuses on citizen-centric services in India, delivered through a wide network of touchpoints including business correspondents, e-stores, and service centers. The segment addresses financial inclusion, assisted governance, and digital access in under-served areas. Offerings include fintech solutions, utility payments, travel bookings, and e-commerce services. Acquisitions such as Zero Mass Private Limited and Aadifidelis Solutions have enhanced its reach in banking correspondence and loan distribution. Positioned as a multi-service platform, the segment complements BLS's international operations by deepening grassroots engagement in India.

Business Correspondent Services

The Business Correspondent (BC) vertical delivers last-mile banking services, particularly in rural and semi-urban areas under India's financial inclusion agenda. Through partnerships with banks and government schemes, BLS facilitates account openings, deposits, withdrawals, remittances, balance checks, and passbook updates. Its network expansion has been accelerated by acquisitions such as Starfin India and Zero Mass. Aadifidelis Solutions further strengthened loan processing and distribution capabilities. By acting as a bridge between formal banking institutions and un-served populations, this vertical supports financial empowerment and economic participation. The Business Correspondent business serves both a social and commercial role within BLS's broader service mix.

E-Government Services

BLS International delivers e-governance solutions across multiple states in India through common service centers and digital kiosks. Services include issuance of birth & death certificates, property registrations, PAN & Aadhaar enrolments, pension facilitation, ration cards, Ayushman Bharat health checkup programs, and welfare scheme enrolments. By acting as a one-stop interface for government-to-citizen services, the company enhances accessibility, especially in rural and semi-urban geographies. Its scalable technology model allows integration with state and central government systems, while ensuring compliance and efficiency. This vertical strengthens BLS's positioning as a trusted partner in India's Digital India initiative and public service delivery.

Assisted E-Services

The Assisted E-Services vertical focuses on convenience-led solutions offered through BLS e-stores and authorized retail outlets. These include digital and retail services such as utility bill payments, ticketing, insurance, e-signatures, PoS services, and assisted e-commerce. Additional offerings like mobile and DTH recharges, train ticket booking, and healthcare consultancy broaden the portfolio. By catering to customers who may lack digital literacy, this model bridges accessibility gaps in under-served areas. With a growing network of service points, BLS enables citizens to transact digitally in a guided manner, supporting financial inclusion and digital adoption. This segment complements its broader digital ecosystem.

Exhibit 3: Recent acquisition at a glance

Acquisition	Strategic Rationale	Impact on BLS International
iDATA	Expanded Visa & consular services across Europe	Broadened global presence
Citizenship Invest	Entry into RCBI advisory space	Diversified service portfolio
Aadifidelis Solutions	Strengthened digital loan fulfilment and processing	Enhanced fintech capabilities
SLW Media	Boosted digital outreach and brand visibility	Elevated brand image

Source: Company, IDBI Capital Research

Exhibit 4: Key contract wins

Client Country	Location	Remarks
Cyprus	Kazakhstan	NA
India - Aadhar Seva Kendras (Rs 2055 Cr Contract)	India	Project to be executed over 6 years
India	China	3 year contract
US	Dominican Republic	For US Visa - 10 year contract
US	South Africa, Kenya, Uganda	NA
UAE Attestation	Global	NA

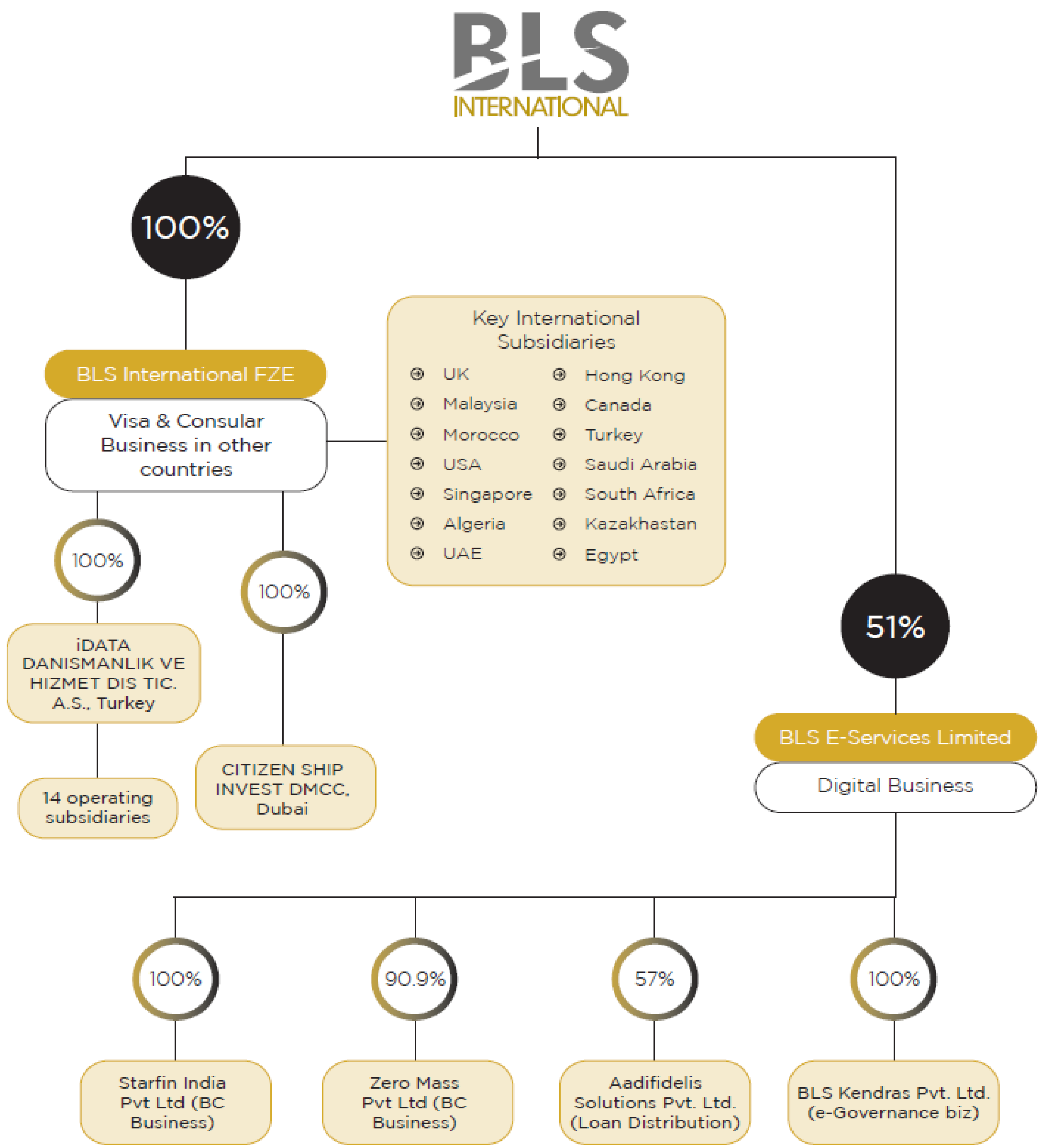
Source: Company, IDBI Capital Research

Exhibit 5: Key countries with multiple service offerings

Key Countries	Services
Canada	Passport, Visa, PIO/OCI, GDIT, RCMP
Singapore	Passport, Visa, Consular, OCI
Hong Kong	Passport, Visa, Consular
Oman	Passport, Visa, Consular
UAE	Passport, Visa, EC
Kuwait	Passport, Visa, Consular, Attestation

Source: Company, IDBI Capital Research

Exhibit 6: BLS Corporate Structure



Source: Company; IDBI Capital Research

Exhibit 7: BLS Journey

2005–2007
- Entered visa outsourcing with Portuguese Embassy (Delhi);
- Expanded to Austria, Belgium, Greece, Romania & Tunisia in India.

2008-2010
- Global foray with Indian embassies in Spain, Kuwait, Sudan & Russia.

2011-2012
- Opened VACs (for Indian embassy) in UAE.
- Expanded to South Asia, Saudi Arabia & Singapore.

2013-2014
- Added 4 EU foreign missions; expanded to US & Canada; strengthened global scale.

2015
- Entered Hong Kong, Malaysia & Azerbaijan (for Consulate General of India)
- Signed UAE manpower contract; turnover reached USD 75.9mn.

2016
- Listed on NSE & BSE; won Punjab e-Governance project.
- First Schengen (Spain) for visa outsourcing; turnover USD 95.4mn.

2017-2018
- Expanded to Africa (Nigeria, Lebanon, Senegal); acquired Starfin India.
- Started Visa application process for Italy in Singapore,embassy ops for France in Jordan.

2019
- Strengthened Indian MEA services; added Vietnam for India;
- Fortune India Next 500 listing; Estonia e-Residency mandate.

2020
- Expanded Visa applications ops of Portugal in Russia; Egypt government contract.
- Commenced Canada fingerprinting service; Brazil & Lebanon visas.

2021
- Partnered with UP Govt. to provide Jan Seva Kendras, strengthening domestic citizen services.
- Authorized by Germany's Federal Foreign Office for visa processing in North America & Mexico, marking a major global expansion.
- Secured mandates for Royal Thai Embassy/Consulates across India and Kenya, broadening Southeast Asian reach.
- Expanded portfolio with the Embassy of India in Kuwait and Philippines embassies in Qatar, Malaysia & Italy.

2022
- Signed citizen service agreements with Rajasthan, Karnataka & West Bengal governments.
- Acquired Zero Mass Pvt. Ltd. (ZMPL), strengthening banking correspondent and rural outreach services.
- Expanded visa operations for Germany in the USA and Thailand in India, Kenya & South Africa.

2023
- Renewed prestigious Spain global visa contract and India–Canada services, highlighting service excellence.
- Awarded global visa outsourcing for Slovakia, reinforcing Schengen presence.

- Secured a key mandate from UIDAI, marking entry into national identity infrastructure.
- Achieved CMMI DEV Level 5 V2.0 certification, underlining high process maturity.

2024
- Successfully launched BLS E-Services IPO, oversubscribed 100x.
- Acquired iDATA and Citizenship Invest (Dubai), entering Residency & Citizenship programs.
- Expanded visa services to Hungary, Canada, Algeria, Oman, Czech Republic, Italy & Portugal.
- Extended Qatar attestation services to Uganda, Seychelles & DRC.
- Acquired Aadifidelis Solutions (57% stake), further strengthening portfolio.

2025
- Signed India contract in China for Visa & Passport services
- Signed Cyprus contract in Kazakistan & Russia
- Secured Slovakia Global contract for 80+ countries

Source: Company; IDBI Capital Research

Industry Overview

Global Economy Overview

Global GDP growth is forecast at 3.0% in 2025 and 3.1% in 2026 slightly higher than the IMF's April 2025 outlook. The improvement reflects front-loaded activity before tariffs, lower effective tariff rates, easier financial conditions, and fiscal expansion in key economies. Inflation is easing but still high at 4.2%, sustained by sticky service inflation and rising wages. While commodity and energy prices are declining, global indicators remain stressed due to persistent trade frictions and geopolitical uncertainties weighing on major economies.

Exhibit 8: World Economic outlook

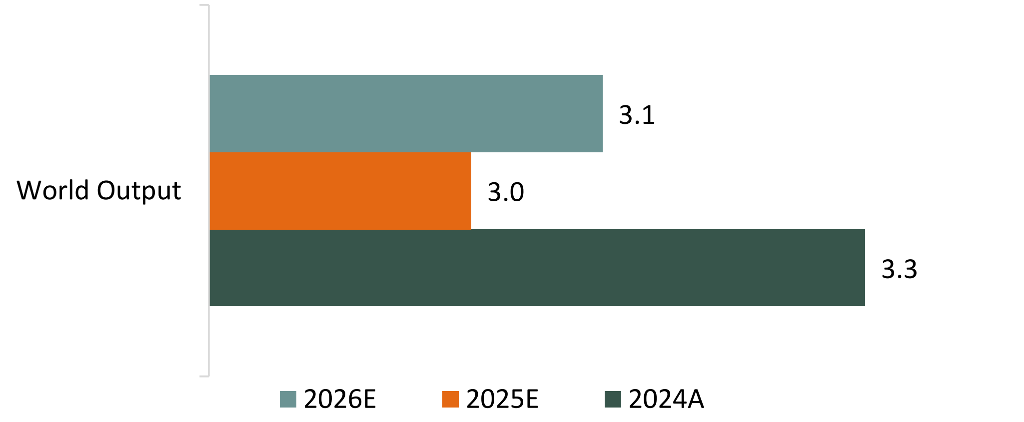
World Economic Outlook Growth Projections			
(Real GDP, annual percent change)	2024A	2025E	2026E
World Output	**3.3**	**3.0**	**3.1**
Advanced Economies	1.8	1.5	1.6
United States	2.8	1.9	2.0
Euro Area	0.9	1.0	1.2
Germany	-0.2	0.1	0.9
France	1.1	0.6	1.0
Italy	0.7	0.5	0.8
Spain	3.2	2.5	1.8
Japan	0.2	0.7	0.5
United Kingdom	1.1	1.2	1.4
Canada	1.6	1.6	1.9
Other Advanced Economies	2.2	1.6	2.1

(Continued)

World Economic Outlook Growth Projections			
(Real GDP, annual percent change)	2024A	2025E	2026E
Emerging Market and Developing Economies	**4.3**	**4.1**	**4.0**
Emerging and Developing Asia	**5.3**	**5.1**	**4.7**
China	5.0	4.8	4.2
India	6.5	6.4	6.4
Emerging and Developing Europe	**3.5**	**1.8**	**2.2**
Russia	4.3	0.9	1.0
Latin America and the Caribbean	**2.4**	**2.2**	**2.4**
Brazil	3.4	2.3	2.1
Mexico	1.4	0.2	1.4
Middle East and Central Asia	**2.4**	**3.4**	**3.5**
Saudi Arabia	2.0	3.6	3.9
Sub-Saharan Africa	**4.0**	**4.0**	**4.3**
Nigeria	3.4	3.4	3.2
South Africa	0.5	1.0	1.3
Memorandum			
Emerging Market and Middle-Income Economies	4.3	4.0	3.9
Low-Income Developing Countries	4.0	4.4	5.0

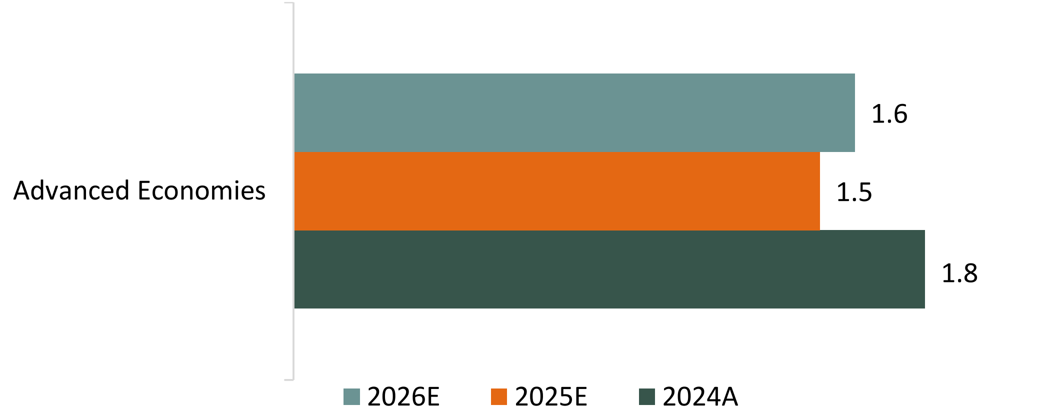
Source: IMF, World Economic Outlook, July 2025, IDBI Capital Research

Exhibit 9: World Outlook, GDP (% change)



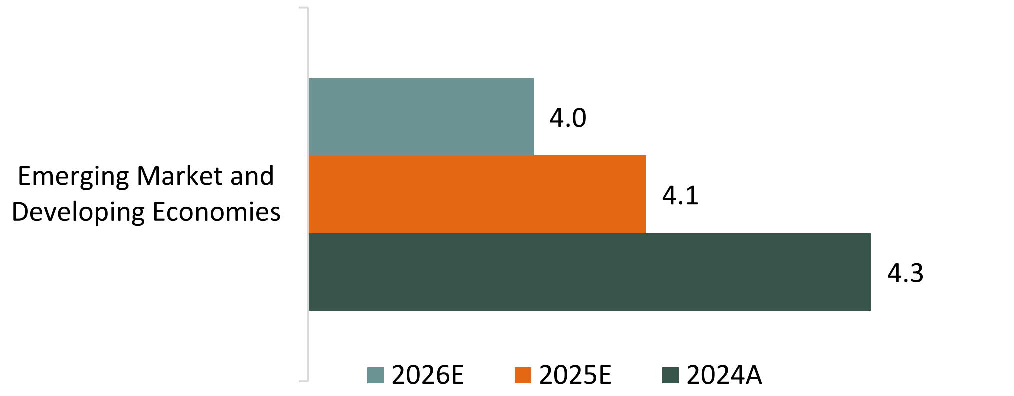
Source: IMF, World Economic Outlook, July 2025, IDBI Capital Research

Exhibit 10: Advanced Economies Outlook (GDP % change)



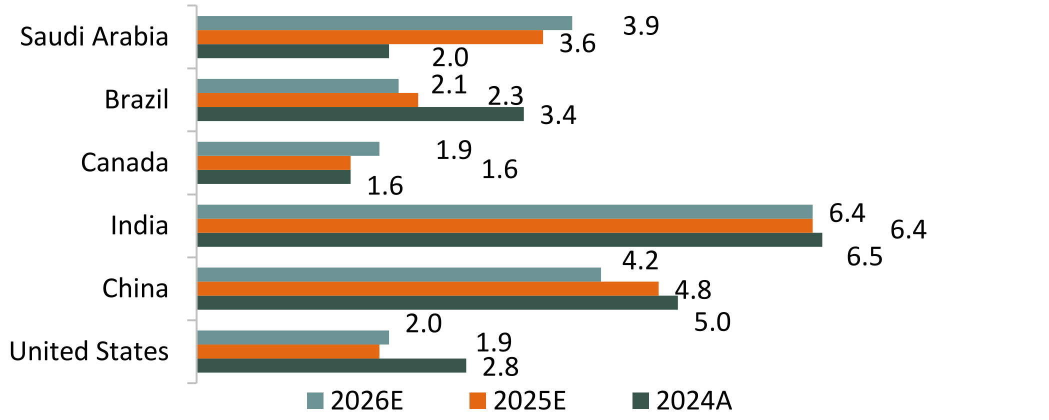
Source: IMF, World Economic Outlook, July 2025, IDBI Capital Research

Exhibit 11: Emerging Market % Developing Economies Outlook (GDP % change)



Source: IMF, World Economic Outlook, July 2025, IDBI Capital Research

Exhibit 12: Major Countries with Higher Growth Outlook (GDP % change)



Source: IMF, World Economic Outlook, July 2025, IDBI Capital Research

India ranks as the fourth-largest economy with 6.5% GDP growth, moderating inflation, surging FDI inflows, and robust service exports, establishing favorable macro conditions for BLS International's expansion.

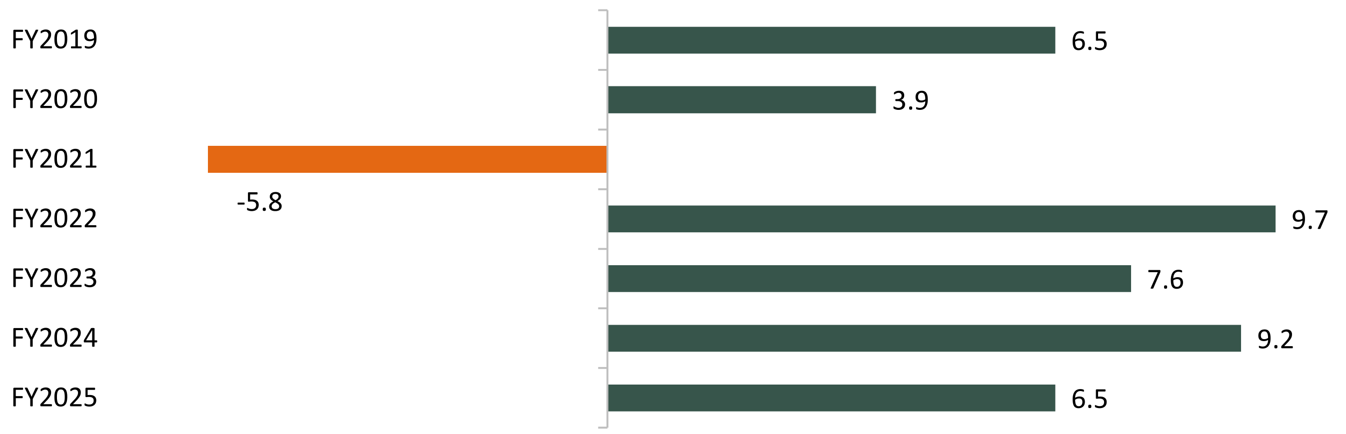
India's economic resilience: Navigating global uncertainties and achieving robust growth

FY2024-25 is marked as a transformative year for India's economy, demonstrating exceptional resilience amid global macroeconomic headwinds and significant political transitions in major economies including India and the United States of America. These geopolitical shifts introduce potential uncertainties regarding global trade policies, tariffs, and investment flows. However, India has emerged as a standout performer, currently ranking as the world's fourth-largest economy with projections to become the third-largest by 2028, driven by robust sectoral growth, higher private consumption, and rising household incomes.

India maintained its position as one of the world's fastest-growing large economies, with GDP expanding 6.5% and nominal GDP growth reaching 9.8% in FY2024-25. This growth trajectory reflects broad-based momentum across multiple sectors. Construction vertical still leads the growth pack with a 9.4% YoY increase, reflecting sustained infrastructure investment and robust real estate activity. Trade, hotels, transport, and communication services grew 6.1% YoY, bolstered by the recovery in mobility and tourism post pandemic disruptions. These diverse growth drivers demonstrate economic resilience across sectors. On the demand side, private consumption rose 7.2%, a significant acceleration from 5.6% in the previous year, signaling strength in domestic demand and higher household incomes. The consumption growth underpins economic sustainability and reduces external dependency.

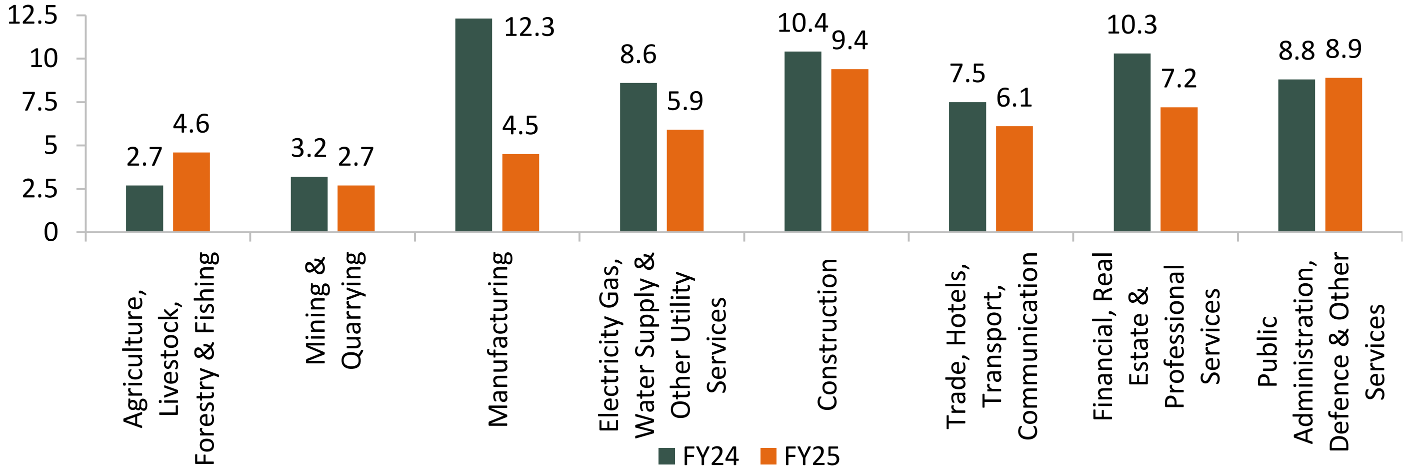
Macroeconomic conditions improved notably, with easing in inflationary pressures. CPI inflation moderated to 2.82% in May 2025 from 3.16% in April, driven largely by declining food prices. This softer inflation environment, combined with stable financial conditions, has supported credit expansion and business confidence. India's external sector demonstrated considerable strength. FDI inflows increased 17.9% YoY to USD 55.6bn (Aug 2025), reflecting sustained investor confidence in India's growth prospects. Forex reserves strengthened to USD 698bn, covering 11.4 months of imports (June 2025), providing substantial macro stability. While merchandise trade deficit widened to USD 282.83bn (FY25) due to higher imports which was offset by the growth in service exports (USD 383.5bn, up 12.5% YoY) and drives combined merchandise and services exports to USD 821bn, up 5.5% YoY. This export resilience underscores India's competitive positioning in global services markets.

Exhibit 13: Real GDP Growth India in %



Source: Mospi Gov, IDBI Capital Research

Exhibit 14: India's Sector-Wise Growth Rates in %



Source: Pib Gov, IDBI Capital Research

Global Tourism and Travel Industry

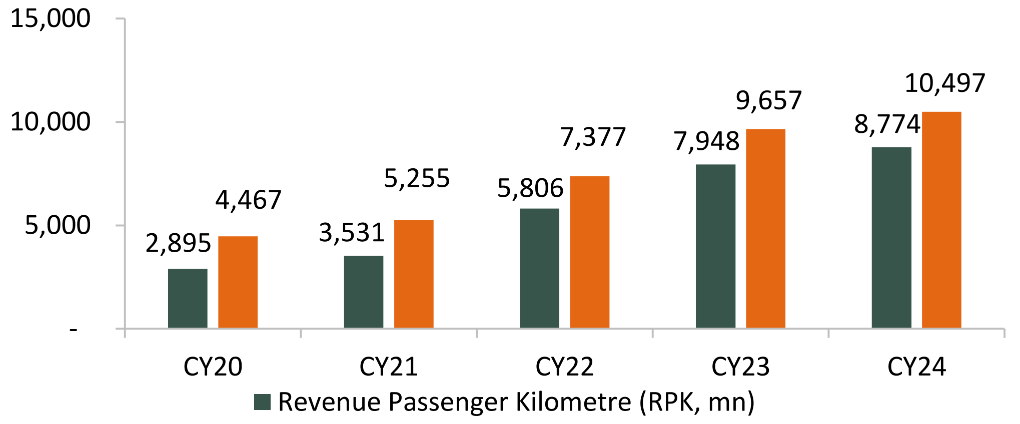
The global travel and tourism market is expected to expand to USD 3.4tn by 2029 (with an 8% CAGR), supporting 357mn jobs and contributing USD 15.9tn to the GDP which will drive the visa processing demand.

The global travel and tourism industry has demonstrated remarkable resilience and recovery following pandemic disruptions, re-emerging as a vital engine of worldwide economic growth. The sector's market size reached USD 2.3tn in 2024 and is projected to expand to USD 3.4tn by 2029, representing a strong 8% compound annual growth rate. This impressive trajectory reflects the industry's structural strength and its ability to adapt to evolving consumer behaviors and technological advancements.

Several factors support this robust growth. International travel has rebounded strongly as border restrictions have eased and consumer confidence has returned. Rising disposable incomes, particularly in emerging markets, are fueling demand for both domestic and international tourism experiences. Digital transformation has revolutionized the industry, with online travel platforms, mobile booking applications, and AI-powered personalization which enhances the customer convenience and also drives with high conversion rates. These digital innovations are reshaping how travelers plan, book, and experience their journeys. The sector's economic contribution extends far beyond direct market revenues. In 2024, travel and tourism contributed USD 11.3tn to global GDP, a figure expected to reach USD 15.9tn by 2029, growing at a 7.1% CAGR. This broader economic impact encompasses direct, indirect, and induced effects across hospitality, transportation, entertainment, retail, and related services. Infrastructure investments in airports, hotels, and transportation networks further amplify these economic benefits.

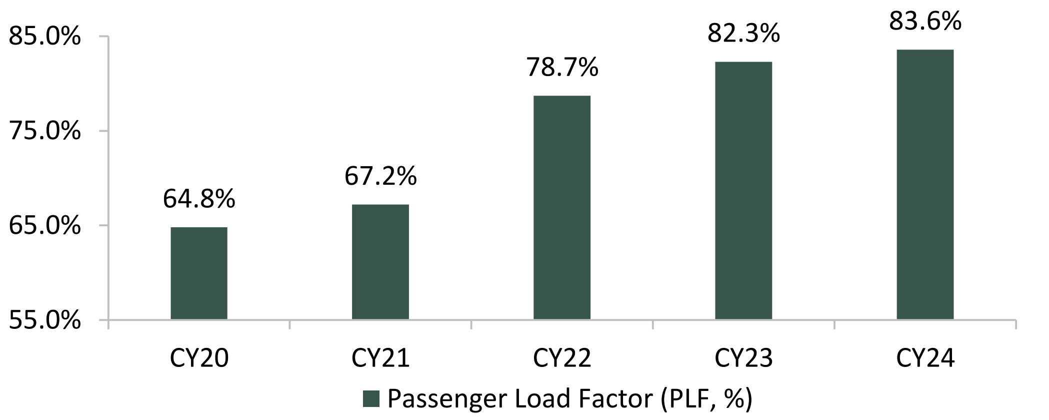
Employment generation represents another critical dimension of the industry's significance. In 2024, travel and tourism supported 357mn jobs globally, accounting for 10.4% of total employment. This employment is spread across diverse skill levels and geographies, providing livelihoods in both developed and developing economies. The industry benefits from multiple tailwinds such as sustained consumer demand for experiential travel, ongoing digitization, infrastructure expansion, and favorable demographic trends. However, challenges including sustainability concerns, geopolitical tensions, and climate considerations require proactive industry responses. Overall, travel and tourism remain a structural growth sector with enduring economic importance along with employment generation capacity.

Exhibit 15: Global Air Passenger Market, RPK, ASK (Mn)



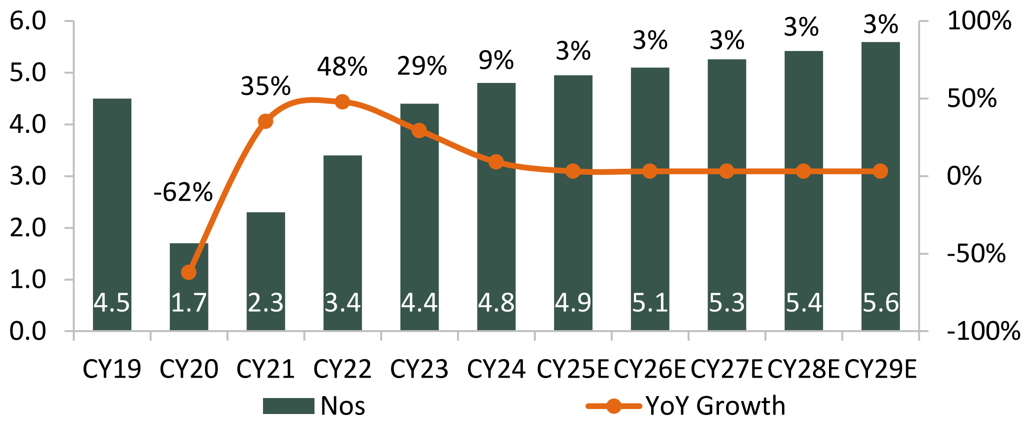
Source: WTTC, IATA, IDBI Capital Research

Exhibit 16: Global Passenger Load Factor (%)



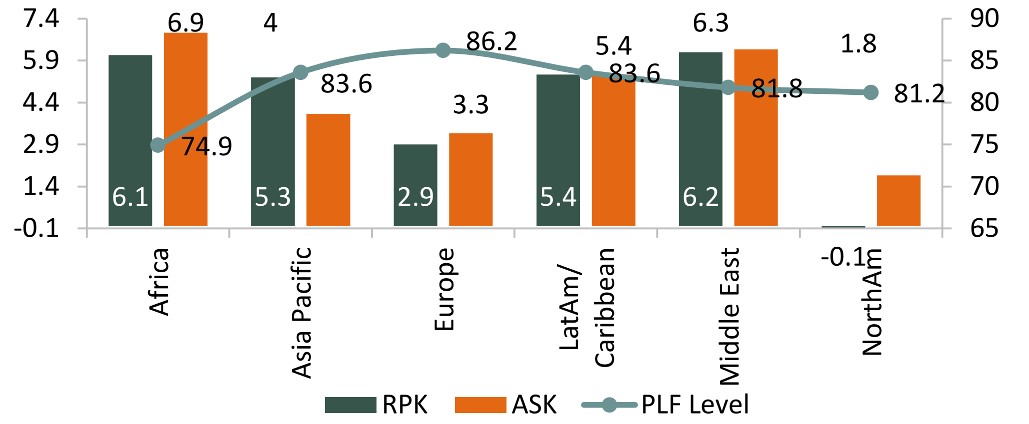
Source: WTTC, IATA, IDBI Capital Research

Exhibit 17: Total Airline Passengers- Global (in Bn)



Source: WTTC, IATA, IDBI Capital Research

Exhibit 18: Air Passenger Market (% YoY excluding PLF)



Source: IATA, IDBI Capital Research

Global mobility trends creating sustained growth for BLS International services

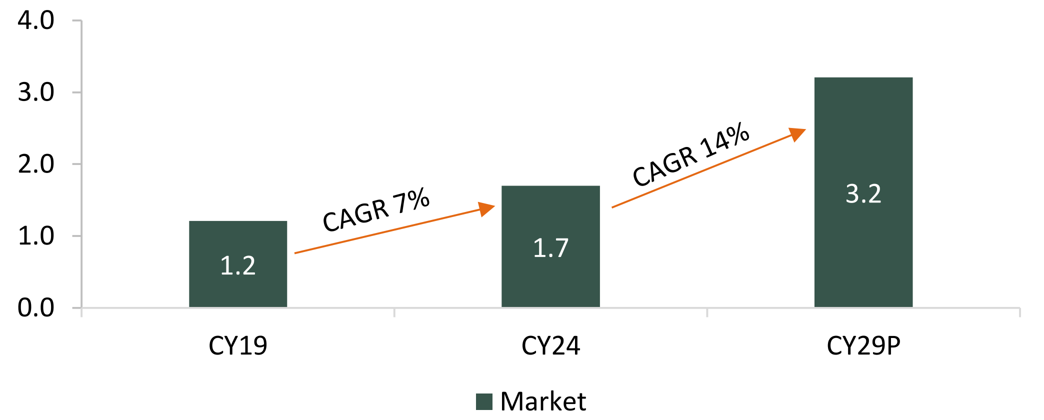
BLS International commands 17% market share in outsourced visa segment (excl. US), leveraging government relationships, digital capabilities, and diversified visa categories (tourist 70%, business, student, work) to capture robust market growth.

BLS International is exceptionally well-positioned to harness significant growth opportunities emerging from the global visa outsourcing market's dynamic expansion. The outsourced visa processing industry is experiencing strong momentum driven by resurgent international travel for leisure, business, and employment, alongside the rising popularity of digital nomad programs. This tailwind directly benefits BLS, which operates as one of the key visa outsourcing player globally with a 17% market share in the outsourced visa segment (excluding US).

The structural growth drivers in visa outsourcing align perfectly with BLS's strategic capabilities. Governments worldwide are progressively adopting e-visa platforms and deploying biometrics, AI-enabled systems, and real-time tracking technologies. BLS's technological expertise and infrastructure position it to serve as a preferred partner for governments seeking to modernize visa processing while maintaining security and efficiency. The company's ability to expand digital capabilities and diversify solution offerings directly addresses the critical success factors in this market. Tourist visas represent the largest market segment at 70% of demand, growing at an impressive 15.2% CAGR, providing stable revenue visibility. Business travel visas are accelerating at 13.5% CAGR, reflecting renewed corporate mobility. Student visas continue expanding at 10.3% CAGR, while work visas are recovering at 4.6%, supported by skilled migration trends. This diversified demand across visa categories reduces BLS's revenue concentration risk and creates multiple growth vectors.

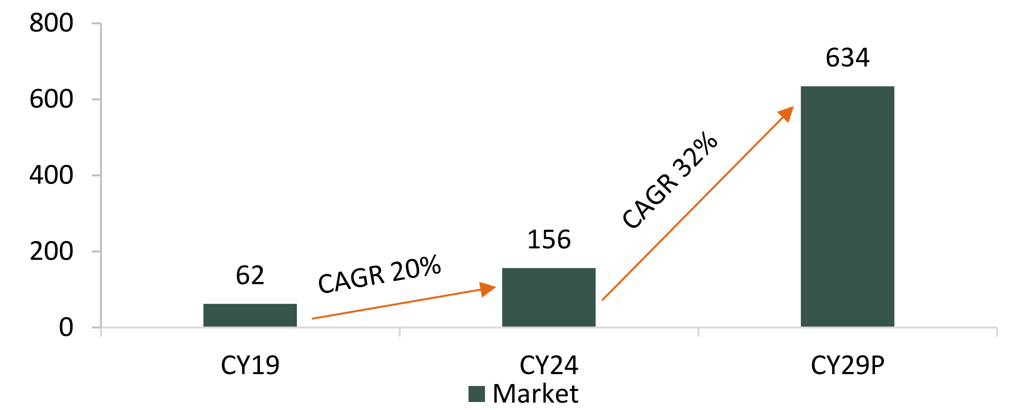
Beyond traditional visa processing, immigration services addressing permanent residency and long-term migration present incremental opportunities. BLS can expand service offerings to include eligibility assessments, documentation, legal guidance, and settlement support, creating a comprehensive mobility solution. This convergence of visa facilitation and immigration consultancy reflects shifting patterns of the global student, professional, and family migration. The company's competitive advantages include operational excellence, government relationships, technological prowess, and global footprint which enable it to capture disproportionate growth from this expanding market. With the visa outsourcing industry projected to expand robustly through the coming decade, BLS International is strategically positioned to drive substantial revenue growth and profitability expansion while strengthening its status as a global leader in citizen services.

Exhibit 19: Global Visa Outsourcing Market (in USD bn)



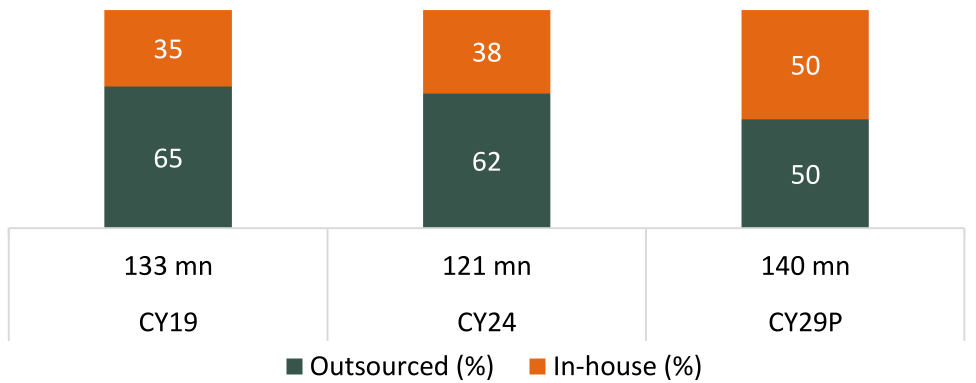
Source: Company, IDBI Capital Research

Exhibit 20: Global Consular Outsourcing Market (in USD mn)



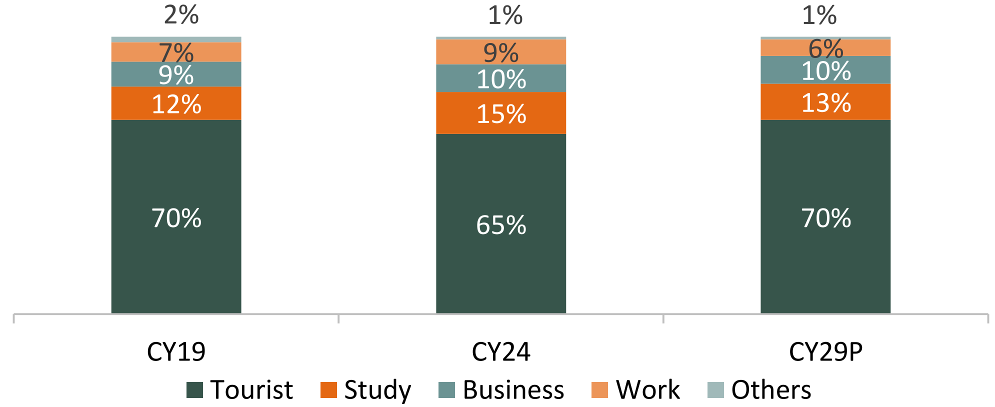
Source: Company, IDBI Capital Research

Exhibit 21: Global Visa Applications Outsourced vs In-House:



Source: Company, IDBI Capital Research

Exhibit 22: Global Visa Outsourcing Services Market (By Type of Visa)



Source: Company, IDBI Capital Research

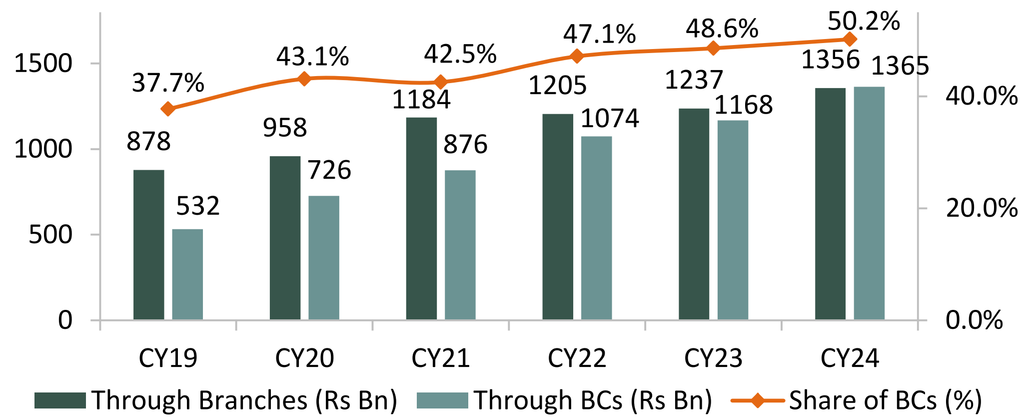
BLS capitalizes on the rising demand in India's expanding Business Correspondent ecosystem

BLS International operates +45.4K BC service points capturing India's financial inclusion expansion, with BC transaction share rising to 50.1% of banking (FY24), enabling diversified monetization across banking, insurance and e-commerce.

BLS International is uniquely positioned to capitalize on India's expanding Business Correspondent ecosystem, which has become the backbone of rural financial inclusion. Through its subsidiaries Zero Mass and Starfin India, the company operates over +45.4K customer service points across the country, making it one of the largest BC network operators. This extensive footprint provides a significant competitive advantage in capturing the growing demand for the financial and digital services. Transaction value handled by BCs has surged from 37.7% of total banking transactions in FY19 to 50.1% in FY24, reflecting a structural shift in India's banking landscape. Similarly, transaction volumes have increased from 55.6% to 60.5% during the same period. This demonstrates that BCs are not merely supplementary but increasingly central to how Indians access banking services. For BLS International, this trend directly translates to expanding business opportunities and revenue potential. The government's aggressive financial inclusion agenda further strengthens BLS's growth prospects. The Pradhan Mantri Jan Dhan Yojana continues to add millions of new beneficiaries, with plans to onboard 30mn additional accounts in FY25 alone, on top of an existing base of 531mn active accounts. Direct benefit transfers schemes channel substantial government funds through BC networks, creating predictable transaction volumes and recurring revenue streams for operators like BLS.

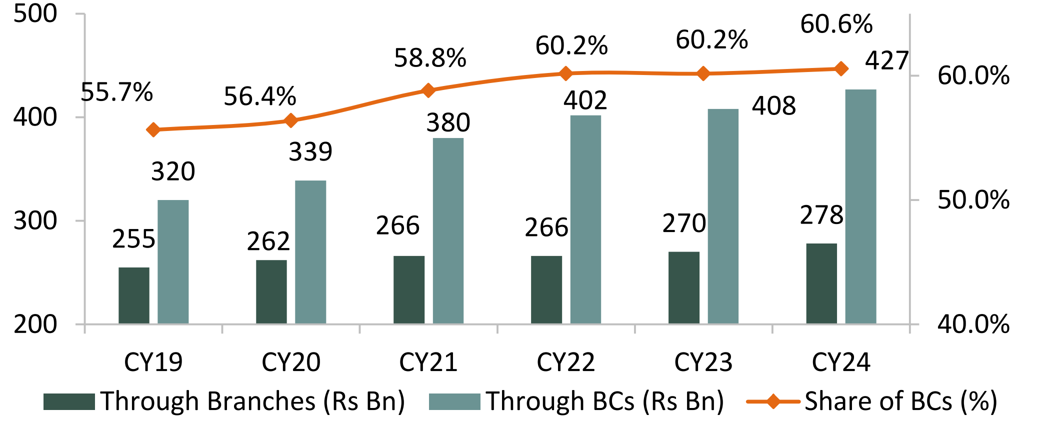
Beyond conventional banking transactions, BLS's BC network provides access to diverse services including insurance, healthcare, e-commerce, and digital solutions. This diversification enables the company to monetize its network across multiple revenue channels, reducing dependence on a single product or service. By serving both B2B and B2C segments, BLS can optimize profitability and operational efficiency. The rural focus of BC operations perfectly aligns with the access related to the financial services required in underserved regions. As traditional banking infrastructure remains limited in remote areas, the BC model fill-ups the critical gap, positioning BLS as an essential service provider. Despite providing economies of scale and enabling competitive pricing, the company has successfully maintained healthy margin while operating over +45.4K customer service points. Furthermore, the BC segment's continued expansion is supported by structural factors such as ongoing digital adoption, government mandates for financial inclusion, and rural India's increasing consumption and economic participation. These tailwinds ensure sustained demand for BC services over the medium to long term. For BLS International, this represents a durable and growing revenue opportunity that complements its core visa processing and G2C services, reinforcing its business model's resilience and growth trajectory.

Exhibit 23: Amount transacted in BSBDA accounts through channels



Source: Company, IDBI Capital Research

Exhibit 24: Transaction in BSBDA through BCs by volume



Source: Company, IDBI Capital Research

India becoming a global digital economy with enhanced e-governance infrastructure

India advances to 49th in Network Readiness Index (2024), leveraging AI, block-chain, cloud computing, DPIs (Aadhaar, UPI), and outsourcing partnerships to accelerate citizen-centric digital service delivery.

India has strengthened its position in the global digital economy moving up to 49th place in the Network Readiness Index (NRI) 2024 from 60th in 2023. Several key trends are shaping the country's e-governance journey. Technological innovation is driving the change with AI, block-chain, cloud computing and 5G enabling faster, more secure and citizen-focused services. The National Informatics Centre (NIC) has already deployed cloud solutions across 300+ government departments, streamlining operations and service delivery. Public–private partnerships are also crucial. Joint efforts between government and private players have accelerated the growth of Digital Public Infrastructures (DPIs) such as Aadhaar, UPI, and DEPA, ensuring scalability, security, and wider citizen adoption. At the same time, digital literacy initiatives like PMGDISHA are bridging the urban–rural divide, empowering citizens in smaller towns and villages to access digital services under the broader Digital India mission. Finally, the global shift toward digital IDs is reflected in India's Aadhaar ecosystem, which underpins service delivery, subsidy distribution, and financial inclusion making it a core pillar of India's e-governance framework. Outsourcing is a critical growth lever for India's e-governance enabling cost-efficient access to advanced IT infrastructure and expertise. It helps government agencies scale digital services quickly adopt new technologies and maintain platforms effectively addressing resource and skill constraints while sustaining digital transformation.

BLS International is well equipped to capture Indian e-governance market

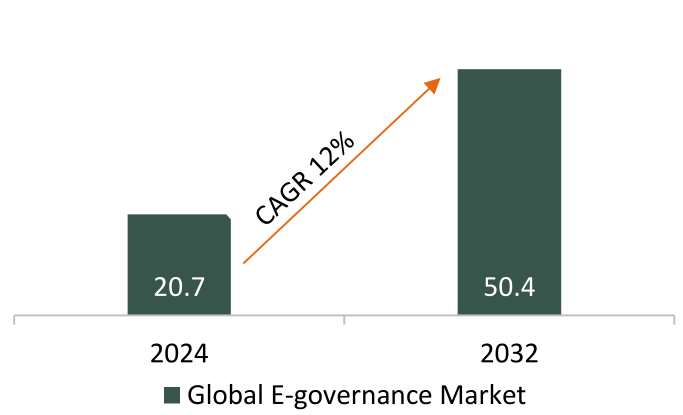
India's e-governance market is likely to expand to USD 9.2bn by 2035, enabling BLS to leverage BC network, digital identity capabilities, and secure infrastructure for end-to-end G2C solutions.

The e-governance sector in India presents a significant growth opportunity for BLS International. India's e-governance market is projected to grow from USD 1.5bn in 2024 to USD 9.2bn by 2035, representing a robust ~17.9% CAGR. This expansion creates substantial tailwinds for companies operating in the G2C (Government-to-Citizen) services space, where BLS has established strong capabilities. BLS International's Government and Citizen Services division is ideally positioned to capitalize on this digital transformation. As the Indian government accelerates digital infrastructure upgrades and expands e-governance platforms like Digi Locker, UPI, & Aarogya Setu, demand for service delivery platforms coupled with processing infrastructure intensifies. BLS's expertise in managing high-volume government transactions and citizen interactions directly aligns with these requirements.

The rapid digitalization of India's economy demonstrates the pace of digital adoption, backed by UPI's explosive growth from INR 7.08bn in December 2016 to INR 27.28tn in October 2025. Government initiatives including the National e-Governance Plan and expanded common service centre networks create multiple partnership and revenue opportunities for service providers.

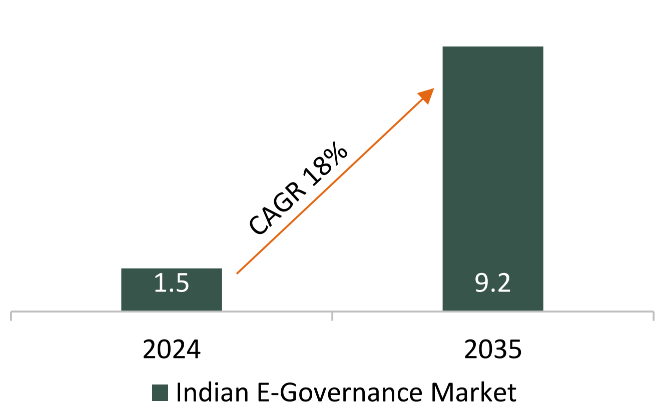
BLS's strong Business Correspondent network and existing government service delivery partnerships has positioned itself to offer end-to-end e-governance solutions. The company provides transparency through secured platform and can also deliver additional service offerings across compliance, data management, digital identity verification, and transaction processing to increase efficiencies of the government agencies. Additionally, heightened cybersecurity awareness among governments and enterprises creates demand for secure service delivery infrastructure, an area where BLS differentiates with other players. By integrating its BC network with emerging e-governance platforms, BLS can enhance last-mile service delivery to citizens while capturing incremental revenue opportunities. As India's digital economy expands and government digitalization accelerates, BLS International is positioned to emerge as a key enabler of this transformation. The convergence of visa processing, financial services and e-governance capabilities creates a compelling value proposition for growth.

Exhibit 25: Global E-Governance Market (USD bn)



Source: Company, IDBI Capital Research

Exhibit 26: Indian E-Governance Market (USD bn)



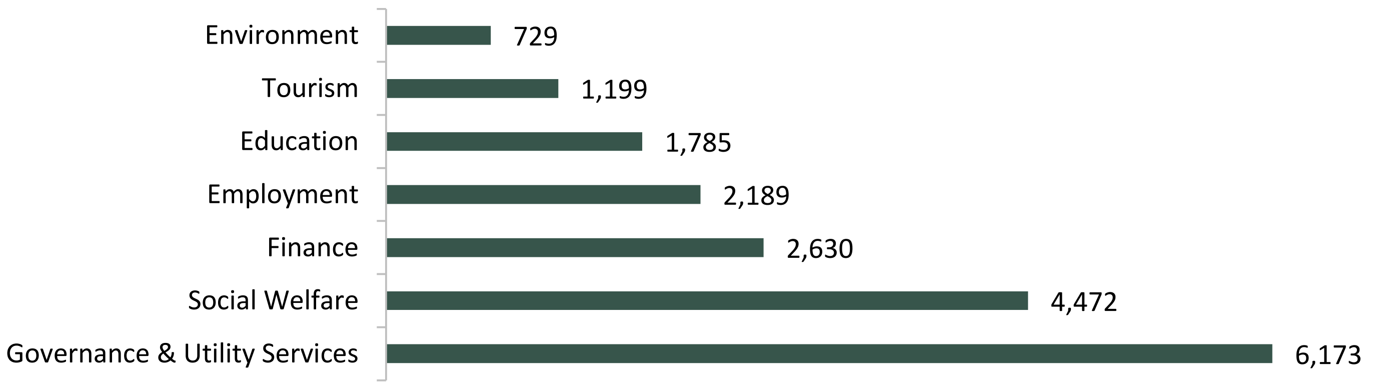
Source: Company, IDBI Capital Research

Assisted E-Services

BLS International's strong network of customer touchpoints bridges rural digital divide through assisted e-services (point-of-sale, tickets, e-commerce), capitalizing on low digital literacy and government's digital inclusion initiatives.

BLS International's extensive network of 147K+ customer touchpoints positions it perfectly to capitalize on India's assisted e-services expansion. A significant number of rural consumers use low-end basic phones and lack digital literacy which leads to a rising concern about the continued underutilization of complex platforms like UPI, QR codes and BHIM. BLS's ground presence becomes invaluable for bridging this gap. Government initiatives like Digital Saksham, eSanjeevani, and NDEAR create opportunities for BLS to serve as an intermediary, delivering financial, healthcare, education, and government services to underserved communities too. Assisted e-services are offered through BLS E-stores and authorized retailers. This vertical delivers convenience led services and products such as point-of sale services, tickets services, assisted e-commerce services and other digital and retail services to end users. This model generates new revenue streams while strengthening its role as India's trusted last-mile service provider. By integrating assisted e-services into its existing operations, BLS enhances customer value, expands addressable markets, and solidifies its position in India's digital inclusion journey.

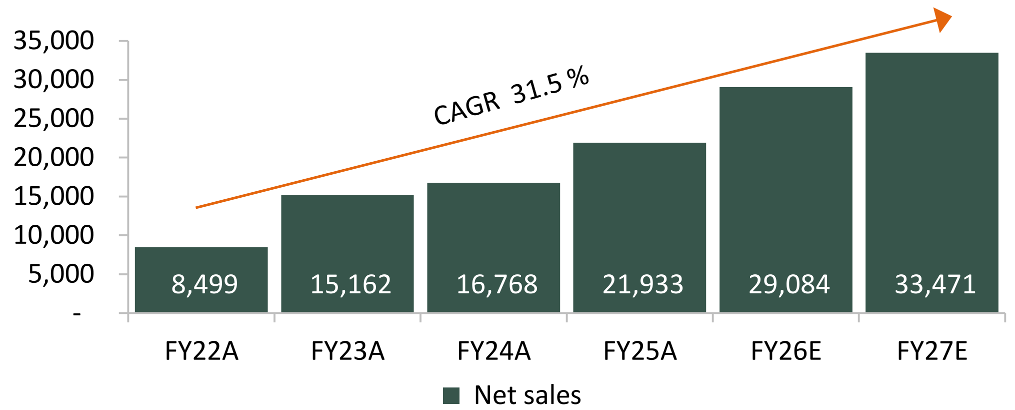
Exhibit 27: Overall number of services across sector in India (CY24)



Source: Company, IDBI Capital Research

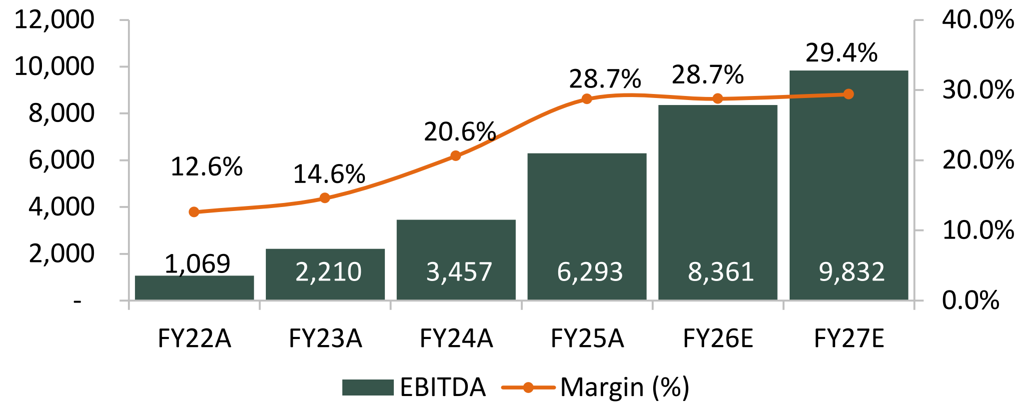
Story in charts

Exhibit 28: Revenue trend (INR mn)



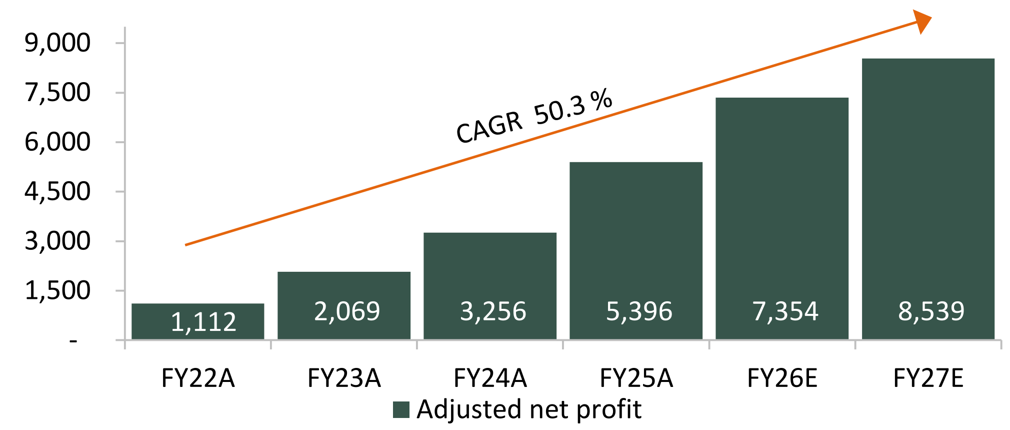
Source: Company, IDBI Capital Research

Exhibit 29: Operating margin trend (INR mn)



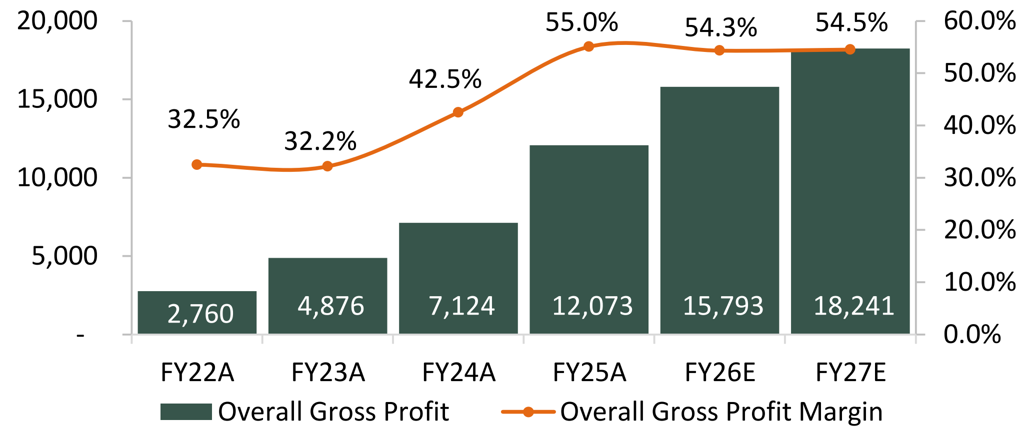
Source: Company, IDBI Capital Research

Exhibit 30: Adjusted Net Profit trend (INR mn)



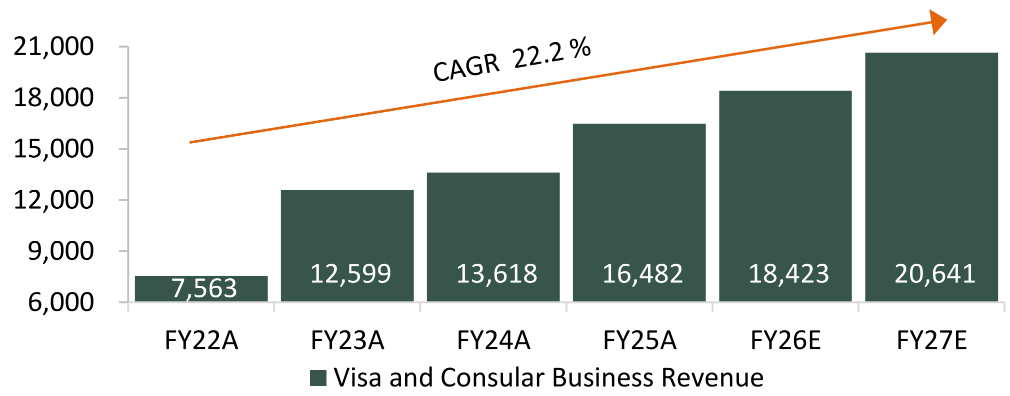
Source: Company, IDBI Capital Research

Exhibit 31: Overall Gross Profit (INR mn)



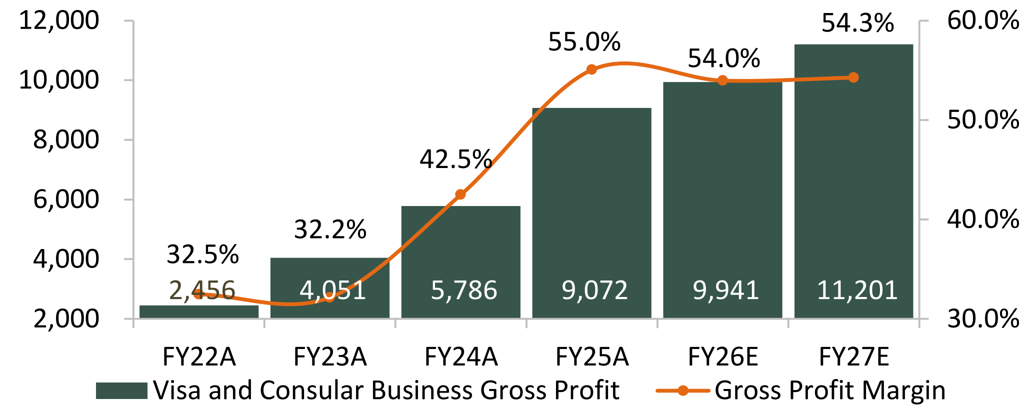
Source: Company, IDBI Capital Research

Exhibit 32: Visa and Consular Business Revenue (INR mn)



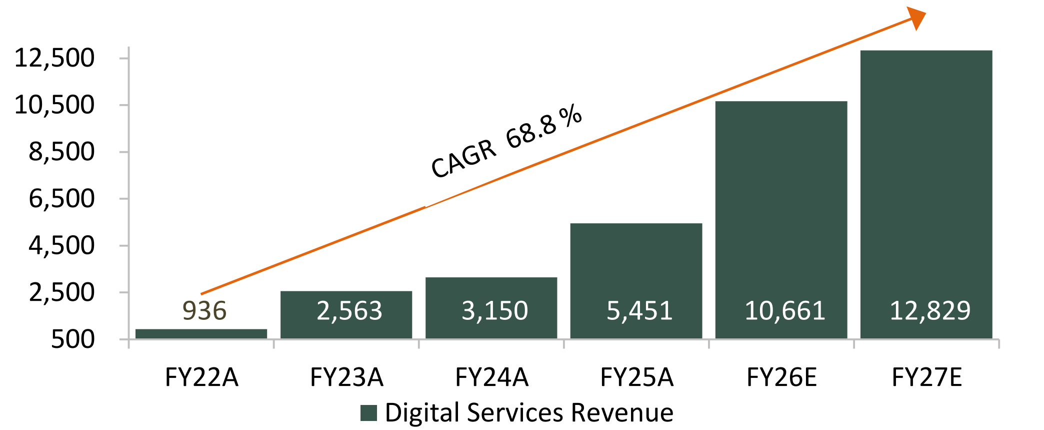
Source: Company, IDBI Capital Research

Exhibit 33: Visa and Consular Business Gross Profit Margin



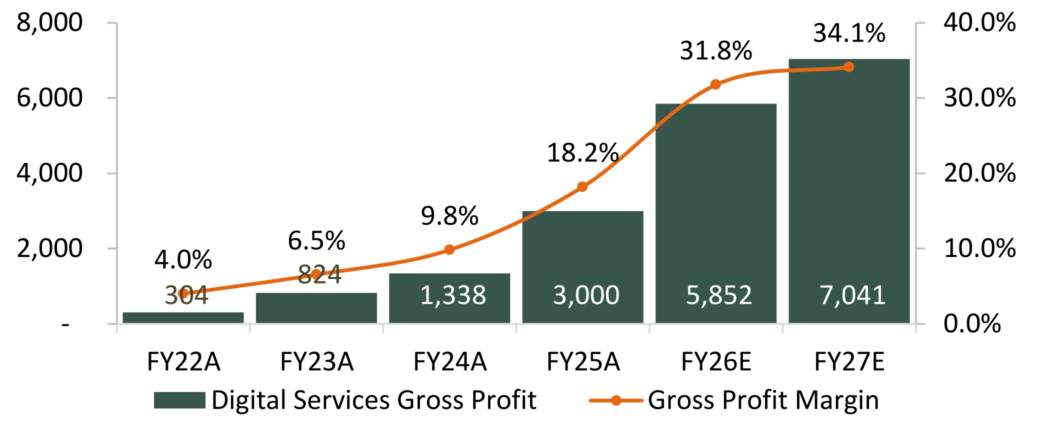
Source: Company, IDBI Capital Research

Exhibit 34: Digital Business Revenue (INR mn)



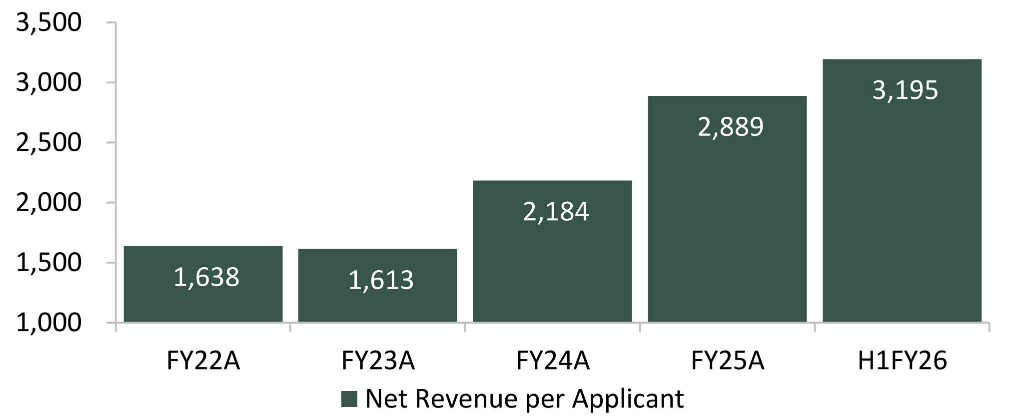
Source: Company, IDBI Capital Research

Exhibit 35: Digital Business Gross Profit Margin



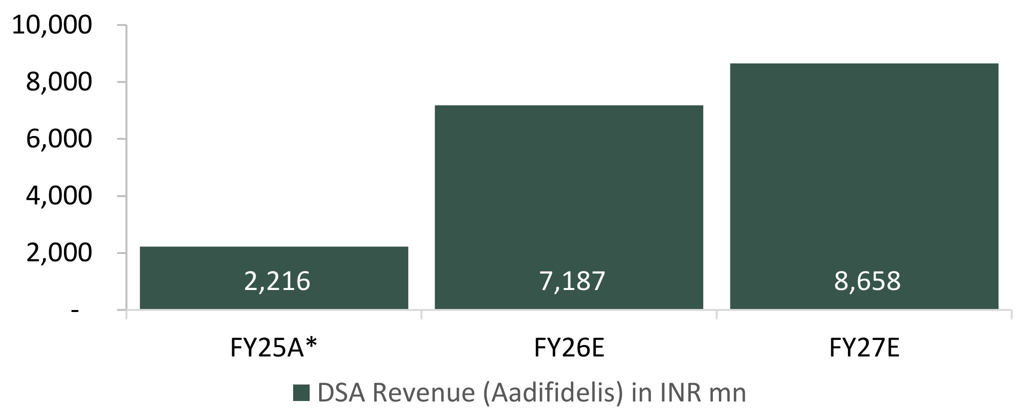
Source: Company, IDBI Capital Research

Exhibit 36: Net Revenue per applicant (INR)



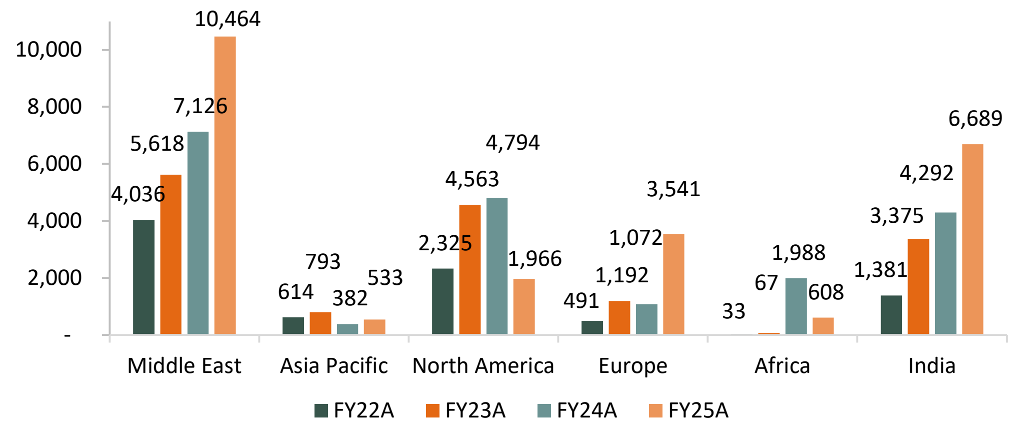
Source: Company, IDBI Capital Research

Exhibit 37: DSA Revenue (Aadifidelis) (INR mn)



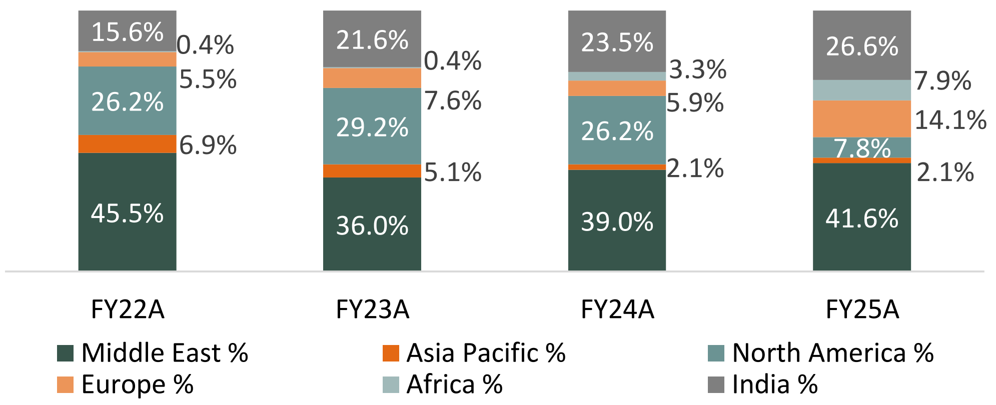
*Source: Company, IDBI Capital Research, (*FY25A revenue is for 4 months only).*

Exhibit 38: Geo-wise Revenue (INR mn)



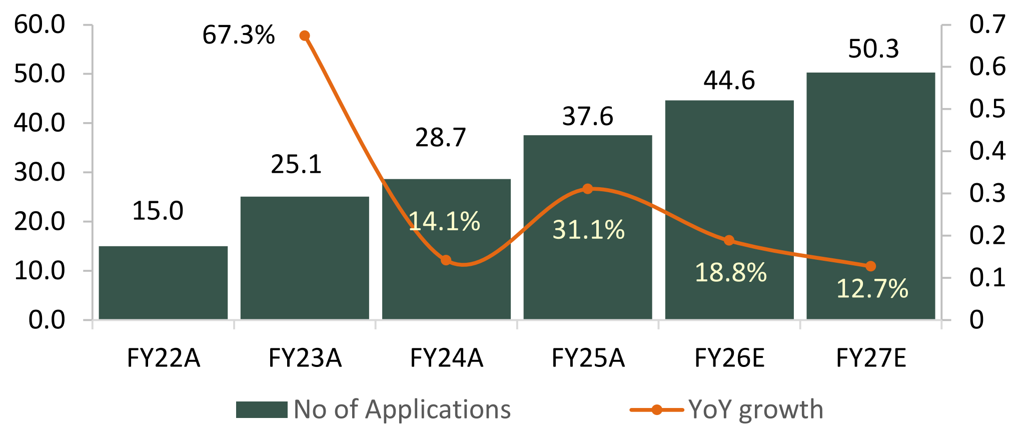
Source: Company, IDBI Capital Research

Exhibit 39: Geo-wise Revenue (as % of Total Revenue)



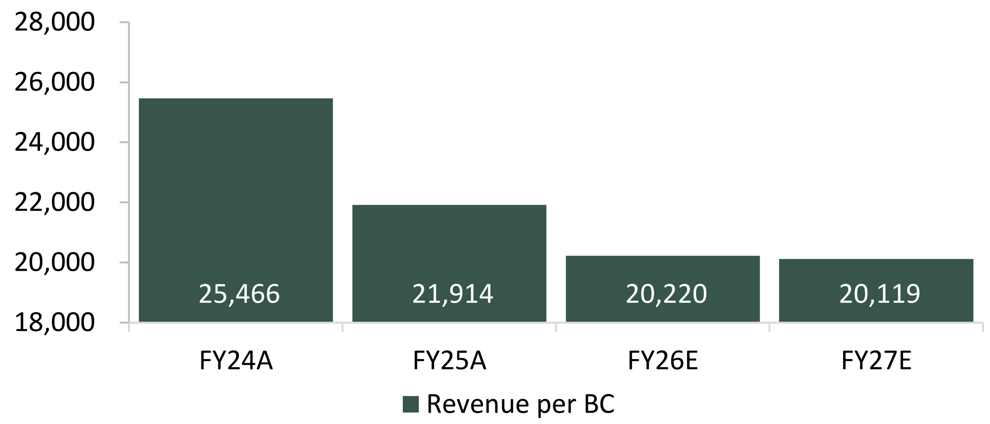
Source: Company, IDBI Capital Research

Exhibit 40: No of applications Visa & Consular Business of BLS (Lakhs)



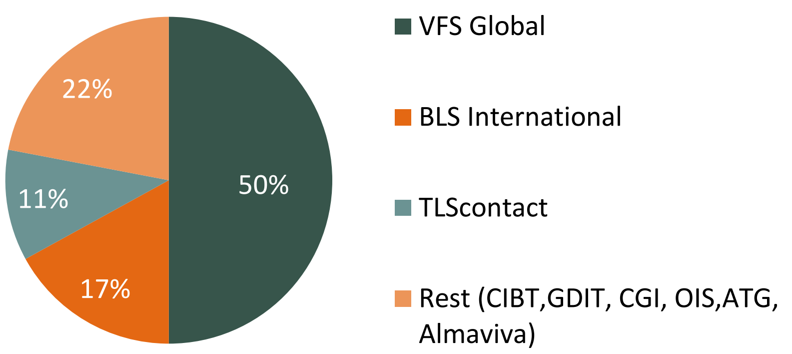
Source: Company, IDBI Capital Research

Exhibit 41: Revenue per Business Correspondent (In Lakhs)



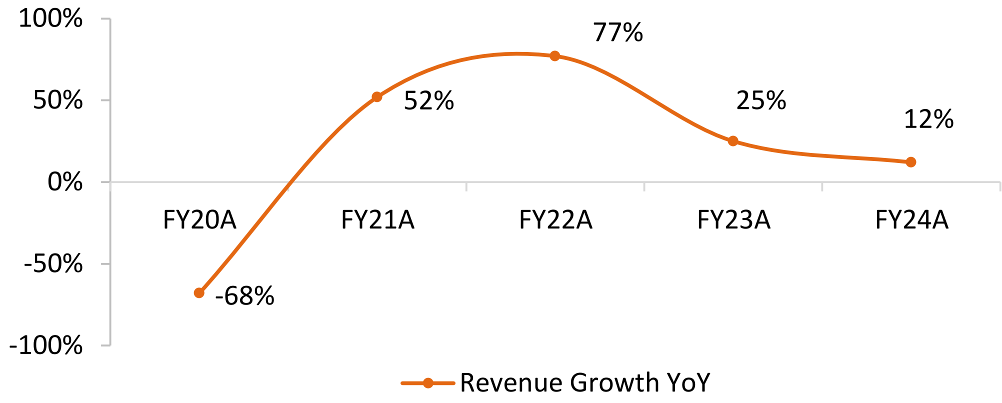
Source: Company, IDBI Capital Research

Exhibit 42: Visa & Consular Market share (%) by Industry Leaders (2024)



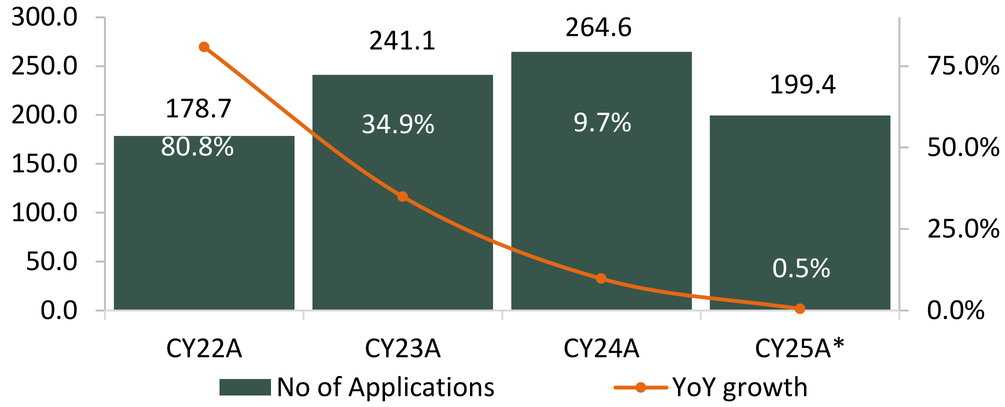
Source: Global Visa Outsourcing Services Market Research Report 2025, IDBI Capital Research

Exhibit 43: VFS Global Revenue Growth YoY (%)



Source: VFS Global, IDBI Capital Research

Exhibit 44: VFS Global No of applications Visa & Consular Business (Lakhs)



**CY25A data till Sep 2025, YoY Growth adjusted for full year*

Source: VFS Global, IDBI Capital Research

Exhibit 45: Global key companies for Visa and Consular Business

- VFS Global
- BLS International
- TLS contact
- CIBT
- GDIT
- CGI
- OIS
- CAPAGO

Source: Global Visa Outsourcing Services Market Research Report 2025 (GDIT,CGI & , IDBI Capital Research

Financial analysis and Valuation outlook

BLS International reflects a strong growth trajectory, anchored in a robust historical turnaround post Covid and disciplined cost control. We expect revenue to demonstrate a significant expansion with ~24% CAGR during FY25-27E, reaching approximately INR 33.47bn in FY27E from ~INR 22bn in FY25. This remarkable growth is premised on continued deepening of operations in large international markets, particularly the Middle East, disciplined cost control, process automation, a structural pivot to high gross margin digital services and a credible track record of sequential revenue scaling after the dip in FY21 caused by pandemic disruptions.

BLS International is poised for scalable growth, with 24% revenue CAGR (FY25-27E) and rising margins driven by digital services and operational efficiencies. Strong cash flows, conservative capex, and high return ratios enhance earnings visibility, while a healthy balance sheet and strategic global contract wins reinforce long-term expansion and market leadership.

We expect EBITDA margins to marginally improve from 28.7% in FY25 to 29.4% by FY27E. We strongly believe that a rising share of digital services and process automation gains will outpace the slow-growing cost base. This margin profile is credible, as the cost of services relative to revenue has consistently declined, while automation and digital platform investments have become more prominent. The cost of services as a proportion of revenue has steadily declined and operational efficiency is reflected in EBITDA margins with an upward mobility over the last three years. Other expenses and employee benefits are expected to grow at modest rates, consistent with management guidance coupled with productivity improvements.

Net profit after tax (PAT) is forecasted to grow by 26% CAGR from FY25 levels, reaching INR 8.54bn in FY27E. The underlying logic combines higher operational leverage with stable effective tax rates (forecasted near 11%). The assumptions here are substantiated by robust cash flow metrics. Free cash flows turn strongly positive, and cash balances are set to climb, underpinned by conservative capex (approximately 2–4% of sales) and gradual working capital optimization.

Return ratios, notably ROE and ROCE, are expected to stay elevated (in the 25–30% range), and supported by strong asset turnover and a deleveraged balance sheet. Financial flexibility allows BLS to pursue M&A, ramp up new digital product verticals, and enter fresh geographies. These forecasts are justified considering the consistent improvement in margin profile, conservative debt policy and prudent capital allocation. We believe that BLS International will continue to deliver a healthy performance on the back of recent deal wins, including Aadhaar coupled with the management's strategic focus (both organic and inorganic) on becoming a dominant player in the market.

BLS International's asset-light model, strong cash generation, strategic acquisitions, expanding digital services, and robust global contracts support 24% FY25-27E revenue CAGR, strengthened earnings visibility, and a healthy balance sheet, justifying a BUY rating with INR 445 target price.

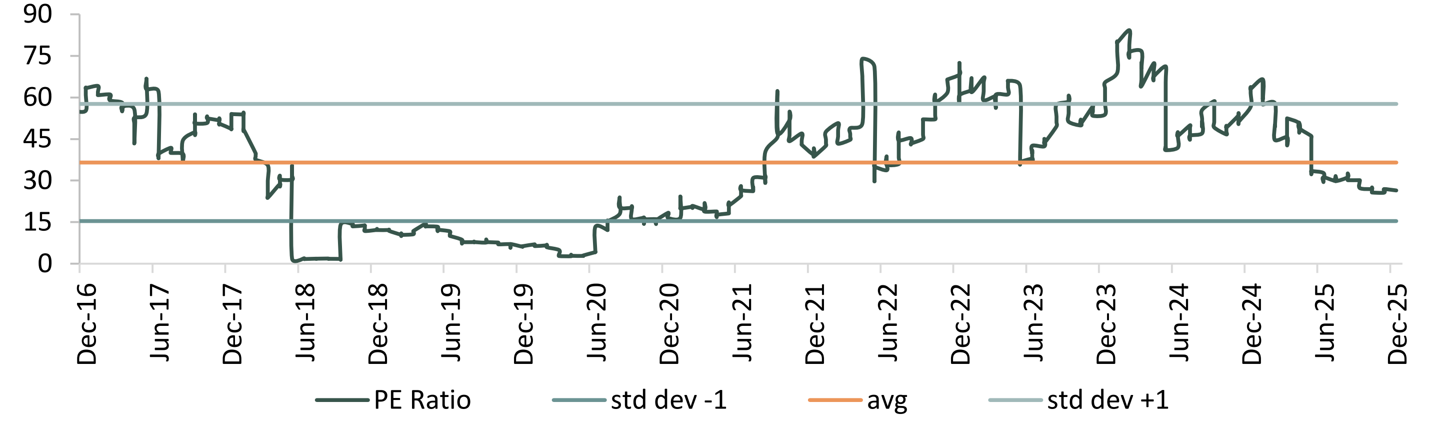
Valuation outlook

As the leading listed Indian entity within the niche global visa processing and G2C services outsourcing market, BLS International operates as a capital-efficient, asset-light business model along with robust cash generation. As a result, the company is well positioned to capitalize on the anticipated recovery in global travel volumes and expanding outsourcing adoption. Revenue momentum remains strong, with Q2FY26 consolidated revenue reaching INR 7.37bn, representing 48.8% YoY growth and an impressive 3.67% sequential expansion. Operating cash generation remains a cornerstone strength, with FY25 operating cash flow reaching ~INR 8.3bn, up 137% YoY, demonstrating underlying business resilience despite strategic capital deployment in acquisitions and infrastructure expansion. The company commands a decent market share in the outsourced visa segment which is expected to have a similar run rate as compared to the global outsourcing industry which is expected to grow at 14% annually totaling to USD 3.2bn by 2029.

Earnings visibility has strengthened materially on the back of strategic acquisitions including iDATA, Citizenship Invest, and Aadifidelis Solutions which are expected to drive superior returns, improve profitability and market presence. Fortified market position bolstered by a diversified client base spanning over +46 government entities across +70 countries coupled with recent high-impact contract wins, including a three-year MEA agreement to operate Indian Visa Application centres across China's major cities beginning October 2025, alongside new contracts in Kazakhstan and a near-term global tender opportunity worth of USD 1.5 to 2bn in aggregate will support the thesis.

Digital services through its expanded touchpoint network across India present incremental revenue upside potential. The company operates over +147K touchpoints with gross transaction value totaling ~ INR 870bn (Digital business) which justifies the enhanced revenue diversification while driving profitability improvements through value-added services. Despite recent acquisitions, the balance sheet remains healthy with an all-time high net-cash position. We expect a revenue growth of 24% CAGR FY25-27, backed by recurring contract renewals, operational leverage from self-managed centres, digital revenue streams (including traditional and the new streamlines), exceptional capital efficiency and an expanding addressable market including the recovering global travel sector. We initiate BLS International under our coverage with a BUY rating, valuing the stock at 21.5x FY27E EPS with a target price of INR 445.

Exhibit 46: PE Chart



Source: Bloomberg, IDBI Capital Research

Exhibit 47: Key Managerial Personnel

Key Managerial Personnel	Description
Mr. Diwakar Aggarwal: Chairman	Commerce graduate (Delhi University), with 32+ years of experience in tech-enabled government and citizen services. Associated with BLS since 1983, he founded BLS International and transformed it into a top three global player. The BLS Group has diversified into education, petrochemicals, plastics and infrastructure under his leadership.
Mr. Nikhil Gupta: Managing Director	44+ years across audit, consulting, finance and leadership in Indian and multinational firms. Former MD & CEO of a manufacturing company, driving a turnaround and growth. Past roles at PwC, Novartis India, Raychem RPG and RPG Cables. Economics Honors (Delhi University), Chartered Accountant.
Mr. Shikhar Aggarwal: Joint Managing Director	Joined BLS in 2014; oversees multiple verticals and strategy, driving rapid growth and global expansion to 70+ countries. Commerce graduate (Delhi University). Plays a key role in strategy, operations and governance.
Mr. Karan Aggarwal: Non-Executive Director	On board since FY17, with 10+ years of experience in finance, management and HR. Led BLS Group ventures and textile projects. Finance & Management (University of Bradford, UK), Harvard-certified. Instrumental in securing contracts and expanding BLS across Asia, Europe, Africa and Americas.
Mr. Sarthak Behuria: Independent Director	Former Chairman, Indian Oil & BPCL; senior roles at Adani Group. Awarded honorary fellowship by UK's Energy Institute. Alumnus of St. Stephen's (DU) & IIM Ahmedabad.
Mr. R.S.P. Sinha: Independent Director	Born in 1951, B.Sc. Electrical Engg. & MBA Finance (Patna University), ICWA member, Law graduate. 30+ years in finance, corporate law and regulatory expertise.
Mr. Atul Seksaria: Independent Director	Seasoned CA with over 36 years of experience in audit and consulting, brings a wealth of knowledge in financial reporting, assurance, risk management and regulatory compliance to the company.
Mrs. (Dr.) Savita: Independent Director	Holds Ph.D with 10+ years of experience as a lecturer also published 12+ research papers in UGC CARE/Scopus indexed journals.

Source: Company, IDBI Capital Research

Key Risks

Dependency on government contracts

BLS International derives a significant portion of revenue from government contracts, particularly in visa processing and citizen services. These contracts are awarded through tenders and are subject to pricing pressure, renewal uncertainty, and political shifts. Any delay, non-renewal, or loss of a major contract can materially impact revenue visibility and profitability.

Geographic & geopolitical concentration risk

A large share of business is concentrated in select regions, especially Asia, Africa, and parts of Europe. Any geopolitical tensions, regulatory policy shifts, diplomatic disputes, or travel restrictions can adversely affect visa volumes and e-governance projects. This concentrated exposure increases revenue volatility tied to external macro and diplomatic conditions.

Margin pressure from competitive bidding

The industry is highly competitive with global players and local service providers bidding aggressively for government contracts. Pricing-based tender system often limit margin expansion. To maintain market share, BLS may accept lower-margin deals. Additionally, increased compliance and technology investments could weigh on margins, impacting overall return ratios.

Operational execution & fraud risk at ground-level centers

BLS manages widespread franchise and outsourced service centers handling sensitive documents and personal data. Any operational inefficiency, data breach, fraud, or service lapse at the partner or sub-vendor level can harm the company's reputation. Ensuring standardized controls across geographies remains challenging and increases compliance and audit overheads.

Visa volume sensitivity to travel & economic cycles

A meaningful portion of revenue is linked to global travel activity and migration flows. Economic downturns, pandemics, visa policy tightening, or changes in immigration norms can reduce visa application volumes. This introduces cyclical volatility (systematic risk) impacting both topline and cash flow predictability across periods.

Financial Summary

Profit & Loss Account

(Rs mn)

Year-end: March	FY22	FY23	FY24	FY25	FY26E	FY27E
Net sales	**8,499**	**15,162**	**16,768**	**21,933**	**29,084**	**33,471**
Change (yoy, %)	*77.7*	*78.4*	*10.6*	*30.8*	*32.6*	*15.1*
Operating expenses	(7,430)	(12,952)	(13,312)	(15,640)	(20,723)	(23,638)
EBITDA	**1,069**	**2,210**	**3,457**	**6,293**	**8,361**	**9,832**
Change (yoy, %)	*169.3*	*106.7*	*56.4*	*82.1*	*32.9*	*17.6*
Margin (%)	*12.6*	*14.6*	*20.6*	*28.7*	*28.7*	*29.4*
Depreciation	(73)	(185)	(309)	(765)	(840)	(1,009)
EBIT	**997**	**2,025**	**3,147**	**5,528**	**7,521**	**8,823**
Interest paid	(7)	(7)	(26)	(278)	(295)	(303)
Other income	149	213	399	805	1,005	1,075
Pre-tax profit	**1,139**	**2,205**	**3,521**	**6,055**	**8,231**	**9,595**
Tax	(28)	(162)	(265)	(659)	(877)	(1,055)
Effective tax rate (%)	*2.4*	*7.4*	*7.5*	*10.9*	*10.7*	*11.0*
Minority Interest	-	-	-	-	-	-
Net profit	**1,112**	**2,043**	**3,256**	**5,396**	**7,354**	**8,539**
Exceptional items	-	(26)	-	-	-	-
Adjusted net profit	**1,112**	**2,069**	**3,256**	**5,396**	**7,354**	**8,539**
Change (yoy, %)	*121*	*86*	*57*	*66*	*36*	*16*
EPS	2.7	5.0	7.9	13.1	17.9	20.7
Dividend per sh	0.3	0.6	0.7	0.5	1.0	1.0
Dividend Payout %	*11.5*	*12*	*9*	*4*	*6*	*5*

Balance Sheet (Rs mn)

Year-end: March	FY22	FY23	FY24	FY25	FY26E	FY27E
Shareholders' funds	**5,698**	**8,029**	**12,076**	**17,308**	**24,248**	**32,361**
Share capital	102	411	412	412	412	412
Reserves & surplus	5,595	7,618	11,665	16,897	23,836	31,949
Total Debt	**112**	**65**	**306**	**3,591**	**3,628**	**3,306**
Other liabilities	-	-	-	16	16	16
Curr Liab & prov	**523**	**1,017**	**1,442**	**4,263**	**5,831**	**6,874**
Current liabilities	493	979	1,385	4,139	5,660	6,681
Provisions	30	38	57	124	171	192
Total liabilities	**635**	**1,082**	**1,748**	**7,870**	**9,475**	**10,196**
Total equity & liabilities	**6,333**	**9,454**	**16,164**	**28,058**	**36,603**	**45,436**
Net fixed assets	1,123	2,337	2,955	13,742	14,152	14,342
Investments	1,115	1,234	1,946	2,667	2,389	2,721
Other non-curr assets	142	188	121	227	227	227
Current assets	**3,954**	**5,694**	**11,142**	**11,422**	**19,835**	**28,146**
Inventories	-	6	16	5	14	17
Sundry Debtors	223	326	405	1,217	1,673	1,926
Cash and Bank	3,242	4,759	9,621	7,408	14,967	22,563
Loans and advances	490	603	1,100	2,792	3,181	3,641
Total assets	**6,333**	**9,454**	**16,164**	**28,058**	**36,603**	**45,436**

Cash Flow Statement (Rs mn)

Year-end: March	FY22	FY23	FY24	FY25	FY26E	FY27E
Pre-tax profit	1,139	2,205	3,521	6,055	8,231	9,595
Depreciation	73	185	309	765	840	1,009
Tax paid	(69)	(189)	(196)	(748)	(877)	(1,055)
Chg in working capital	479	134	(19)	2,016	750	560
Other operating activities	231	270	(117)	200	(711)	(772)
Cash flow from operations (a)	**1,853**	**2,605**	**3,498**	**8,288**	**8,233**	**9,337**
Capital expenditure	(1,304)	(1,303)	(892)	(2,645)	(650)	(700)
Chg in investments	(411)	(1,075)	(1,708)	(8,540)	1,248	511
Other investing activities	-	-	-	-	-	-
Cash flow from investing (b)	**(1,715)**	**(2,377)**	**(2,601)**	**(11,186)**	**598**	**(189)**
Equity raised/(repaid)	-	478	2,958	-	-	-
Debt raised/(repaid)	15	(142)	(72)	1,930	(563)	(822)
Dividend (incl. tax)	(128)	(257)	(308)	(211)	(414)	(427)
Chg in monorities	-	-	-	-	-	-
Other financing activities	(8)	(7)	(3)	(134)	(295)	(303)
Cash flow from financing (c)	**(121)**	**72**	**2,574**	**1,585**	**(1,272)**	**(1,552)**
Net chg in cash (a+b+c)	**17**	**300**	**3,472**	**(1,313)**	**7,559**	**7,596**

Financial Ratios

Year-end: March	FY22	FY23	FY24	FY25	FY26E	FY27E
Book Value (Rs)	13.9	19.6	29.3	42.0	58.9	78.6
Adj EPS (Rs)	*2.7*	*5.0*	*7.9*	*13.1*	*17.9*	*20.7*
Adj EPS growth (%)	*120.9*	*86.0*	*56.9*	*65.7*	*36.3*	*16.1*
EBITDA margin (%)	*12.6*	*14.6*	*20.6*	*28.7*	*28.7*	*29.4*
Pre-tax margin (%)	*13.4*	*14.5*	*21.0*	*27.6*	*28.3*	*28.7*
Net Debt/Equity (x)	*(0.5)*	*(0.6)*	*(0.8)*	*(0.2)*	*(0.5)*	*(0.6)*
ROCE (%)	*19.1*	*28.4*	*27.2*	*28.7*	*27.6*	*25.5*
ROE (%)	*21.6*	*30.1*	*32.4*	*36.7*	*35.4*	*30.2*
DuPont Analysis						
Asset turnover (x)	1.5	1.9	1.3	1.0	0.9	0.8
Leverage factor (x)	1.1	1.2	1.3	1.5	1.6	1.4
Net margin (%)	*13.1*	*13.6*	*19.4*	*24.6*	*25.3*	*25.5*
Working Capital & Liquidity ratio						
Inventory days	0	0	0	0	0	0
Receivable days	10	8	9	20	21	21
Payable days	9	8	9	23	25	25

Valuations

Year-end: March	FY22	FY23	FY24	FY25	FY26E	FY27E
PER (x)	119.6	64.3	41.0	24.7	18.1	15.6
Price/Book value (x)	23.3	16.6	11.0	7.7	5.5	4.1
EV/Net sales (x)	15.3	8.5	7.4	5.9	4.2	3.4
EV/EBITDA (x)	121.5	58.1	35.9	20.6	14.6	11.6
Dividend Yield (%)	*9.6*	*19.3*	*23.1*	*15.8*	*31.0*	*32.0*

Source: Company; IDBI Capital Research

SAPTARSHI MUKHERJEE

Digitally signed by SAPTARSHI MUKHERJEE
DN: c=IN, postalCode=700026, st=WEST BENGAL, street=KOLKATA, l=KOLKATA, o=Personal, serialNumber=2e34c06674e18c23f8914dbcdeee9d348675cc63c79b5b25d0521df8bbe56fad, pseudonym=fb037de71265f5ab26d13e51a81e16de, 2.5.4.20=a3024cb25e53883429e2c9ef458ed2955f04251a59e6a9c803e62dbf503004ca, email=SAPTARSHI.MUKHERJEE@IDBICAPITAL.COM, cn=SAPTARSHI MUKHERJEE
Date: 2025.12.03 11:45:24 +05'30'

Dealing	(91-22) 6836 1111	dealing@idbicapital.com

Key to Ratings Stocks:

BUY: 15%+; **HOLD:** -5% to 15%; **SELL:** -5% and below.

IDBI Capital Markets & Securities Ltd.

Equity Research Desk

6th Floor, IDBI Tower, WTC Complex, Cuffe Parade, Colaba, Mumbai – 400 005. Phones: (91-22) 4069 1700; Fax: (91-22) 2215 1787; Email: info@idbicapital.com

SEBI Registration: BSE & NSE (Cash & FO) – INZ000007237, NSDL – IN-DP-NSDL-12-96, Research – INH000002459, CIN – U65990MH1993GOI075578

Compliance Officer: Pushkar Vartak; Email: compliance@idbicapital.com; Telephone: (91-22) 4069 1907

Analyst Disclosures

We, Saptarshi Mukherjee and Shubham Satavase, hereby certify that the views expressed in this report accurately reflect our personal views about the subject companies and / or securities. We also certify that no part of our compensation were, are or would be directly or indirectly related to the specific recommendations or views expressed in this report. Principally, we will be responsible for the preparation of this research report and have taken reasonable care to achieve and maintain independence and objectivity in making any recommendations herein.

Other Disclosure

IDBI Capital Markets & Securities Ltd.(herein after referred to as "IDBI Capital") was incorporated in the year 1993 under Companies Act, 1956 and is a wholly owned subsidiary of IDBI Bank Limited. IDBI Capital is one of India's leading securities firm which offers a full suite of products and services to individual, institutional and corporate clients namely Stock broking (Institutional and Retail) , Distribution of financial products, Merchant Banking, Corporate Advisory Services, Debt Arranging & Underwriting, Portfolio Manager Services and providing Depository Services. IDBI Capital is a registered trading and clearing member of BSE Ltd. (BSE) and National Stock Exchange of India Limited (NSE). IDBI Capital is also a SEBI registered Merchant Banker, Portfolio Manager and Research Analyst. IDBI Capital is also a SEBI registered depository participant with National Securities Depository Limited (NSDL) and is also a Mutual Fund Advisor registered with Association of Mutual Funds in India (AMFI).

IDBI Capital and its associates IDBI Bank Ltd. (Holding Company), IDBI Intech Ltd. (Fellow Subsidiary), IDBI Asset Management Ltd. (Fellow Subsidiary) and IDBI Trusteeship Services Ltd. (Fellow Subsidiary).

IDBI Group is a full-serviced banking, integrated investment banking, investment management, brokerage and financing group. Details in respect of which are available on www.idbicapital.com IDBI Capital along with its associates are leading underwriter of securities and participants in virtually all securities trading markets in India. We and our associates have investment banking and other business relationships with a significant percentage of the companies covered by our Research Department. Investors should assume that IDBI Capital and/or its associates are seeking or will seek investment banking or other business from the company or companies that are the subject of this material. IDBI Capital generally prohibits its analysts, persons reporting to analysts, and their dependent family members having a financial conflict of interest in the securities or derivatives of any companies that the analysts cover. Additionally, IDBI Capital generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover. Our sales people, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Directors of IDBI Capital or its associates may have interest in the Companies under recommendation in this report either as Director or shareholder. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. We are not soliciting any action based on this material. It is for the general information of clients of IDBI Capital. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. We and our associates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. For the purpose of calculating whether IDBI Capital and its associates holds beneficially owns or controls, including the right to vote for directors, 1% of more of the equity shares of the subject issuer of a research report, the holdings does not include accounts managed by IDBI Asset Management Company/ IDBI Mutual Fund.

IDBI Capital hereby declares that our activities were neither suspended nor we have materially defaulted with any Stock Exchange authority with whom we are registered in last five years. However SEBI, Exchanges and Depositories have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on IDBI Capital for certain operational deviations. We have not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has our certificate of registration been cancelled by SEBI at any point of time. IDBI Capital, its directors or employees or associates, may from time to time, have positions in, or options on, and buy and sell securities referred to herein. IDBI Capital or its associates, during the normal course of business, from time to time, may solicit from or perform investment banking or other services for any company mentioned in this document or their connected persons or be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or their affiliate companies or act as advisor or lender / borrower to such company(ies)/associates companies or have other potential conflict of interest. This report may provide hyperlinks to other websites. Except to the extent to which the report refers to the website of IDBI Capital, IDBI Capital states that it has not reviewed the linked site and takes no responsibility for the content contained in such other websites. Accessing such websites shall be at recipient's own risk. IDBI Capital encourages the practice of giving independent opinion in research report preparation by the analyst and thus strives to minimize the conflict in preparation of research report. Accordingly, neither IDBI Capital nor Research Analysts have any material conflict of interest at the time of publication of this report. We offer our research services to primarily institutional investors and their employees, directors, fund managers, advisors who are registered with us. The Research Analyst has not served as an officer, director or employee of Subject Company. We or our associates may have received compensation from the subject company in the past 12 months. We or our associates may have managed or co-managed public offering of securities for the subject company in the past 12 months. We or our associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. We or our associates may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. We or our associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. Research Analyst or his/her relative's may have financial interest in the subject company. IDBI Capital or its associates may have financial interest in the subject company. Research Analyst or his/her relatives does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. IDBI Capital or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. The Subject Company may have been a client during twelve months preceding the date of distribution of the research report. Price history of the daily closing price of the securities covered in this note is available at www.bseindia.com; www.nseindia.com and www.economictimes.indiatimes.com/markets/stocks/stock-quotes.

Most Important Terms and Conditions

1. These terms and conditions, and consent thereon are for the research services provided by the Research Analyst (RA) and RA cannot execute/carry out any trade (purchase/sell transaction) on behalf of, the client. Thus, the clients are advised not to permit RA to execute any trade on their behalf.
2. The fee charged by RA to the client will be subject to the maximum of amount prescribed by SEBI/ Research Analyst Administration and Supervisory Body (RAASB) from time to time (applicable only for Individual and HUF Clients).

   Note:

   2.1. The current fee limit is Rs 1,51,000/- per annum per family of client for all research services of the RA.

   2.2. The fee limit does not include statutory charges.

   2.3. The fee limits do not apply to a non-individual client / accredited investor.
3. RA may charge fees in advance if agreed by the client. Such advance shall not exceed the period stipulated by SEBI; presently it is one quarter. In case of pre-mature termination of the RA services by either the client or the RA, the client shall be entitled to seek refund of proportionate fees only for unexpired period.
4. Fees to RA may be paid by the client through any of the specified modes like cheque, online bank transfer, UPI, etc. Cash payment is not allowed. Optionally the client can make payments through Centralized Fee Collection Mechanism (CeFCoM) managed by BSE Limited (i.e. currently recognized RAASB).
5. The RA is required to abide by the applicable regulations/ circulars/ directions specified by SEBI and RAASB from time to time in relation to disclosure and mitigation of any actual or potential conflict of interest. The RA will endeavor to promptly inform the client of any conflict of interest that may affect the services being rendered to the client.
6. Any assured/guaranteed/fixed returns schemes or any other schemes of similar nature are prohibited by law. No scheme of this nature shall be offered to the client by the RA.
7. The RA cannot guarantee returns, profits, accuracy, or risk-free investments from the use of the RA's research services. All opinions, projections, estimates of the RA are based on the analysis of available data under certain assumptions as of the date of preparation/publication of research report.
8. Any investment made based on recommendations in research reports are subject to market risks, and recommendations do not provide any assurance of returns. There is no recourse to claim any losses incurred on the investments made based on the recommendations in the research report. Any reliance placed on the research report provided by the RA shall be as per the client's own judgement and assessment of the conclusions contained in the research report.
9. The SEBI registration, Enlistment with RAASB, and NISM certification do not guarantee the performance of the RA or assure any returns to the client.
10. For any grievances,

    Step 1: the client should first contact the RA using the details on its website or following contact details:

    (RA to provide details as per 'Grievance Redressal / Escalation Matrix')

    Step 2: If the resolution is unsatisfactory, the client can also lodge grievances through SEBI's SCORES platform at www.scores.sebi.gov.in

    Step 3: The client may also consider the Online Dispute Resolution (ODR) through the Smart ODR portal at https://smartodr.in
11. Clients are required to keep contact details, including email id and mobile number/s updated with the RA at all times.
12. The RA shall never ask for the client's login credentials and OTPs for the client's Trading Account Demat Account and Bank Account. Never share such information with anyone including RA.