RATING Not Rated | CMP INR 271 | TP NA

PL Capital
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BLS International Services (BLSIN IN)

Management Meet Update

August 21, 2026

Digital Momentum Meets Visa Rebound

Quick Pointers

- Robust revenue visibility driven by a strong tender pipeline and digital business growth
- Organic growth to be complemented by selective M&A

We recently interacted with the management of BLS International Services Ltd (BLS). The management highlighted multiple trends supporting the company's growth trajectory and remains upbeat on its medium-term growth prospects. Recovery in visa volumes, a strong tender pipeline, increasing monetization of the Visa network and continued expansion of Digital Services are expected to be the key growth drivers. Recent mandates from Belarus, Portugal, Slovakia and Italy, along with the ramp-up of Slovakia and Cyprus operations, provide near-term volume visibility. Visa operations in China are also picking up, offering additional growth opportunity as bilateral relations normalize. BLS continues to focus on higher pricing, favorable revenue mix and value-added services to improve monetization per application.

BLS is also expanding beyond its traditional Visa & Consular Services business, with Digital Services showing robust growth momentum. The Aadhaar project is emerging as a meaningful new government-services vertical and is expected to generate ~INR20-25bn of cumulative revenue over the next 6 years. Digital Services also continues to scale beyond business correspondent and loan distribution services, with strong transaction activity, new banking and government mandates, and the acquisition of Atyati providing opportunities for network consolidation, cross-selling and technology services. Citizenship Invest is also gaining traction amid rising global mobility, particularly among HNIs and NRIs in the Middle East. The management reiterated its 15-20% YoY consolidated growth outlook for the next 5 years, with organic expansion remaining the primary growth driver and M&A serving as a complementary lever. Not rated.

Company background: Established in 2005, BLS has evolved into a leading global provider of technology-enabled visa, passport, consular and citizen services. The company partners with governments and diplomatic missions to provide outsourced application processing, biometric enrolment, document handling and other front-end services, while the final decision-making on visa applications remains with the respective government authorities. BLS currently serves 46+ client governments across the globe and has processed more than 360mn applications globally.

Over the years, BLS has expanded beyond its core Visa & Consular Services business into Digital Services, providing business correspondent, e-governance and assisted digital services to governments, banks and financial institutions in India. The company has also strengthened its capabilities through acquisitions and new mandates, broadening its exposure to citizen services, financial inclusion and government-to-citizen (G2C) services.

Key Data

Key Data	BLSN.BO | BLSIN IN
BSE Code	540073
NSE Code	INE153T01027
52-W High / Low	392 / 218
Face Value	1
Sensex / Nifty	77,540 / 24,252
Market Cap	INR 112.1 bn / $ 1174.3mn
Shares Outstanding	411.7mn
3M Avg. Daily Value	584.0mn

Shareholding Pattern (%)

Promoter's	70.39
Foreign	4.14
Mutual Funds	0.43
Domestic Institution	2.67
Public & Others	22.33
Promoter Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	16.5	1.9	2.0	(25.4)
Relative	15.6	(2.5)	6.0	(24.6)

Key Financials - Consolidated

Y/e Mar	FY23	FY24	FY25	FY26
Sales (INR mn)	15,162	16,768	21,933	29,982
EBITDA (INR mn)	2,210	3,480	6,293	8,189
Margin (%)	*14.6*	*20.8*	*28.7*	*27.3*
PAT (INR mn)	2,008	3,130	5,082	6,867
EV (INR mn)	1,03,964	1,03,964	1,03,964	1,03,964
Total Debt (INR mn)	65	306	3,591	4,306
C&C Eq. (INR mn)	4,759	9,621	7,408	11,818
EPS (INR)	4.9	7.6	12.3	16.7
Gr. (%)	*80.1*	*55.4*	*62.4*	*35.2*
DPS (INR)	0.8	1.0	1.0	2.5
Yield (%)	*0.3*	*0.4*	*0.4*	*0.9*
RoE (%)	*29.3*	*31.1*	*34.6*	*32.7*
RoCE (%)	*41.0*	*38.5*	*53.2*	*56.4*
EV/Sales (x)	6.9	6.2	4.7	3.5
EV/EBITDA (x)	47.0	29.9	16.5	12.7
PE (x)	55.4	35.7	22.0	16.2
P/BV (x)	13.87	9.2	6.4	4.5

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Business overview

BLS is a global technology-enabled services provider to governments and citizens, with operations across 100+ and 46+ client governments. Since its inception in 2005, the company has processed 360mn+ applications and built a large global network of offices and service centers, supported by ~60,000 employees and associates. BLS operates through 2 broad segments – Visa & Consular Services and Digital Services – with the latter increasingly becoming the second growth engine alongside its established global visa business.

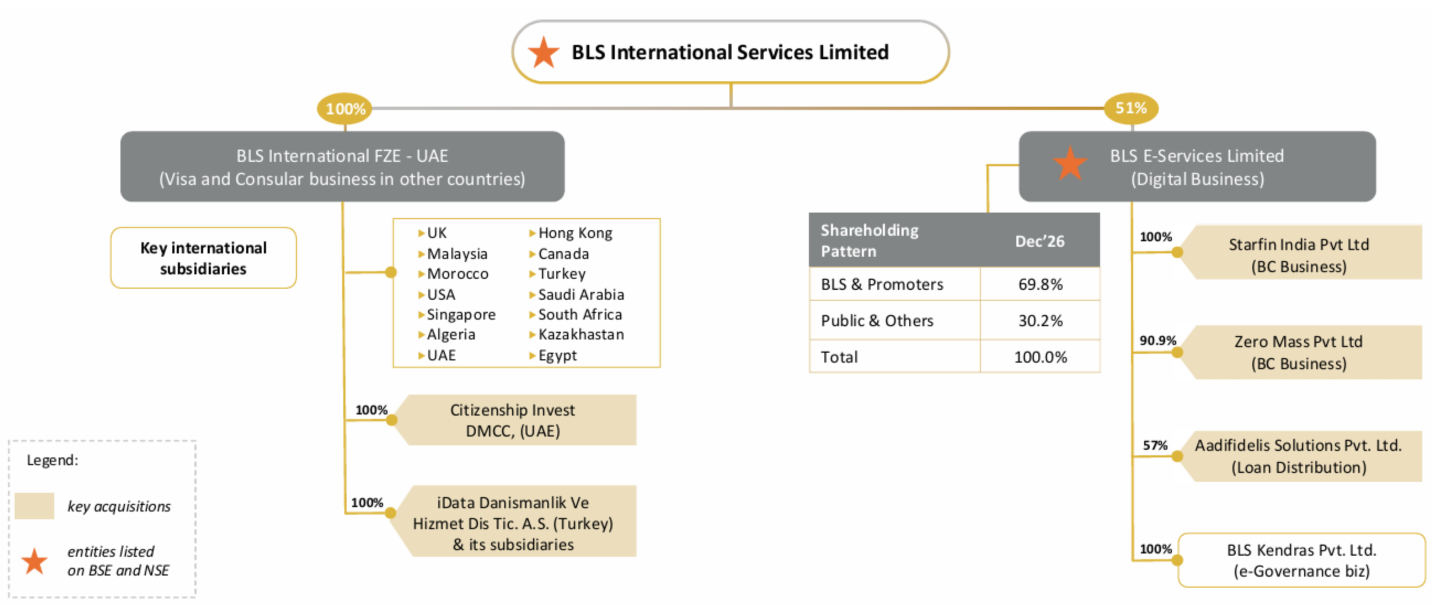
Exhibit 1: Service offerings

Source: PL

- **Visa & Consular Services** remains the core business, where BLS acts as an outsourced service provider to governments and diplomatic missions for the front-end of the visa and consular process. Its services include application processing, appointment scheduling, biometric enrolment, document verification, data handling, passport tracking, and document return, while the final visa decision remains with the respective government authority. Over the years, BLS has expanded its global footprint through new government mandates and acquisitions, while increasingly shifting toward self-managed centers and higher-value-added services to improve monetization. In FY26, the segment generated INR18.4bn of revenue, processing ~44.1 lakh applications.

- **Digital Services** represents BLS' transformation beyond visa outsourcing into domestic government, banking and citizen services in India. The business, started in 2016, is housed under BLS E-Services Ltd (a publicly listed company), a 51% subsidiary of BLS. It provides business correspondent, e-governance and assisted digital services through a large physical network, enabling banks, governments and other institutions to deliver services at the last mile. BLS has expanded the platform through acquisitions, such as Atyati and Aadifidelis, and new mandates across banking, financial distribution and government services, including Aadhaar. Digital Services generated INR11.6bn of revenue in FY26, up 114% YoY, and now accounts for ~39% of consolidated revenue, making it an increasingly important growth driver for the company.

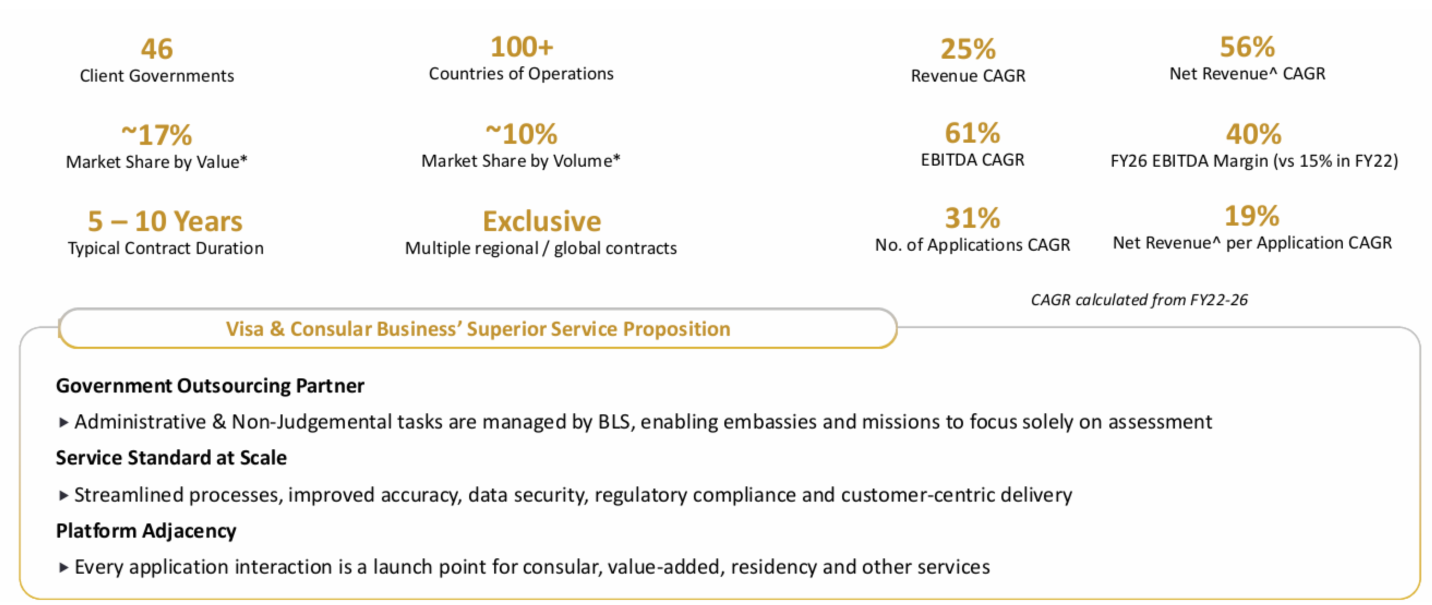
Exhibit 2: Corporate structure



Source: Company

BLS held 17% by value and 10% by volume of the global visa outsourcing market (excluding US) in 2024. It is the second largest player in the visa outsourcing space globally. Its Digital Business allows it to use its existing customer base and infrastructure to cross-sell additional services, contributing to topline growth and diversification of revenue base. Global presence, proven ability to meet stringent technical criteria during the tendering process, and experienced workforce give it an edge over smaller players trying to enter the market.

Exhibit 3: Well-established market presence



Source: Company

Key takeaways from management meeting:

Visa & Consular Services market continues to grow

- For BLS, visa application volumes increased by 17.6% YoY in FY26 to ~44.1 lakh. For Q1FY27, the volumes stood broadly stable YoY, despite the impact of the war. The management indicated that volumes from other contracts grew sufficiently to offset the temporary disruption.

- With the war-related impact now easing, volumes have started recovering. The management reiterated its target of achieving 15–20% consolidated organic growth over the next 5 years.

- In the longer -term, the global visa outsourcing market is expected to continue growing at 9% CAGR, reaching 50% of total visa market by FY29 from 38% in FY24. This is expected to create a huge opportunity in the global market, which is dominated by 3 players (90% share).

- The largest player controls 60% of the visa outsourcing market, followed by BLS with 17-18% share. First-mover advantage and high entry barriers for newer players is expected to help BLS gain a significant chunk of the rising opportunity.

New visa mandates provide strong medium-term growth pipeline

- The management highlighted that the tender pipeline extends beyond the next 8–12 months, providing visibility beyond the immediate period.

- BLS has recently won visa contracts from the Belarus, Portugal, Slovakia and Italy, and is currently bidding for multiple tenders across different stages of the process.

- Ramp-up of the recently won Slovakia and Cyprus mandates should provide additional application volumes as operations scale.

- BLS also holds ~40% share of India government's visa outsourcing business, mainly the contracts in Canada, Russia, China, Dubai and Singapore. While the Dubai and Singapore contracts with Indian government will be due for renewal in coming quarters, the management is confident of meeting the required technical criteria for renewal.

Digital Services accelerating revenue growth

- The management highlighted that Digital Services is a key growth engine for the company, allowing it to tap the incremental opportunity by cross-selling its products to the existing customer base. The company is expanding its digital offerings in such a way that each service offering leads to the generation of a larger customer base for its diversified products.

- This growth potential was reflected in the company's FY26 and Q1FY27 performance, wherein Digital Services revenue grew by 114.4% and 33.2%, respectively. While the segment margins are low (7% in FY26), the company plans to expand the offerings globally, in regions that can generate double-digit margins.

- First phase of the Aadhaar project has been completed, and the next 2 phases are expected to be completed in the current financial year. The project generated INR175mn revenue in Q1FY27 and is expected to reach full potential by the end of FY27. The contract is valued at INR20-25bn spread over 6 years, with EBITDA margin in the range of 10-15%.

Organic expansion to be complemented by M&A and new business opportunities

- The management reiterated that BLS' growth has historically been driven more by organic expansion than acquisitions, with capital allocation continuing to prioritize expanding existing businesses. BLS also continues to maintain focus on the asset-light model, thereby maintaining high capital returns. The company has consistently registered RoE and RoCE of more than 30% over the past 3 years.

- The management mentioned that its acquisitions have met/exceeded the initial expectations and M&A is expected to remain a key growth lever, with acquisitions being evaluated based on their ability to leverage BLS' existing network, create synergies and generate attractive returns. The management mentioned that the company has ample funding available for potential acquisitions, and couple of potential M&A opportunities are already in the pipeline.

Outlook

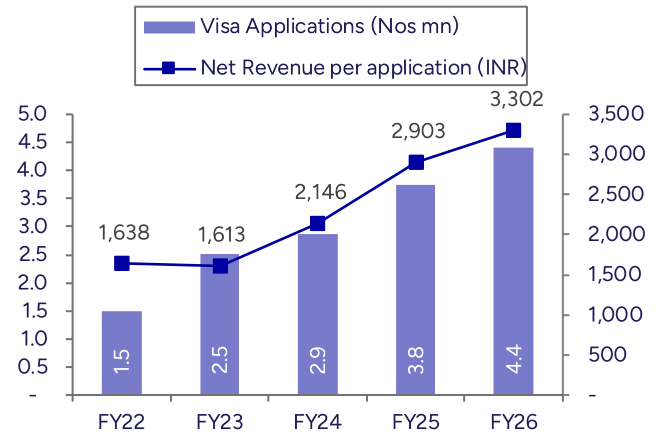
- While visa volumes are currently broadly stable, the management indicated that volumes have started recovering following the easing of geopolitical disruptions, while BLS' diversified geographic and service portfolio should help mitigate market-specific volatility.

- The management is focusing on diversifying the revenue base by complementing organic growth with strategic M&A transactions. The company plans to spend INR20-25bn on organic and inorganic growth investments over the next 4-5 years.

- The management maintained its 15–20% YoY consolidated growth guidance for the next 5 years, supported by new visa mandates, Digital Services expansion, Aadhaar ramp-up, and cross-selling across acquired businesses. The company believes the margins have now reached a sustainable level and aims to maintain/improve margins further.

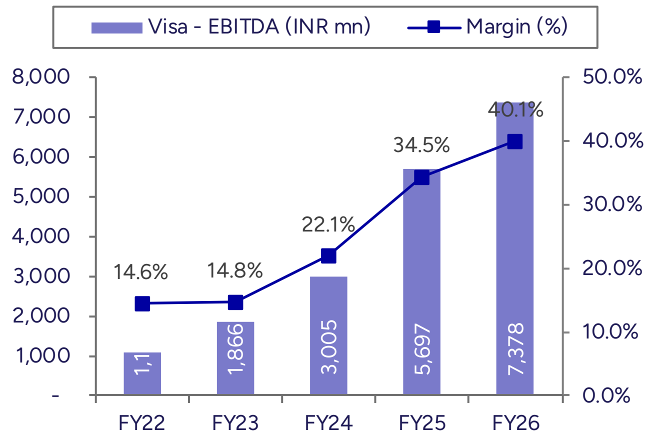
Story in Charts

Exhibit 4: Visa application volumes log 31% CAGR over FY22-26



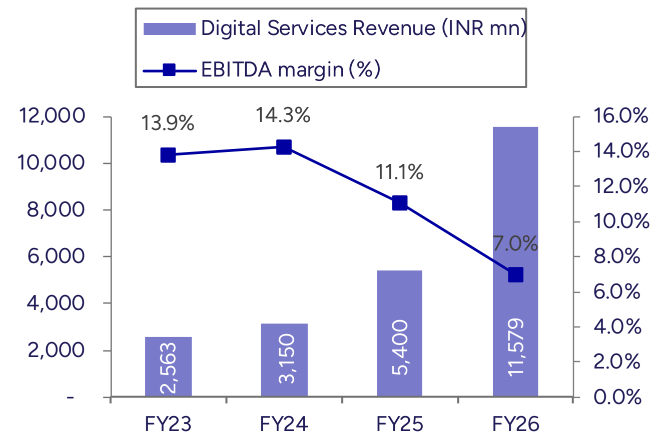
Source: Company, PL

Exhibit 5: Steady margin expansion in Visa & Consular Services



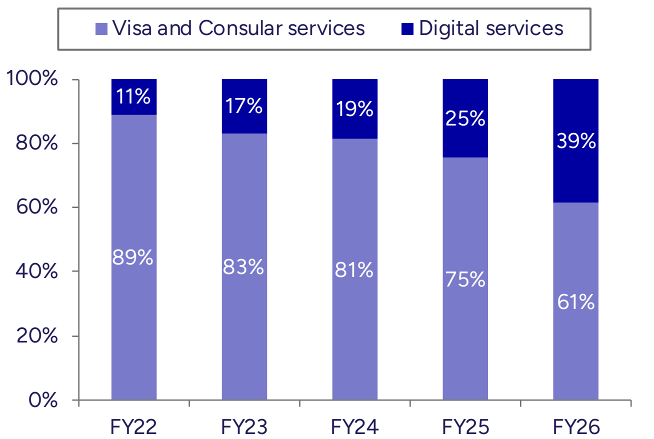
Source: Company, PL

Exhibit 6: Stellar growth in Digital Services revenue, albeit low margins



Source: Company, PL

Exhibit 7: Digital Services gaining share in overall revenue



Source: Company, PL

Exhibit 8: Consol revenue registers 37% CAGR over FY22-26

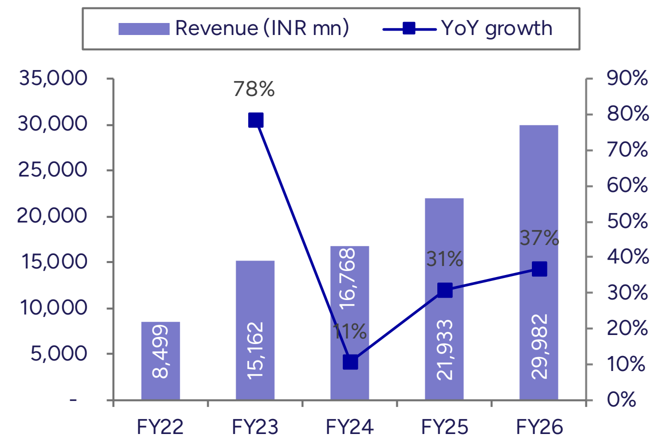
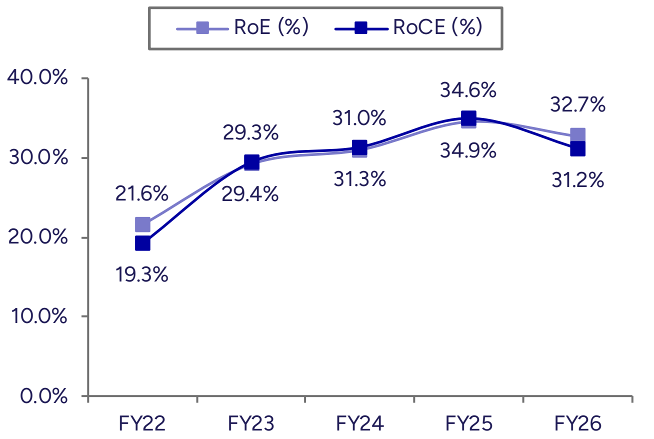


Exhibit 9: Capital returns remain above 30% due to asset-light model



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Reduce	:	-5% to -15%
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