ArihantCapital
Generating Wealth

Mgmt Interaction Note
25th August 2026

BLS International Services Ltd

CMP: INR 241

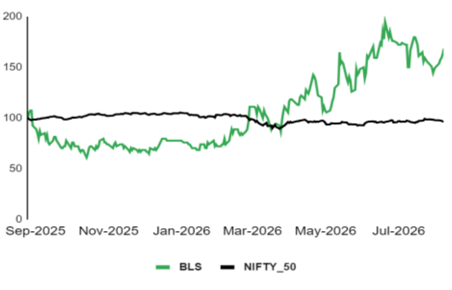
Stock Info	
NSE	BLS
BSE	540073
Bloomberg	BLSIN
Reuters	blsn.ns
Sector	Consumer Services
Face Value (INR)	1
Equity Cap (INR Mn)	411.7
Mkt Cap (INR Mn)	99,220
52w H/L (INR)	393/219
Avg Yearly Volume (in 000')	2928

Shareholding Pattern % *(As on June 2026)*	
Promoters & Promoter Group	70.39
Public & Others	29.61

Key Metrics (Mgmt Indicated)

Net revenue / application: ~INR 3,300
Further realisation gain: 5-10%
Visa & Consular margin: ~40%
Digital / e-services margin: ~8%
Blended margin: 28-29%
Industry travel growth: 7-8%
Targeted revenue growth: ~20%
Spain revenue share: 20-25%
Digital franchise payout: 75-80%

Stock Performance (%)	1m	6m	12m
BLS	1.24	(13.9)	(35.4)
Nifty 50	1.15	(4.81)	(1.78)



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We interacted with the management of BLS International Services Ltd (BLS) for clarity on media reports linking the company to the Spanish National Court's expanded probe into an alleged visa fraud network at Spain's consulate in Algiers. Key takeaways are below.

Management Clarification on the Spain Matter:

No formal communication received: The company has not received any official letter, notice or e-mail from the Spanish government, any court or any other authority. Its understanding is based purely on press reports, which allege that visas were granted at the Algiers consulate to applicants who were not technically eligible, against money.

Role is administrative and non-judgmental: BLS only processes - it receives the application, compiles the file in the prescribed format and sequence and forwards it to the mission. It is not authorised to validate or authenticate any document. Whether a visa is granted, to whom and for how long rests solely with the embassy/consulate.

No wrongdoing seen: The company does not see anything unethical or illegal in the conduct of its Spain operations. The contract runs on a renewal cycle of about three years; Spain was indicated at 20-25% of revenue during the interaction.

No impact assessed yet: Absent any formal communication, the company is not taking a call on implications for the existing contract. Its SLA obligation is limited to submitting complete documentation in the prescribed format; the decision itself sits outside its control.

Business and Growth Commentary:

Realisation: Net revenue per application is INR 3,300 and should broadly stabilise here, with at best a further 10-15% increase, aided by the commission element in the Italy contract.

Volumes: Volumes are not within the company's control. Missions cap what they can process - the Europe being an example where demand exceeds slots - and geopolitics shifts flows, though weakness in one corridor is usually offset by another.

Growth: Travel demand is seen growing 7-8%; with realisation gains this maps to 13% revenue growth, and the company aspires to 20%, the balance coming from new contract wins and inorganic additions. M&A is being evaluated, but valuations are approached conservatively.

Margins: Blended at 28-29% against 30% at peak, with Visa & Consular at 40% and digital/e-services at 8%.

Differentiation: Pricing matters, but European clients weigh service levels and value-added solutions more - appointment and interview facilitation, coordination and ancillary services - and score bidders on the uniqueness of the solution.

Digital and e-services: Run on a common platform - land and property registration in West Bengal, now extending to select districts of Gujarat, and banking correspondent services on a franchise model, where 75-80% of collections pass through to partners, leaving 8-12% margin.

Ancillary income: Forex/dollar card in tie-up with HDFC Bank and travel insurance, mandatory for Schengen, are offered at the centres.

Visa-free travel risk: Limited, as per the company. Developed markets retain visa regimes to validate and track entry and exit through biometrics; visa-on-arrival is largely a feature of tourism-dependent developing economies.

Our View:

The clarification is consistent with BLS's operating model - it is a front-end processor with no role in visa adjudication. Near-term monitorables are contract-level risk in Spain and possible wider scrutiny by other European client governments; the MEA episode, reversed in court with contracts unaffected, offers comfort on process.

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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