

February 18, 2025

<b>National Stock Exchange of India Ltd.,</b>  Exchange Plaza, C-1 Block G, Bandra Kurla Complex Bandra [E], Mumbai – 400051	<b>BSE Ltd.,</b>  Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001	<b>Metropolitan Stock Exchange of India Ltd.,</b>  Vibgyor Towers, 4 <sup>th</sup> Floor, Plot No. C62, G - Block, Opp. Trident Hotel, Bandra Kurla, Complex, Bandra (E), Mumbai – 400098
NSE Scrip Symbol: BLS	BSE Scrip Code: 540073	MSE Scrip Symbol: BLS

**SUBJECT: Transcript of Earnings Call held on February 12, 2025**

Dear Sir/ Ma'am,

In continuation to our intimation dated February 06, 2025 please find enclosed a transcript of the Earnings Call held on Tuesday, February 12, 2025 to discuss the operational and financial performance of the Company for the third quarter and nine month ended December 31, 2024.

The transcript is also available on the Company's website at <https://www.blsinternational.com/>

You are requested to take the same on your records.

**For BLS International Services Limited**

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**Dharak A. Mehta**  
**Company Secretary & Compliance Officer**  
**M. No.: FCS12878**



*BLS International Services Limited*  
*February 12, 2025*



“BLS International Services Limited  
Q3 & 9M FY '25 Earnings ConferenceCall”

February 12, 2025

**MANAGEMENT:** **MR. NIKHIL GUPTA – MANAGING DIRECTOR**  
**MR. SHIKHAR AGGARWAL – JOINT MANAGING**  
**DIRECTOR**  
**MR. AMIT SUDHAKAR – CHIEF FINANCIAL OFFICER**  
**MR. LOKANATH PANDA – CHIEF OPERATING**  
**OFFICER – DIGITAL BUSINESS**  
**MR. GAURAV CHUGH – HEAD INVESTOR RELATIONS**

**MODERATOR:** **MR. NIKHIL SHETTY – NUVAMA WEALTH**  
**MANAGEMENT**

**Moderator:**

Ladies and gentlemen, good day, and welcome to the Q3 and 9 months FY '25 Earnings Conference Call of BLS International Limited, hosted by Nuvama Wealth Management. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand over the conference over to Mr. Nikhil Shetty from Nuvama Wealth Management. Thank you, and over to you, sir.

**Nikhil Shetty:**

Thank you, Rutuja. Good day, everyone. On behalf of Nuvama Wealth Management, I appreciate you joining us for the Q3 and 9 months FY '25 earnings call of BLS International Services Limited. Today, we have with us the leadership team to discuss the company's operational and financial performance. So, we have with us Nikhil Gupta, Managing Director; Shikhar Aggarwal, Joint Managing Director; and Amit Sudhakar, CFO; Lokanath Panda, COO, Digital Business; Gaurav Chugh, Head of Investor Relations.

With that, I now hand over the call to Gaurav. Thank you, and over to you.

**Gaurav Chugh:**

Thank you, Nikhil. Good afternoon, everyone. Thank you for taking time out to join this call. Just to remind you that this discussion may contain forward-looking statements that may involve known or unknown risks, uncertainties and other factors. It may be viewed in conjunction with our businesses that would cause future results, performance or achievements to differ significantly from what is expressed or implied by such forward-looking statements.

I would like to hand over the call to Mr. Shikhar Aggarwal for his opening remarks; post which, Mr. Amit Sudhakar will discuss the financial performance of the company; and then we'll open the floor for an interactive Q&A session. Thank you, and over to you, Shikhar.

**Shikhar Aggarwal:**

Thank you. Good evening, everyone, and thank you for joining us on BLS International's Q3 and 9 months financial earnings call today. We trust you had the chance to review our results, press release and investor presentation, which are available on both the stock exchanges and our company's website.

I am delighted to present an update on our company's performance, which reflects a period of significant growth and strength. In the quarter and 9 months of the fiscal year 2025, we have recorded a robust increase in our consolidated revenues of 17% and 22% year-on-year to INR 513 crores and INR 1,500 crores, respectively. These figures represent the highest revenue we have attained for the corresponding periods to date. Also to highlight, we have surpassed our FY '24 EBITDA and profit number within 9 months of this fiscal.

In terms of profitability, our performance for the quarter has been remarkable with the EBITDA

experiencing a substantial year-on-year 79% growth to INR 158 crores, with our profit after tax has also seen around a 50% increase to INR 128 crores.

The integration of new businesses (we have acquired iDATA, Citizenship Invest and Aadifidelis,) coupled with our transformative shift from a partner and to a self-managed model, have significantly strengthened our margin profile in the current period. We have witnessed EBITDA margin expansion of approximately 1,000 basis points in both Q3 and 9 months period.

If you look at this fiscal, we have invested over INR 1,000 crores across various acquisitions. While the integration of new business is going as per plan, we continue to witness strong cash flow generation, which translates to a healthy balance sheet with a net cash position of around INR 690 crores as of December 31, 2024.

We are committed to delivering robust financial performances, which is evident in our strategic focus and onward structural enhancements we are implementing within our business model. These concentrated efforts are designed to solidify our foundation and propel us towards sustained growth and profitability.

During Q3 FY '25, the number of visa application processed has increased from 7.14 lakhs in Q3 FY '24 to 9.08 lakhs, a strong growth of 27% year-on-year. This growth is in sync with the trajectory of global travel and tourism sector, which has been riding the wave of new trends and technologies, offering a conducive environment for us to expand our business.

Additionally, our net revenue per application has witnessed a year-on-year growth of 26%, climbing from INR 2,250 in Q3 FY '24 to INR 2,837 in Q3 FY '25, reflecting our operational efficiency and value creation. In 9 months, the net revenue per application has grown by around 40% to around INR 2,800.

The acquisition of Citizenship Invest (CI) was completed in October 2024. Citizenship Invest puts us at the forefront of the industry for residency and citizen programs with an expanded presence in over 15 countries. The strategic move bolsters BLS expertise in providing comprehensive visa solutions but also leverages CI's esteemed standing and influence in the HNI category.

With the acquisition of CI, we are poised to significantly increase our processing volumes and reinforce our market position. We began to consolidate the financial performance of CI into the performance in our quarter.

Further, I'm happy to report we also concluded the acquisition of Aadifidelis Loan Solutions on November 26, 2024, and it's being consolidated under our Digital Service Business as effective the same date.

ASPL stands as a prominent entity in the India's loan distribution and processing sector with an extensive network that spans the nation. Our Digital Business has also been witnessing robust performance, driven by both organic and inorganic growth. Its revenue from operations grew 87% to INR 137 crores in Q3 FY '25 as compared to INR 74 crores in Q3 FY '24. Organic growth of the business was around 16%. EBITDA of the business grew by 88% to around INR 18 crores from INR 9.4 crores in Q3 FY '24.

Looking ahead, we are committed to nurturing organic expansion in our Visa & Consular and Digital Service Business segments, and concurrently, we are on the lookout for avenues of inorganic growth on both domestic and global markets. Our projections for the ongoing fiscal year are optimistic, and we are focused on fostering enduring growth.

In conclusion, I want to reaffirm our unwavering confidence in the forthcoming quarters. The BLS team is resolutely dedicated to propelling growth within our principal business divisions. We firmly believe that these strategic measures we have put in place will serve as a solid foundation for a sustained success in the years to come.

Now I'll turn over the call to Mr. Amit Sudhakar, our CFO, for further updates on our financial performance. Thank you.

**Amit Sudhakar:**

Thank you, Shikhar. Good afternoon, everyone. I am pleased to present the consolidated financial performance for the third quarter and 9 months ended December 31, 2024. In the quarter Q3 FY '25, we achieved a revenue of INR 513 crores, marked a robust year-on-year increase of 17% from INR 438 crores reported in Q3 FY '24. We continue to see strong momentum and remain optimistic about our potential growth in the coming quarters. Our EBITDA for the quarter surged to INR 158 crores, up from INR 89 crores in the same period last year, registering a substantial growth of 79%.

The EBITDA margin for this quarter was 31%, expanded by 1,059 basis points year-over-year. The increase in our margins is a result of our successful cost optimization strategy, which includes shifting to self-managed models and integration of new businesses. As mentioned by Shikhar as well, we have begun integration of Citizenship Invest into our portfolio in this quarter.

Profit before tax for the quarter was reported at INR 140 crores, a 54% increase from INR 91 crores in the third quarter of previous financial year. The profit after tax also showed a record performance at INR 128 crores compared to INR 87 crores in the corresponding quarter of the previous year, reflecting a growth of 47%. The earnings per share for the quarter stood at INR 2.93 per share as compared to INR 2.05 per share in Q3 FY '24.

Coming to 9 months performance. The 9-month revenue stood at INR 1,501 crores as compared to INR 1,229 crores, registering a growth of 22% over previous years. The EBITDA for 9 months FY '25 stood at INR 455 crores versus INR 255 crores in the corresponding 9 months

of last year, a robust growth of 78%. The EBITDA margin for 9 months FY '25 stood at 30.3% against 20.8% in 9 months FY '24, an expansion of 956 basis points. The profit after tax stood at INR 394 crores as compared to INR 240 crores in the previous corresponding 9 months, a growth of 64%.

Now coming to segmental highlights. In Q3 FY '25, our Visa & Consular Service segment's revenue stood at INR 376 crores. Net revenue grew by 60% Y-o-Y to INR 258 crores as compared to INR 161 crores reported in Q3 FY '24. The EBITDA for this segment expanded by 77% to INR 140 crores with an EBITDA margin of 37.4%. This represented an increase of 1,564 basis points over 21.7% margin recorded in Q3 FY '24.

Looking at the 9 months, Visa & Consular Service revenue grew by 22% to INR 1,207 crores, up from INR 991 crores in 9 months FY '24. The net revenue was up by 78% Y-o-Y from INR 436 crores to INR 775 crores for 9 months FY '25. The EBITDA for the same period experienced a significant year-on-year increase of 85%, reaching INR 414 crores with an EBITDA margin of 34%. The margin widened by 1,171 basis points compared to 23% margins in 9 months FY '24, reflecting an ongoing commitment to growth and efficiency.

In Q3 FY '25, our Digital Business segment reported a robust revenue growth of 87% Y-o-Y to INR 137 crores as compared to INR 74 crores in the same quarter of the previous financial year. This increase includes Aadifidelis Solutions revenue of INR 53 crores consolidated from November 26, 2024, onwards. The EBITDA for the segment increased significantly by 88% Y-o-Y to INR 18 crores in Q3 FY '25. EBITDA margin stood at 12.9%.

In 9 months, FY '25, the Digital Business revenue stood at INR 293 crores as compared to INR 238 crores in the corresponding period. EBITDA for the segment stood at INR 42 crores in 9 months FY '25 compared to INR 32 crores in 9 months FY '24. EBITDA margin stood at 14.2% in 9 months FY '25 against 13.4% reported in 9 months FY '24.

Having invested upward of INR 1,000 crores in new acquisitions during FY '25, primarily funded through internal accruals, the company remains of strong financial position. As on December 31, 2024, our balance sheet reflects a healthy net cash reserve of INR 690 crores.

That's all from my side. I will request the moderator to open the floor for questions. Thank you.

**Moderator:**

Thank you very much. The first question is from the line of Hatim Broachwala from JM Financial. Please go ahead.

**Hatim Broachwala:**

Sir, I want to know that how much is the contribution from the acquisition done in the Visa segment for iDATA and the other company which we had acquired, Citizenship company. So how much is the contribution in the Visa segment?

**Amit Sudhakar:**

So, if you look at iDATA in the current quarter, they have contributed about INR 25 crores.

And Citizenship Invest has contributed about INR 4.75 crores of the net profit.

**Hatim Broachwala:** The INR 25 crores is from iDATA and...

**Amit Sudhakar:** INR 4.75 crores from Citizenship.

**Hatim Broachwala:** And sir, can you provide same data for the revenue?

**Amit Sudhakar:** Yes. So, the revenue in iDATA was around INR 59 crores and Citizenship was about INR 13 crores.

**Hatim Broachwala:** Sir, if let's say, if I adjust INR 59 crores plus INR 13 crores, so it comes to –INR 72 crores. Let's say, if I reduce from the current number to just see the organic number, then I see a de-growth in the number. But the visa count have increased by 27%. So, I'm not able to understand that, on one hand, the count is increasing.

**Shikhar Aggarwal:** Yes, I think, we have understood the point. So basically, Amit, you can add. And this is, if you talk about year-on-year, if you see the net revenue, that has actually increased.

**Amit Sudhakar:** So basically, we look at the net revenue growth, as we have talked about, the change in the business model.

**Hatim Broachwala:** Yes, sir.

**Amit Sudhakar:** Can you check that there is a Net Revenue growth matching with the growth in the EBITDA numbers?

**Hatim Broachwala:** Is your top line impacted by the business model change?

**Amit Sudhakar:** No, no. Top line has not affected, because of the change. But mainly, it is more on the net revenue.

**Hatim Broachwala:** Okay, sir. Sir, also in the E-Service segment, how much the acquired company has contributed?

**Amit Sudhakar:** It's about Aadifidelis , has contributed about INR 49 crores.

**Moderator:** The next question is from the line of Sandeep Agarwal from Naredi Investments.

**Sandeep Agarwal:** Sir, my first question is regarding we have categorized three type of services: Core Services, Value-Added and Personalized Citizen Services. Sir, can you provide the bifurcation of turnover and margin between them?

**Shikhar Aggarwal:** Can you repeat the question?

**Sandeep Agarwal:** Sir, we have categorized our services in three types of services: Core Services, Value-Added

services and providing Citizenship Services.

**Shikhar Aggarwal:** You're talking about BLS E-Services?

**Sandeep Agarwal:** Yes. So, can you bifurcate the turnover and margins between them?

**Shikhar Aggarwal:** I think that were three lines of business that we are doing, that we are providing banking correspondent services. We are providing e-governance services and we are providing assisted e-commerce at the time of IPO we had mentioned. But the margins are pretty similar in all these segments.

Till now, we don't bifurcate. Because the same state, we are doing multiple things. We are also running banking correspondents. We are also running e-governance using the same centres. We're also providing assisted e-commerce using the same centres. So that is why we don't bifurcate the numbers.

**Sandeep Agarwal:** Okay. Okay, sir. Sir, just another one. Sir, other income down from INR 23.4 crores to INR 14.7 crores Q-on-Q basis.

**Amit Sudhakar:** Shikhar also talked about that we have done the investment in the new businesses. So, the interest from fixed deposits have come down.

**Sandeep Agarwal:** Okay. And sir, our net operating margin and operating profit margin also down on Q-on-Q basis. And what will be the sustainable margin?

**Amit Sudhakar:** See, we have been saying that we want to maintain over 30% margin in our Visa business. And Digital business will change because of the mix of Aadifidelis and the other businesses. They have a different percentage of margins. So, there will be a change happening depending on the revenue mix in that particular quarter.

**Shikhar Aggarwal:** But if you see our Visa business, our margin has grown over 36% in the last quarter.

And it was 20% last year. But now it has grown to 37%. So, there are little change in the e-governance business, because of Aadifidelis business that we acquired at lesser margin. But profits overall are growing, if you see. So definitely, Visa business specifically, we want to maintain the margins. And E-Services also, probably it will maintain at this level.

**Moderator:** The next question is from the line of Arpit Shah from Stallion Asset.

**Arpit Shah:** Yes. Just I had a question around, if we see the seasonality part, if I see last year, number of visa application is around 7.14 lakhs applications in Q2, Q3 and Q4. And this year, you have seen a dip on Q-on-Q basis. From 10 lakh, we have come to 9 lakh visa applications. So how should we read these numbers? And what kind of numbers should we expect for quarter 4? Should we expect 1.2 million applications for quarter 4? How we should read that number?



**Shikhar Aggarwal:**

So, see, if you see this quarter, we have done around 9 lakh applications. Correct? And if you see the same quarter last year, December '23, we had around 7 lakh applications. But if you see previous quarter, we had done 10 lakhs. So obviously, since this quarter, there is seasonality. People travel less during November, December. So that is why we have done lesser numbers compared to last quarter. Still, because of the acquisition of iDATA and new contracts that we had started, there has been an addition in the numbers.

And it has actually increased from 7 lakhs that we did last year. There were some organic growth, some because of the acquisition, some new tenders. And that is the reason we have done 9 lakhs in this quarter. And going forward, quarter 4, January is also a little less. But February, March, we start seeing numbers coming up. And quarter 1, we see good travel going on. So definitely, going forward, we feel the numbers should go up.

**Arpit Shah:**

No, I was referring to Q2, Q3, Q4 FY '24. The numbers are broadly the same. There was no seasonality impact in FY '24. In FY '25, you have seen a dip of 10% Q-on-Q in Q3 FY '25. How we should read the Q4 numbers?

**Shikhar Aggarwal:**

Actually, last year, what happened was one of our contracts that we have done for the Indian Embassy in Canada, there was a major surge in Q3 in terms of revenue. There was a change in the policy over there, wherein people had to come to the centre, because of some change in regulation in the local laws of the country. So that is why for that quarter last year, we had seen a certain surge in revenue. But now it has come back to normality this year. So that is why normally, on an ongoing basis, quarter 3 seasonally is less for us as a company.

**Arpit Shah:**

Got it. So now, if I have to see FY '26, what kind of PAT guidance you would like to give to the market? Because this year, probably you are going to close around INR 520 crores to INR 550 crores kind of a number on the PAT front in FY '25. So, FY '26, you can still think that the growth would be, let's say, more than 30% on the PAT front, FY '26?

**Shikhar Aggarwal:**

See, if I talk about the past and tell you about the market where it is heading, if you see in the last 5 years, we've done 70% CAGR growth in terms of profitability. In this year, in 9 months, the entire profits of the last year, we have surpassed already. We have already spent INR 1,000 crores on acquisition. If you see in the future many new tenders that we are bidding for, there are billions of dollars of tenders that are coming out on an organic basis. Then inorganically, also, we're looking at acquisition opportunities.

So definitely, first of all, our objective is to maintain. Whatever number that we have achieved, we want to make that a new base. Whatever margins we have achieved, we want to make that the new base. And going forward, definitely there are multiple opportunities both on the organic and inorganic front. So definitely, we would want the company to keep on continuing to grow. We have not given any projection or such to the market that this is a percentage you want to grow at.

But as having seen our past, the potential is there. Only 50% of the market is outsourced. Billions of dollars of contracts are coming up for renewal. We are eligible for all these tenders. There are multiple other countries which have never outsourced or outsourced for the first time. We're also looking at inorganic growth, both in BLS International and BLS E-Services. So definitely, I think, if you combine all those multiple factors, there is good leeway for growth in the future.

**Arpit Shah:** So, you believe INR 700 crores is a reasonable estimate to make for FY '26 as a PAT number?

**Shikhar Aggarwal:** Sorry, can you repeat?

**Arpit Shah:** INR 700 crores, is that a reasonable estimate to make for FY '26?

**Shikhar Aggarwal:** See, actually, what I've told you is that, I don't want to comment on any specific numbers. But what we have done in the past, we want to maintain. Whatever number, we want to make that as a base. And then, as I have told you, there are many opportunities, both on organic and inorganic front. And definitely we, as a company, negative working capital cash flow in company. So definitely, we feel that we will grow as a company. But the exact numbers, I cannot mention at this stage.

**Arpit Shah:** Sure, sure. I completely understand. In the Visa & Consular business, what percentage of business is now not directly dependent on visa? Like what percentage would be visa, and what percentage would be non-visa in the Visa & Consular business?

**Shikhar Aggarwal:** See, that percentage, normally we don't take out. If you see in the COVID period, we did about INR 50 crores of profit each year. Still, that was only on the back of Consular Service business. Obviously, that has also grown. So, I don't know the exact mix of how much is exactly Consular, how much is Visa. Because in many countries, the embassy outsources all the services to us. It is including Consular and the Visa. So, there is no specific mix that we have taken out.

**Moderator:** The next question is from the line of Ankush Agrawal from Surge Capital.

**Ankush Agrawal:** Firstly, just a clarification. The INR 25 crores and INR 4.75 crores number that you gave for iDATA and Citizenship, these are EBITDA numbers, right? Not net profits?

**Amit Sudhakar:** These are profit numbers.

**Ankush Agrawal:** Last quarter, you gave INR23 crores EBITDA for iDATA.

**Amit Sudhakar:** Yes. So iDATA, the revenue was about INR 59 crores. And the profit of INR 25 crores in this quarter.

**Ankush Agrawal:** No. Q2, you said EBITDA was INR 23 crores. Now you're saying PAT was INR 25 crores for this quarter.

- Shikhar Aggarwal:** No, no, no. I think, you're very confused. We only mentioned about this current quarter. , we have done a profit before tax of around INR 25 crores in iDATA and INR 4.75 crores in Citizenship Invest.
- Ankush Agrawal:** Okay. What would be the number of applications for iDATA during the quarter?
- Shikhar Aggarwal:** I think, that we have to find out. That, I don't think we have the bifurcation right now. But we'll get back to you on that.
- Ankush Agrawal:** Okay. So, the second question was basically this year, if we look at our growth, the growth has probably come from substantial increase in our margins and some of the inorganic acquisition that we have done. Now going ahead next year, do you think there is more room for us to expand our margins from where currently it is and to be able to do certain big ticket size of acquisition? Because, otherwise, I mean, do you think organic-wise, you are looking at some of the contracts that will close, that will deliver you the kind of growth that we have been seen? Because otherwise, sequentially, there is hardly any growth in the core business.
- Shikhar Aggarwal:** If you see last year, we have done INR 88 crores of EBITDA on a combined level in December quarter. And this year, we have done INR 140 crores of EBITDA.
- Ankush Agrawal:** Yes. That's what I'm trying to say. This year, obviously, we have seen a substantial increase in our margin.
- Shikhar Aggarwal:** If you see, we subtract the iDATA and Citizenship number from INR 140 crores, the number comes to around INR 110 crores. So, compared to INR 88 crores, we have got INR 110 crores of EBITDA only on organic basis. So, there has been a surge of 30%, 40% even on the organic business.
- Ankush Agrawal:** I'm not denying that. Obviously, you have delivered a substantial increase in the core business margins, those were like low 20s, besides that going to 30s. But from here onwards, do you still believe we can expand margins from here? I think that will be difficult, right?
- Shikhar Aggarwal:** See, first of all, we as a company want to operate as a sustainable basis. We are always aiming for obviously more efficiencies that we can bring into the business. If you see last year, we were doing 20% of the EBITDA margin at consolidated level. This year, we have reached 30% level. From last quarter, there has been a little dip, because of the acquisition of our subsidiary, and our subsidiary acquired this company Aadifidelis Solutions, which is at a lesser margin. So definitely, our objective, as I've said in the past, is to maintain the margins that we have achieved.
- Whatever quarter, whatever margins we achieved, we want to maintain that. And we keep on striving for bringing in efficiencies in our business that may or may not lead to increase in margins in the future. But definitely, whatever we have achieved, we want to maintain that.

That is what I want to specify.

**Ankush Agrawal:** Okay. Got it. Just the iDATA application number for the quarter, if you got it.

**Shikhar Aggarwal:** Sorry?

**Ankush Agrawal:** The number of applications for iDATA, if you have got it.

**Shikhar Aggarwal:** That we can send you this separately. Because we don't have those numbers handy right now.

**Moderator:** The next question is from the line of Tanish from Beas Capital.

**Tanish:** Do you have any data on what percentage of your existing contracts are up for renewal in the next 2, 3 years?

**Shikhar Aggarwal:** We have renewed 90% of our contracts. So, as we have said in the last 1, 2 years, after COVID, a lot of these contracts came up for renewal. Spain, we have won the contract again. Last few years, we have won the contract with Indian Embassy in Canada again. So, 95% of our contracts, 90% of the contracts we have renewed.

**Tanish:** What percentage will be renewal next year, next 2 years?

**Shikhar Aggarwal:** Next 2 years, see, all these contracts are 5 to 7 years. Some are 10 years, I think. So, as I said, most of the contracts we have renewed. Next 2 years, probably 5%, 10% of the contracts might be coming up for renewal.

**Tanish:** And what amount of new contracts are you looking to bid in next 2, 3 years, bifurcated by geography, if you have any data? Where is the traction?

**Shikhar Aggarwal:** No. We have already specified that there are multiple tenders that we are bidding for a multi billion dollar worth of opportunities that we are bidding for. There are different stages of bidding. A lot of this we have won. If you see the press releases and announcements that we have done in the last 1 year, we have added new contracts with Portuguese, Poland, Italy, Hungary, Czech Republic, many governments that we've added.

So, there are multiple other tenders also that we are bidding for. And some of the countries which are outsourcing for the first time also. So, there are multiple opportunities that we are looking at.

**Tanish:** Okay. Just another bookkeeping question. What is the difference between the net revenue and the revenue from operations in the Visa & Consular segment? Like what line items are not included in the net revenue?

**Amit Sudhakar:** Yes. So basically, the direct expenses and like commissions, when we had the partner model,

what we used to pay them was a direct expense. For example, courier charges. So, the blue dart payment has been netted off. And, it's the net revenue which we earn per application. And that is what we focus on, and we strive to increase that.

**Moderator:** The next question is from the line of Akshat Bairathi from RSPN Ventures.

**Akshat Bairathi:** Sorry, this question is being reiterated. Just wanted to understand on the sequential revenue. So then, we have seen the number of applicants and the revenue per applicant dipping this quarter sequentially, which has impacted our revenues. But in Q2 as well, if we remove the iDATA revenue, sequentially, we saw a dip of almost 13.5% to 14%. So, any colour on that will be really helpful. And the second part of the revenue is that we have done three acquisitions in the previous couple of quarters. So, when do we see this revenue growth kicking in sequentially?

**Shikhar Aggarwal:** See, I think, we did not understand your questions properly. But from what we've understood is that quarter-on-quarter, as we have explained, there's dip in the volume, because of seasonality impact. Still, if you see our net revenue per application has actually gone up, right? So actually, quarter-on-quarter, year-on-year, both the parameters, our revenue per application has gone up. Only the overall revenue has dipped, because of the volume drop. And I think, that is what was the first point.

**Amit Sudhakar:** Second, how we look at it, our existing business growth depends on the growth in the travel industry. And if the travel industry overall grows at around 11% CAGR, then, we work on, say, 15% as a growth in our numbers and revenue.

**Akshat Bairathi:** All right, sir. Sir, second question is on the cash. We are carrying around INR 700 crores of cash balance. So, are we planning any more acquisitions going further?

**Shikhar Aggarwal:** See, this year, this financial year, we already spent upwards of INR 1,000 crores in acquisitions. And definitely, we have spent a major chunk. Still, we have INR 700 crores of net cash on the books. Going forward, as we have explained in the past, we are constantly looking at value-accretive opportunities for the company, both from an organic and inorganic basis. But definitely, we are open for inorganic opportunities as well as when we win new tenders, technology, we need to deploy cash. So, we are very open for more opportunities in the future.

**Moderator:** The next question is from the line of Manish Choraghe from KJMC Capital.

**Manish Charge:** Mr. Aggarwal, I believe that you have given a number of INR 49 crores as a revenue for Aadifidelis. Is that correct?

**Amit Sudhakar:** Yes, correct.

**Manish Charge:** Okay. So, I just wanted to know that this number is for entire quarter 3? Or I think it has been acquired at the end of November. So, this number is for December or for the entire quarter 3?

- Shikhar Aggarwal:** I think, this is some part of November and December.
- Amit Sudhakar:** 26th November onwards.
- Manish Chorge:** Okay. So, if I'm not wrong, in FY '24, this company has done a revenue of INR 577 crores. So, can I assume that in quarter 4, the number could be around INR 150 crores for Aadifidelis?
- Shikhar Aggarwal:** Yes. That is what we are expecting, yes.
- Moderator:** The next question is from the line of Gopal Krishnan from Uthranush Investments.
- Gopal Krishnan:** Yes. Fantastic. Actually, sir, I found that this iDATA and Citizenship Invest the EBITDA is phenomenally higher by around 50% from the data that we have provided in the investor presentation. So, going forward, the 30% EBITDA that we have achieved will definitely be more, right? So, for example, in FY '26, can I say that your EBITDA will be close to 40%, something like that?
- Shikhar Aggarwal:** See, if you see the actual numbers that we have given you, at Citizenship Invest our EBITDA is close to 37%. And at iDATA, the EBITDA is close to 41%. And these companies are operating in specific geography for specific governments. We have been operating as a global company across the world. So, some countries, margins are lesser and some countries, the margins are more.
- And from that point of view, if you see, we have reached from a 20% last year now to a 30% consolidated margins. And our main objective is to maintain this number. We don't want to have haphazard growth. So, our objective is to maintain the number. And we are looking at cost efficiencies and economies of scale in the future.
- Amit Sudhakar:** And if you see our quarterly Visa segment EBITDA margin, they are nearing 37%. So, in Visa business, because of these companies are coming under Visa & Consular business segment, we are achieving those 37% EBITDA.
- Gopal Krishnan:** No, actually, the iDATA, the EBITDA is 59% and Citizenship, the EBITDA is 45%. As you said, okay, it is on a specific geography. But going forward, I thought it might average down to around at least 40%. I mean, correct me if I'm wrong.
- Shikhar Aggarwal:** No, actually, you're wrong, because iDATA EBITDA is at 41%, and are in our numbers that we have achieved this quarter and Citizenship Invest is at 37%. And if you see our visa numbers, we've achieved an EBITDA margin of 37%.
- Gopal Krishnan:** Okay. And then, my second question is regarding this Digital business. This seems to be a drag on our total business. Is there any plan to spin off Digital business into a separate entity, like what you have done with E-Services?

**Shikhar Aggarwal:**

See, first of all, we do not believe it's a drag. If you see retail business, it is a volume-generating business. And since it is a business mostly operating in India, we get paid in INR. It's a volume business. So, if you see our overall profit this quarter is at INR 18 crores compared to INR 9 crores last year same quarter. So actually, we have doubled our profits in this business. And going forward, we feel that there's a big opportunity.

We have done 87% of revenue growth in this business. So, I feel definitely this business also has a big potential in the next few years. And as we add more value-added service spectra, I think, in the long run, the margins will also go up in this business per application. But if you see in total basis, total revenue is growing, total profits is growing. So definitely, I feel that this is also a good synergistic business for our company.

**Moderator:**

The next question is from the line of Dinesh Kulkarni from Finsight.

**Dinesh Kulkarni:**

Really good set of numbers. Sir, my question is, where do you think the next phase of growth would come for our company, assuming, as you just mentioned that we already have done INR 1,000 crores of acquisitions, and we have a cash balance close to INR 700 crores. So, I just wanted to know like whether it will be more of organic or inorganic, if you could elaborate on that?

**Shikhar Aggarwal:**

I think, as I've already mentioned in the last couple of questions, the same answer I can give you again, that we are looking at both the opportunities. There are multiple billion dollars of contracts that are coming up for renewal, multiple services, multiple geographies that we are bidding for and different services. So organically also, we have been winning a lot of tenders and next few years also, we expect the same. Inorganically, also, since we've acquired this three, four companies only in the last 1, 2 years. Next few years also, we are looking at different inorganic opportunities. So, both the places the growth will come from.

**Dinesh Kulkarni:**

So, my question is more on terms of, like say, whatever growth we have achieved in the last, like, 20%, 30% CAGR growth, is that achievable again? Or are we like fully penetrated now and we don't see this kind of high double-digit or 20% plus growth?

**Shikhar Aggarwal:**

As I said, we are still at the tip of the iceberg. There is full potential in the market, only 50% of the market is outsourced. 50% market is still getting outsourced. And out of the 50% market, which is outsourced, multiple tenders are coming up for renewal, in which we are eligible, and we are bidding for. So definitely, there are still huge potential in this Visa & Consular Services and many other services that we can get into.

**Moderator:**

The next question is from the line of Arpit Shah from Stallion Asset.

**Arpit Shah:**

I just wanted to understand, we have seen a stellar EBITDA growth and stellar net revenue growth of the Visa business. But when it comes to the PAT numbers, we have a bit lagged on the PAT number. So, when will it converge to EBITDA growth numbers, the PAT growth

according to you?

- Amit Sudhakar:** Sorry, you're talking about taxes?
- Arpit Shah:** No, the PAT number or the PBT number. The PBT number has lagged the EBITDA growth and the revenue growth number in the Visa business. So, when can we see it converging going ahead?
- Amit Sudhakar:** I think, over the period, you will see, currently, the numbers look a little subdued as far as PAT is concerned. But PBT is going up, there's a tax element which is increasing, because of taxation has come in Dubai as well as our expansion in Turkey and India businesses. There, the tax percentage is much higher. So, if you see as a percentage of tax over PBT is going up.
- Arpit Shah:** Okay. So, what kind of tax numbers we should build in for FY '25 and FY '26?
- Amit Sudhakar:** So, what we are working on last year, the tax percentage was around 9%. This year, we think it will go to around 12%.
- Arpit Shah:** That is FY '25 expecting 12%. And FY '26?
- Amit Sudhakar:** 12%. I said, 12%.
- Arpit Shah:** 12%. Okay. And how are we looking to utilize the cash, the INR690 crores? How are you looking to utilize it? Is it going to be dividends?
- Amit Sudhakar:** As Shikhar said, we are seriously looking at new opportunities and acquisitions as well as expansion of our existing business with new contract. So those will be there and dividend, obviously, will also be part of it.
- Moderator:** The next question is from the line of Aahan Tulshan from Trivantage Capital.
- Aahan Tulshan:** I just wanted to understand what the approximate market shares would be for VFS Global and BLS International?
- Shikhar Aggarwal:** See, exact numbers, the market is not very structured in terms of any market report or study. So, we don't know the exact numbers. But after this acquisition of iDATA, et cetera, probably we should be globally at 15%, 20% market share in terms of the client governments. And we don't know the exact numbers the competition is at. But definitely, we are much ahead.
- Moderator:** Ladies and gentlemen, due to the time constraint, this will be the last question for today, which is from the line of Mayur Bapodra, an individual investor.
- Mayur Bapodra:** Congratulations for the great set of numbers. Sir, all my questions have been answered. Just one question regarding capital allocation. So, what is the thought process when we acquire any



company? We are like for the past 3 quarters, we are on acquisitions spree, and we invest INR 1,000 crores in different new companies. So, what is the thought process behind INR 1,000 crores like ROCE, ROE requirements? Or what is your thought process behind allocating capital for acquisition?

**Shikhar Aggarwal:** See, if you see from a business point of view, we have acquired companies that are in our line of business. They are synergistic businesses, high profit point businesses with good government, they are working where we can go globally, we can combine other offices, et cetera. So definitely, whatever margins that we are doing, we can sustain them and learn from them. So that was the strategy from a business point of view, and we will recover our money within a matter of a couple of years. In terms of ROE, ROCE, Amit, if you want to add?

**Amit Sudhakar:** So, we ensure that our return on investment is much higher compared to what we earn on our dividend, or interest from the banks. So, we currently work on ROE of around 15% or so.

**Mayur Bapodra:** Okay, okay. Great, sir. And sir, I heard Shikhar sir, Amit sir's show on Josh Talks and I enjoyed it thoroughly, like the understanding of business you provided on that. So, and congratulations for the future endeavours. Best of luck.

**Amit Sudhakar:** Thank you.

**Shikhar Aggarwal:** Thank you.

**Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for closing comments.

**Shikhar Aggarwal:** Thank you, everyone, for joining our Q3 FY '25 earnings call. We hope all your queries were answered. In case of any further queries, please free to get in touch with Mr. Gaurav Chugh, our Head of Investor Relations, or the Investor Relations team at E&Y. We look forward to interacting with you next quarter again. Thank you, and goodbye.

**Moderator:** Thank you. On behalf of Nuvama Wealth Management, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

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