



**“BLS International Services Limited Q2 FY-22  
Earnings Conference Call”**

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**MODERATOR: MR. PARTH HEMANI – PARETO CAPITAL**

**Moderator:** Ladies and gentlemen, good day and welcome to the Q2 FY22 Earnings Conference Call of BLS International Services Limited. 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 “\*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Parth Hemani from Pareto Capital. Thank you and over to you, sir.

**Parth Hemani:** Thank you, Stanford. Good afternoon, everyone. This is Parth Hemani from Pareto Capital, we represent investor relations for BLS International. On behalf of the company I welcome you all to a Q2 FY22 Earnings Conference Call. I have with me from the management. Mr. Nikhil Gupta, Managing Director, Mr. Shikhar Aggarwal, Joint Managing Director and Mr. Amit Sudhakar, Chief Financial Officer of the company. We will have brief opening remarks from the management followed by the Q&A session.

Please note that certain statements made during this call may be forward looking in nature. Such forward looking statements are subject to certain risks and uncertainties that could cause our actual results or projections to differ materially from those statements. BLS International will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward looking statements to reflect subsequent events or circumstances. I would now hand over the call to Mr. Shikhar Aggarwal for his opening remarks, thank you and over to you sir.

**Shikhar Aggarwal:** Good afternoon everyone. I welcome you all to our earning conference call of Q2 FY22. I hope all of you and your families are keeping well and safe. Further to our last call, I am glad to share that we are starting to see the COVID situation improve. With aggressive vaccination drive in all major countries the travel business has started showing traction and major destinations like US, Europe, UK, Canada, etc. have started to open up. All these markets are opening up in phase manner which specified COVID norms. Recently, India administered 100 crore vaccine doses which is a significant milestone in the fight against COVID-19. In general, the mood for travel is upbeat and we hope the immunization program will speed up the travel movement.

As a company, we are at the cusp of major revival with rebounding in our visa and consular business. Our banking correspondent and e-governance business are the biggest beneficiary of financial inclusion and digitization. Our offices and centers have also started to reopen in a phased manner and we are witnessing significant pickup in visa applications. There have been certain hiccups in terms of lower availability of staff in the embassy offices. But now that is also improving. Visa business have been ramping month-on-month from the mid of June 2021 onwards. During the quarter, we were able to win new contracts in the visa and consular business including the Italian visa processing services in Russia. The contract with the Republic of Philippines Department of Foreign Affairs to provide e-passport renewal services initially starting with Italy, Qatar and Malaysia and immigration service business for Canada. We also signed up a contract with the Royal embassy of Thailand for Visa Services in India. We also

won a contract for the national identity Indian citizens living in London, UK to enroll them into national IMD database.

With respect to the National Banking Correspondent business, Starfin we empaneled ourselves with the Bank of Baroda in addition to winning a new license with the State Bank of India, for BLS International. We are also further expanding our e-governance business and we have partnered with national health authority as a service provider to process Ayushman Bharat cards across India, along with another project with UTITCL to understate the verification registration and e-card printing services across India. With this partnership BLS is now an official PMJ service agent. Our e-governance projects in UP and Rajasthan have also commenced recently we are confident of seeing significant scale in these coming months.

During the quarter, we reported a revenue of over Rs. 190 crores largely contributed by our consular business and Punjab citizen services along with the Starfin business, both of which are operating at a pre COVID level. I'm glad to share that we reported significant profit growth at the operating level largely on the back of our cost rationalization measures. What keeps us hopeful and confident even in these trying times is the investments we have made in putting together a strong technology and processes. Another factor which differentiates us and is helping us to ride out this storm is our strong balance sheet and liquidity position. As you know, we have put efforts over these last few years to strengthen our balance sheet – our receivables have reduced, long term debt is nil and cash balance has increased with over Rs 310 Crores of cash.

On the back of a strong balance sheet, we are exploring opportunities for inorganic growth in the tech enabled services. We believe that digitalization will be the mantra in the post COVID world and thus, we are focusing on leveraging our provide technology assets to tap emerging opportunities. Rest assured we look at those opportunities which meet our internal rate on threshold. Going forward, we are even more committed to leveraging our technology and operational excellence to ensure enhance service and customer experience. This is all from my side. I now hand over the call to Amit for updates on financial performance. Thank you.

**Amit Sudhakar:**

Good afternoon everyone. Let me take you through the financial performance for the second quarter and H1 of the financial year FY 21-22. We reported a revenue of 190.5 crores, and a healthy increase of 45% YoY and 7% QoQ, mainly due to increase in revenue from e-governance services and banking correspondent businesses, which have started functioning at pre-COVID levels. Visa & Consular businesses have also been opening up from June 2021 onwards and seeing M-o-M growth. EBITDA for the quarter stood at 27.6 crores compared to EBITDA of 13.1 crores in the corresponding quarter last year and 18.8 crores for Q1 FY-22. This is the highest EBITDA that we have achieved in the last 8 quarters. Higher EBITDA was achieved mainly due to increase in revenue and cost optimization. EBITDA margin for the quarter stood at 14.4%. The company generated a PBT of 28.5 crores for Q2 FY-22 as compared to 20.8 crores in the previous quarter. Please note that PBT has been the highest since the last 11 quarters. PBT margins stood at 15.0% in Q2 FY-22 versus 11.4% in Q1 FY-22. PAT stood at 27.5 crores in

Q2 FY-22 against 13.9 crores in Q2 FY-21. PAT margin in Q2 FY-22 improved to 14.4% compared to 10.6% in the same period last year.

In terms of H1 FY22, we reported a revenue of 369.0 crores compared to 183.4 crores, which is a significant increase of 101% YoY. EBITDA for H1 FY22 stood at 46.4 crores compared to EBITDA of 16.4 crores in the corresponding period last year which is a 180% growth. EBITDA margin for the period stood at 12.6% vis-à-vis 8.9% in the corresponding period last year. The company generated a PBT of 49.3 crores for H1 FY-22 as compared to 18.3 crores which is a 169% jump compared to the previous year. PBT margins stood at 13.4% versus 10.0% in H1 FY-21. PAT stood at 47.8 crores in H1 FY-22 against 13.1 crores in H1 FY-21. PAT margin improved to 13.0% compared to 7.1% in the same period last year. The company has surpassed its FY21 Profit before Tax (PBT) in the first two quarters of FY22 itself, testament to the fact that the business is picking up and we are on the right track. We have been successful in constantly improving our ROE's and ROCE's by implementing the right strategies. We are hopeful that the company should surpass all time high Profits in the current fiscal year and the margins will rebound sharply in the coming quarters on account of better performance from visa & consular services businesses. As I conclude: The key takeaway is that BLS has a unique business model and the performance in this quarter is a clear indication of the fact that not only is the visa & consular business improving, but we are also expecting higher contribution to revenues from other businesses. We believe once the travel around the world starts, the incremental revenue from visa business will propel the financial performance in this fiscal. I would now request the moderator to open the call for Q&A. Thank you.

**Moderator:** Thank you very much sir. Ladies and gentlemen, we will now begin the question-and-answer session. The first question is from the line of Nayan Gala an Individual Investor. Please go ahead.

**Nayan Gala:** I had a few questions. So, sir if we see at the Q2 and H1 financials, do we believe that we are on track to achieve the numbers which we had in 2019 and going forward, what is the revenue visibility for the next couple of years, you can just throw some light on that?

**Shikhar Aggarwal:** Sure. So, as you have seen in the first quarters, the two quarters the numbers we have achieved, have already surpassed the numbers of the entire year last PBT level last year. So, definitely we are on track in achieving good numbers and from day one whatever we have committed, when the year also started that we are planning to achieve 2019 levels subject to COVID, shopping and things opening up. So, we are definitely on track in achieving healthy numbers in the next few quarters. As, the business that we have achieved is still with 50% visa numbers in the current quarter that we have got. So, definitely as we expect in the next few quarters of first quarter of next year COVID the numbers should come to pre COVID level. So, definitely margins and revenue and numbers will improve.

**Nayan Gala:** Okay. And sir in terms of visa processing and everything, do we see more of a holiday kind of visa that we process or is it still the business visa that we are processing with things opening up at countries levels?

**Shikhar Aggarwal:** So, definitely see with things opening up at a country level we are seeing both category of demand coming in, we normally do not judge which categories of visas are because we do not analyze the data as we are not allowed to but we are getting more tourist visa for sure, wherever the countries are opening up people have been saving money for the last two years. So, wherever the countries are allowing to travel and countries are opening up we are seeing more of the tourism and travel happening.

**Nayan Gala:** Okay. Sir, if you can just help us to understand break up the revenues in terms of visa consular, Starfin and Punjab contract for the quarter and which segment has grown more in that?

**Amit Sudhakar:** If you see Y-o-Y, the growth has come in Punjab that is e-governance and the Starfin, visa business has still not reached the pre COVID levels, which we expect by Q4 should start reaching the pre COVID level subject to the third wave. But the percentage split is around 80% to 85% of our revenue still even in this quarters have come from visa counselor business which consists of visa with 50% capacity and consular services which are almost at a pre COVID level. So, definitely in the next few quarters, we are expecting the margins also as in this quarter, we have achieved around 15% of EBITDA margins. So, in the next few quarters margins should also improve as more and more people are opting for premium services like mobile biometric and different services and also we have got an increase in charges for a lot of these value added services from governments. So, definitely margin should improve.

**Nayan Gala:** Okay. And then in terms of when the visa business comes at the pre COVID levels, what is the revenue expected out of that business, like the incremental revenue expected out of that business?

**Shikhar Aggarwal:** See whatever we have achieved today, in these quarters is the base level what we have achieved with the current business, with visa which is at 50% capacity which is happening around the world, so this is what we plan to achieve, but exact estimation I don't think will be feasible to give right now, but definitely there will be at least 15% to 20% growth.

**Nayan Gala:** Okay. As per we see the Punjab contract performing well for us, if you can just guide us through what is going on in the UP and Rajasthan contracts, and what can we expect, when can we expect the business to ramp up and start delivering like the ones in Punjab?

**Shikhar Aggarwal:** Correct. So, see as you know Punjab model is slightly different from UP and Rajasthan, Punjab, the offices have been given to us by the government wherein we have effectively it's a CAPEX light model, asset light model. And we have been generating revenue, we have been in Punjab for the past five-six years in UP and Rajasthan is a recent contract we have just entered into. In UP we have now established 10,000 offices and in Rajasthan, we have established more than 600. So this is the presence of offices that we have. So right now, I don't know if we have started generating a big revenue out of these, still the revenue out of our e-governance citizen services from UP, Rajasthan is still not very high. So as we go along, I can give us a little bit more clarity on the revenue estimation from these contracts.

- Nayan Gala:** And these are sir long term contracts are how they like it like, is it renewed every year?
- Shikhar Aggarwal:** These are long term contracts.
- Moderator:** Thank you. The next question is from the line of Mansi Shah an Individual Investor. Please go ahead.
- Mansi Shah:** Sir a couple of questions from my end. What is our business model with the e-commerce companies like Flipkart and Amazon. And what are the kinds of revenues and margins do we expect in the coming quarters?
- Shikhar Aggarwal:** Thank you for this question. So, see as you know our business model is that we are tying up with multiple states and opening more branches. So, in UP we opened 10,000 offices in Rajasthan we have opened more than 600 and we've also set up banking correspondent model wherein we were already working for State Bank of India in many states operating around 1600+ branches, and we recently got a new contract from Bank of Baroda plus another contract from State Bank of India. So, our model is to utilize these existing offices that we have to assist different companies like e-commerce companies to do selling. So, the margins definitely it would be good margins we will be getting more than 10% margin on the sale out of our touch points. So, as we grow we will get more demand in terms of as more traction kind of comes in.
- Mansi Shah:** Okay. And sir if you can tell us the number of transaction we processed in Q2 FY22 and whether they have increase or decrease compared to the previous quarter?
- Shikhar Aggarwal:** So, number of transactions have definitely increased in compared to previous quarter, pre COVID we were doing 15 million applications every year, as of March 30 last year we had done 52 million as a company. So, definitely these all new contracts are in addition, so UP, Rajasthan all these will add numbers to our new year.
- Mansi Shah:** Okay. And sir how is the subsidiary Starfin currently performing and what are the growth plans related to the same and what is the kind of opportunity you see in this space?
- Shikhar Aggarwal:** So, as far as Starfin is concerned we are very positive about this business, which we started about four years back, and it has been showing growth of 20% CAGR every year and we are very confident about this business, we are even looking at inorganic growth in this area. So, the business is providing the last mile banking services on behalf of State Bank of India, wherein we have now added Bank of Baroda and Central Bank. We are going to add further CSPs for them in the coming quarters. And we are also looking at inorganic growth in the same. We have one tender from SBI of around 700 new CSPs in BLS International also. So, we see a good potential of growth at this business.
- Mansi Shah:** Okay and lastly, what are the CAPEX plan for FY22 and FY23?

**Shikhar Aggarwal:** Okay, on the CAPEX a normal operating CAPEX, which we normally have been incurring over the years has been around six to seven crores a year. What we are doing now is, we are working on a revamping our IT, we still don't know the exact figure of how much we will have to spend on that, but that will be a major CAPEX coming in the current year, as well as we are trying to have a proper infrastructure in few of the key countries and we may do some investment in that also in the coming year. But normal CAPEX is about Rs 6-7 crores.

**Moderator:** Thank you. The next question is from the line of Muskan Chaudhary an Investor. Please go ahead.

**Muskan Chaudhary:** Sir, I just wanted to understand with the cash balance of upwards of 300 crores that we have today, what kind of opportunities can we target for inorganic expansion?

**Shikhar Aggarwal:** So, our strategy is first to look at businesses in our own verticals. We are in three verticals, one is visa and consular business, the second being e-governance and the third being banking correspondent business. So we are firstly looking at any interesting acquisition in these three areas. And over and above, we are even looking at other businesses which are more related to tech enabled service providing businesses.

**Muskan Chaudhary:** Okay. So there's any active sort of activity on this front or do we plan to start it in subsequent quarters or years?

**Shikhar Aggarwal:** Frankly, we have been very active over the last one year and still we are working on it and hopefully something should get finalized in the coming quarter.

**Muskan Chaudhary:** Okay, got it. And sir in terms of the contracts that we've won recently, what will be the size of the opportunity of these new contracts and what will be the incremental benefit to our financial, these contracts in visa and consular business specifically?

**Shikhar Aggarwal:** See, we have won very interesting contracts recently, one being with the Republic of Philippines Department of Foreign Affairs for the passport renewal for the Philippine expatriates population living abroad in those countries. We have started with Italy, Qatar and Malaysia. So, because post COVID lot of the government's which had not outsource before are now outsourcing, market penetration is improving. Previously, the market was only penetrated 40% now it's 50%. So these new governments are outsourcing, this contract with Philippines, we expect to do 100,000 application at \$25-\$35 service charge which we have won in different countries. So that is the revenue that we expect, so every contract has different revenue expectation. We have not really taken out the total expectation but for Italy vis-à-vis in Russia expecting to do 140,000 application at €38 that we have won, so every contract has different revenue potential that we are expecting.

**Moderator:** Thank you. The next question is from the line of Rajiv Venkatesh an Individual Investor. Please go ahead.

**Rajiv Venkatesh:** I have couple of questions. One on the Spain government's contract renewal, where are we on that front?

**Shikhar Aggarwal:** As we know, post COVID all governments have been extending the contracts. So we are also in the process of talks with the government and currently we have the contracts for till next year. So we are performing that very healthy.

**Rajiv Venkatesh:** Okay, another question is on the entire space of visa processing is getting heated up. If you see the Blackstone has acquired VFS Global so how are we competitively placed to ensure that our business model remains intact and we get the market change, your views on that sir?

**Shikhar Aggarwal:** So, see as you know this deal has happened where in our competitor has been bought for more than \$2.5-\$3 billion. So this has definitely given a big limelight on the sector. We have been approached by multiple funds, also maybe to understand what our strategy is going forward. So, definitely the market is opening up and market is poised to boom in the next few years, if you see the trends as per different reports across the world, travel sector is right now contributes 10% to the entire global GDP. But this next two years, it will boom like heavily. So, that is why a lot of traction and limelight is on this sector. As you know in the next two years, around \$1.5 to \$2 billion worth of tenders are coming up for renewal by different developed governments in the outsource sector and also a lot of new government which have not outsourced before are coming up for outsourcing. So, definitely in the next two years, the potential is huge, which we are poised to tap and we see also our company growing, we have already achieved surpassed the last year numbers in the first two quarters in terms of PBT so I feel that that is a good achievement with the current visa numbers. So, as in visa numbers grow definitely we will get increase in revenue and with the cash we have in books, and acquisitions that we are looking at, the next two years certain new contracts which we are aggressively targeting if we manage to get it in our kitty the numbers should improve at an aggressive level.

**Rajiv Venkatesh:** Okay, and last quarter you had mentioned you are very close to doing M&A with the company and the valuations didn't cover as much comfort any think on that particular thing on the M&A side?

**Shikhar Aggarwal:** As I said, for the last one year have been aggressively looking at M&A side. And till today also we are working on a couple of transactions. Let's see when they get crystallized, so we are very hopeful in this financial year, we should be able to close one or two acquisitions.

**Moderator:** Thank you. The next question is from the line of Mansi Shah an Individual Investor. Please go ahead.

**Mansi Shah:** Sir, I have two questions more, sir can you walk us through the tie up with ICCR and what are the prospects in terms of revenue from this segment and what the revenue be on the basis of a fixed amount and on a per person basis?



- Shikhar Aggarwal:** See, as this is a new contract that we won with ICCR, this is normally to do with facilitating the visitors coming on behalf of the government to India or the delegations from ICCR or from the Indian government going abroad. So, we get a revenue per application and per applicant, wherein we are assisting them with arrivals within India, and with escalating of visa processing. So, this is the first time this contract has been given to us, we do not have a very clear expectation in terms of total revenue, but we have won this contract and charges for different service. So, this is where we stand.
- Mansi Shah:** Okay. And, sir about the new business of issuing digital health certificates, when will that income start reflecting in the book, and on a broader basis, when the business starts growing, what are the level of revenues and margins we can expect from them?
- Shikhar Aggarwal:** So, digital health certificate that we had one was with we had tied up with a company called knowledge catalyst in Singapore, which is to facilitate, travelers to and fro from Singapore. As you know, Singapore has recently started opening up so when the numbers start coming in we tied up a while back, but numbers were not there since travel was not happening in Singapore. So when the number travel numbers start coming in, we'll definitely make some good revenue on that. And our main plan is to use that and stretch that globally, the digital health certificate business. So right now this is very new and this was the first time a lot of things we are doing and that is the reason that we don't know exact numbers, how much can we expect.
- Amit Sudhakar:** More like a pilot project which we have taken up.
- Moderator:** Thank you. The next question is from the line of Nayan Gala an Individual Investor. Please go ahead.
- Nayan Gala:** Sir, I have a few more questions. In terms of we see that we are among the top three players in the visa processing industry. So, what is that we do different and how do we compete while winning a contract in a global visa processing?
- Shikhar Aggarwal:** So, see as you know we are the only Indian company globally in this business, we started in the year 2005 it took us more than 15, 16 years to stand where we are today, this is a highly competitive business and getting in the business is very difficult. So, the companies that are there already are qualified for the tenders it took us 15 years to get qualified. So, first of all to get pre-qualified you need to perform these level of services with these many governments for a lot of years. So, this is what governments look at while awarding tender. They see your credentials, your past performances, the SLAs that your adhere to if you're following all the laws, the GDPR laws or different laws of each country, what is your customer experience or what is the biometric error rate and what is the technology that you offer, we being an Indian company, definitely we have this advantage of having a good amount of Indian talents to offer good technology services. So, definitely the platform and the software that we provide to the government is quite flexible, quite stringent in terms of security SLAs and quite advanced. So, this is what also gives us an advantage in terms of bidding for tenders. And as now the contracts that we are winning are at

good prices. So, recently the contract for the Italian government we won we are working at €38 whereas the contract with the Philippine government, we are working in Italy at €35. So, definitely we have more advantage of technical knowledge within the company or technology that we are offering that is leading to more growth of the company and winning more tenders from the competitors.

**Nayan Gala:** Okay got it sir. A few on the financial side, so if you can just clarify in terms of what kind of the other income that we are generating. So, what is the nature of that other income and going forward, will it be constant or how it is?

**Amit Sudhakar:** So, other income is mainly on account of interest, which we are earning on our fixed deposits in India and outside India, on the funds, which are lying with us. And now that we don't have earlier they were last year, we had a small amount of government grants, which we got due to COVID, which was part of the other income otherwise, there's no other income related to other incomes.

**Nayan Gala:** Okay. And sir if I'm correct, like we based on our business model, we collect upfront fees from the end user and like majority of the income which is generated is up front right. And we are in the balance sheet we are showing a receivables of 96 crores. So, if you can just help us understand how this matrix works out for us like the 96 crore what is the reason for that amount being reflected on the balance sheet?

**Amit Sudhakar:** Sure, so basically this receivable of 96 crore is mainly on two accounts, one is on account of Punjab receivables, which are about 67.75 crores outstanding which we expect that it should come in the current financial year, this was related to the old contract which was the change and this billing was the last billing which we have done to them, and the balance is wherever we have our branches or we have a joint partnership with a partner, we do a billing to them and that has normally been done after a month and the payment comes within 30 days after that. So, that's why it comes in the book as a receivables, but basically we control those partners and the accounts from where the payment comes to us.

**Nayan Gala:** So, in the max situation it is 30 days, the receivables are 30 days?

**Amit Sudhakar:** 30 or 60 days you can say depending on from where the payments are coming in.

**Nayan Gala:** Yes, so apart from this. And if we see like as you said the Punjab contract which we had and we had some 67-crore receivable out of that. So, by the end of this year it will come in so, the full year FY22 receivables will be quite lower?

**Amit Sudhakar:** It should be.

**Nayan Gala:** Okay. And sir in terms of the expenses, during the COVID of course we would have stopped certain kind of expenses. So, are those expenses which we had stopped incurring coming back in the books?

**Amit Sudhakar:** So, as and when the operations are starting in a particular country, the expenses are coming back, but what we have done is during the COVID, we have rationalized the expenses. And we hope that with the same revenue, or more than revenue our expenses will not go higher than what we were paying earlier. So we are still having the expenses to a major extent.

**Nayan Gala:** Yes. And when things become stable, what is the EBITDA margin we are expecting to be sustainable?

**Amit Sudhakar:** It should go up by at least 200 to 300 basis points compared to what we were doing earlier, mainly because of the rationalization of the costs, which we have done during the COVID period.

**Nayan Gala:** Okay, got it. So in the range of you can say is around 16%?

**Amit Sudhakar:** So, earlier we were around 11.5%, 12% so we should be around 15%.

**Moderator:** Thank you. The next question is from the line of Avinash Verma, an Individual Investor. Please go ahead.

**Avinash Verma:** I just wanted to understand the perspective of how this Blackstone deal happened with VFS Global. So how does that happen time sales or how, in respect of the set deal which happened, where is our company, what should be the valuation of BLS International and where are we currently, if you can give some color to it?

**Shikhar Aggarwal:** See, obviously, we have no idea about the deal and we can only judge from the industry knowledge or from the press releases whatever we have, we can tell you definitely what we know was that the competition was highly debt, it had a big debt on the books that was what was there in the different ratings, whereas BLS is a zero-debt company. So maybe now COVID subside, a lot of traction is coming to the sector, and people are seeing big growth happening as I told you, a lot of funds are also trying to reach out to us to understand our strategy for growth, and whether what our objective is, so I cannot exactly commend on what the deal was because, I'm not privy to that information. But what I know is from the industry point of view, we are one of the only company in the industry which is zero debt and we have cash on the books. So definitely, our valuation and our market potential should improve in the next few years. Amit, do you have anything to add on that?

**Amit Sudhakar:** Frankly speaking we don't have any details of what valuation and how they have worked it out. But one thing is there that this has created a buzz in the market for visa processing companies. And let's see how the market takes it and value the businesses going forward. But they all will

depend on how fast the travel industry grows or come back to the pre COVID levels so that will be very important.

**Avinash Verma:** The renewal thing, is that coming up soon?

**Shikhar Aggarwal:** He answered that question that we have it for the next year, we are in talks with the government for extension.

**Moderator:** Thank you. The next question is from the line of Sudesh Mahanta, Shareholder. Please go ahead.

**Sudesh Mahanta:** So, I just wanted some more color on a business model so, let's say when we talk about our visa processing business, essentially the task that we perform are document verification, identity verification, document processing, which in one of our earlier presentations, we termed them as nonjudgmental with us. So is that pretty much how this has the color remained the same over the years or you think the task have become more complex, as we've and also whether it pretty much remains the same in your other lines of businesses, are this essentially nonjudgmental tasks. And second related question is do we see ourselves using technologies like block chain as we grow further and will that be a central part of our tech enabled services?

**Shikhar Aggarwal:** Thanks for this question, so definitely as we started the company this is what we essentially do is collecting of information processing them taking care of all the security parameters as in collecting the biometric from the applicants using our software's, using our technology transmitting that data doing a sanity check on that data in terms of whether the data has been inserted correctly, the quality of the data and whether to grant the visa or not is the sole judgment of the embassy, we do not want to get into that decision whether deciding on behalf of the embassy to a particular individuals because that is done with a different arrangement with the government have access to the internal databases, with the criminal security check or whatever measures they undertake. So, definitely, this is something which we are not involved in currently and even if you talk about citizen services, our model is essentially the same, we do the 99% nonjudgmental task, whether to grant a birth certificate or arms license depends on the particular government officer or the government department, which is something which we are not privy to, we work under their guidelines. Going forward, definitely a lot more things have been outsourced to us, there were a lot of things which were not outsourced, wherein as part of the process, lot of things have started to get outsourced, but core task of judgmental decisions are still with the embassy. Going forward definitely we'll think about using a lot of technologies, like block chain or different technologies in terms of processing of applications, we do have a lot of technology in house which is related to block chain or other new instruments or AI. But, we have developed a solution at certain aspects, like chatbots, and all, they have been approved by the government, we have started using them, but a lot of it depends on the approval from the government. So, we are constantly, giving presentations to the government about the new technologies in the market and new technology that we have developed, but it is up to the government to approve them, to be used in the process of visas. So, this is where we stand.

**Moderator:** Thank you. Ladies and gentlemen, that was the last question. I now hand the conference over to Mr. Shikhar Aggarwal for closing comments.

**Shikhar Aggarwal:** Thank you, everyone for your participation in our Q2 FY22 earnings call and continued support. I wish you and your family a Happy and safe Diwali and a Prosperous New Year. In case of any further queries, you may get in touch with Pareto Capital or feel free to get in touch with us. We look forward to interacting with you next quarter. Stay safe and healthy. Thank you.

**Moderator:** Thank you. Ladies and gentlemen on behalf of BLS International Services Limited, that concludes this conference. We thank you all for joining us and you may now disconnect your lines.