Operator: Good afternoon, everyone. Welcome to Bharat Connect Conference 2026 September edition. I welcome you all to the call of BLS E-Services Ltd. Today, from the management team, we have Amit Sudhakar – CFO, Ashish Mishra – CEO, Rahul Sharma – Executive Director and CFO, and Loknath Sir – COO.

Before I hand over the call to the management, I will explain the flow of the event. We will start with the opening remarks by the management and then move on to the Q&A round. Participants who would like to ask questions can raise their hands or put their questions in the chat box. First, we will take questions from the participants who have raised their hands and then move on to the questions in the chat box. If time permits, we will take questions received from clients who were unable to participate. Please note that we will take the last question five minutes before the session ends. Without any further delay, I would like to hand over the call to the management. Ashish, over to you.

Ashish Mishra – CEO: Good afternoon, everyone, and thank you for inviting us to the call. I will just present the deck. I will put the deck up. Are you presenting the deck? Do you have the deck open?

Operator: Sir, you can share your screen.

Ashish Mishra – CEO: Sure. Just give me a minute. Rahul, can I forward it to you so that you can put it up? I think there is a small technical glitch on my side. Rahul?

Rahul Sharma – Executive Director & CFO: Yes, Ashish, send it across. I will do that.

Ashish Mishra – CEO: I will send it to you. I have just sent it to you. Please give me a minute. I have shared it with you. Have you received it?

Rahul Sharma – Executive Director & CFO: I am checking. Not yet. You sent it to me by email, right?

Ashish Mishra – CEO: Yes.

Operator: Yes, sir, we can see your screen now.

Ashish Mishra – CEO: Can you hear me? Hello? Rahul, can you move to the next slide, please? Sorry. Yes, thank you. Next, please.

I will walk you through the Q1 FY27 financial performance highlights. Next, please. Our total income for BLS E-Services was up almost 23% to around 310 crores. EBITDA, with a margin of 8.7%, was around 27 crores, so there was healthy momentum. We ended Q1, compared to Q1 FY26, at around 19 crores with a 6% margin.

The volumes in the retail business were close to 29,500 crores, up by around 12.5%. Our loan disbursement showed strong momentum, with 8,700 crores, which was up 21%. Our total BC and CSP count was more than 46,800.

Clearly, there is a lot of momentum and tailwinds as far as our business is concerned. Our touch points increased quarter-on-quarter to {? 158,600 ?} or more. Clearly, the BC business, which is

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our flagship business, increased to around 46,800 CSP points from 45,000 a year ago. There was strong momentum in transaction volumes. As I mentioned earlier, we ended the quarter with {? 8,700 ?} crores compared to the previous quarter, when we ended at {? 7,200 ?} crores.

The quarter also marked the completion of our acquisition of a 100% stake in Atyati Technologies Private Limited, which is one of the largest companies complementing our business and operates 25,900 CSP points. It has a strong technology background that complements our overall business and our rural banking strategy, including last-mile, agent banking, and doorstep banking services. There is strong complementarity in the acquired entity.

We also had some other highlights. We won mandates such as Tamil Nadu Grama Bank, which strengthened the presence we wanted in the south. Starfin India, which is also our company, received this mandate. We tied up with Coverfox to offer digital insurance. Clearly, the retail customer segment that we operate in requires these types of insurance protection solutions. We also received a contract from the West Bengal government for beneficiaries under its schemes.

As I mentioned, the consolidated highlights show strong momentum, with year-on-year growth in total income of around 23%. EBITDA margins grew by 7.9%, and there was also strong growth in PAT.

Rahul, we can move to the next slide. This is the consolidated financial information. We have a strong focus on ensuring that the commercials work out on each transaction we undertake. The business is working on efficiencies, with a clear focus on controlling expenses.

Overall, if you look at the quarter-on-quarter performance, revenue grew by 24%, total income grew by 23%, EBITDA margin growth was 7.9% as I mentioned, operating EBITDA was 19.7%, PBT before exceptional items was 8.3%, and PAT was 6.3%. There is a strong focus on financial performance, which gives us good headroom and tailwinds as we move into the next few quarters.

I will also step back and give you some perspective on what the company does and the engines behind these numbers. As you are aware, BLS E-Services is one of the leading digital service provider companies. We have a strong segmentation focus toward banks through our CSP networks and toward governments through the government schemes that continue to come up.

We facilitate the delivery of services to citizens through our G2C segment. Through the financial inclusion services that we provide through our partner banks, we are the last-mile financial partner to the banks. Clearly, the objective is to provide all citizens with financial access through the banking and financial services companies with which we partner, as well as through the citizen services provided by the government. We take these services to the last-mile citizen through the vertical that we operate.

Last year, our total income and revenue were close to 1,100 crores. Again, the growth momentum has been strong, and we are growing at a 67% CAGR. EBITDA for last year was close to 100 crores. EBITDA margin was 8.7%, and we ended last year with PAT of 69 crores, with a PAT margin of 6.1%.

Rahul, we can move to the next slide. If you were to look more deeply into the core strength of the institution today, we have a diversified business model. We have a vertical managing the

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government segment, which is significant by any standard. We focus on banks and the financial ecosystem, partnering with banks and NBFCs as the last-mile distributor of their services. Our revenue streams are also diversified, so we do not focus on a single revenue stream. We can go back to the previous slide. Yes, we can continue with this one.

These are the four verticals I was referring to. Business Correspondent is one of them. Clearly, we partner with almost all the banks in the country today. This means that banks are able, through the BLS E-Services platform, to take their services to the last-mile citizen.

We enroll customers, open their bank accounts, manage their transactions, ensure that they receive seamless financial services, and provide basic financial services such as passbooks and other banking services. Access is what we specialize in through the BC network.

In loan disbursement, we ensure that personal loans, business loans, and other credit products are available through our subsidiary, AdiFidelis. We generate volumes through that business and ensure that customers' loan requirements are met.

As I mentioned, through e-governance, we deliver government services through this dedicated vertical. This is essentially about basic services such as birth and death certificates, PAN, and Aadhaar. In rural areas, this is very significant because people can receive government schemes directly at their doorstep and within their communities. They engage more effectively, and many services related to Ayushman Bharat are also delivered through this channel.

Citizen services are another area in which we specialize. Assisted e-services are another vertical we operate, consisting essentially of digital services. We have partners on our platform who ensure that people in rural areas have access to e-services.

Next, please. I will take a minute to discuss the BC services. Our existing partner banks include SBI, which is significant by any yardstick. I am happy to share that we are one of the biggest partners of State Bank of India, which is the number one bank in the country. We also partner with private banks, including HDFC Bank, which is clearly the leader in private banking.

We have a diversified pool of banks, although the leading banks are the ones with which we clearly have partnerships. This means that their product suite is available to the customers they want to serve, and that is the entire idea. These are the leading banks in the country. At the same time, we are not dependent on these banks; we also have other banks.

The solutions we offer on the BC side, apart from the basic banking services, include enabling transactions and working closely with partner banks to increase the wallet size of customers. That is what these banks want, and it helps us. We currently have 46,800 BC outlets.

Management: Essentially, we ensure that we execute well with them. Clearly, the team that runs the operation and works with the banks operates in a relationship-oriented manner. They manage the relationships properly for the customer. The bank representative works with us and is the face of the organization when engaging with customers, including when appointing CSP agents.

The objective, from a customer standpoint, is to ensure the seamless delivery of financial services and that customers understand what the bank's services are about. That is what the BLS team does.

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In the loan disbursement business that we operate today, AdiFidelis is one of the largest loan disbursement companies in the country. It has a large footprint, partners with more than 100 financial institutions, and has close to 10,000 channel partners. It has a diversified set of lenders in its partnerships, which helps us disburse loans of around 9,000 crores in the most recent quarter. Overall, this ensures that we maximize the potential of the company we have on the loan disbursement side.

On e-governance, I will take a minute. As I mentioned, we have government mandates in Uttar Pradesh, Karnataka, Gujarat, West Bengal, and Rajasthan. The objective is the seamless delivery of government services. A team manages this, and customers largely come to these centers to engage with the teams for transaction bill payments or government schemes. They are made aware of what the schemes involve.

We are essentially the platform that delivers these government services. These are the states in which we are present and growing. Rahul, please move to the next slide.

On assisted services, this is essentially a marketplace that helps citizens and customers make small-ticket payments and access ticketing services, e-learning, microloans, and other services. This is a monetization platform and a marketplace. When our teams visit these locations, they can enable customers to access these services and also promote digital literacy in rural areas.

That is the sole objective: to ensure that citizens and customers are digitally literate. We provide many value-added services when customers come onto these platforms. They become much more aware, and their lives become simpler when they use these platforms.

As I mentioned, a diversified revenue model means that there is no dependency on one particular vertical. The objective is to ensure that the customer has access to the services through a 360-degree model. The customer can access banking services, receive government schemes that are available, and be brought onto the digital literacy platform. The customer becomes more aware and empowered regarding what the company offers today.

That is the whole idea, and each of these verticals contributes to the growth momentum that we have today.

The company clearly operates on a very asset-light model. As I mentioned, we have partnerships. This means that we typically work through partnerships rather than being debt-led. We gain efficiencies from the partnerships and sell more of the partners' products through the centers we establish.

Scaling up is faster in terms of adding more services that banks or governments want us to provide. We can offer more products per customer. When banks want to sell a loan to a liability customer, it becomes much easier, and the teams are fully equipped to drive that distribution agenda.

The company's technology platform is extremely strong and flexible. It ensures that API integration with partners is faster. If we want to roll out something, the assisted services model that I mentioned, which is essentially a marketplace, also demonstrates our technology capabilities.

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There is no upfront capex, which means that we do not have to commit capital at the beginning. We operate a very efficient business model, which essentially means that the benefits flow back into the profits and growth of the institution.

I will spend a few minutes on the companies we acquired. This covers our past acquisitions, going back to 2017, the logic behind those acquisitions, and how they have performed. Typically, I will discuss three companies: Starfin, Zero Mass, and AdiFidelis. Most of them were acquired over the last 6-7 years.

Clearly, these acquisitions have added to the growth of our organization. Starfin was the first company through which we entered the Business Correspondent business and last-mile financial inclusion, providing access to financial services through partnerships with banks. It was our first entry point into the BC business. It is completely integrated and contributes to our overall growth.

Zero Mass, as I mentioned, was one of the large companies acquired in 2022. It is also a significant player and manages our largest relationship, which is with State Bank of India. It is completely integrated right down to the last person and helps us grow our BC business.

On loan distribution, as I mentioned, we acquired a 57% stake in AdiFidelis 2 years ago. It has its own agents who help us disburse loans. I think it is well distributed. We entered AdiFidelis for loan disbursement, and it has helped us diversify beyond the BC business as well.

In terms of reach, as I mentioned, we have close to 165 partners in the financial ecosystem, including banks and NBFCs. The services we offer are supported by a distribution network of more than 46,000-47,000 touch points. The value of the transaction volumes we generate each year is more than 1 lakh crores, and the transaction count is more than 130 million. That demonstrates the scale of the business we operate.

In government services, we are partners to the governments. As I said, the objective is to move forward and obtain more such empanelments. Finally, in digital services, we operate a marketplace focused on advancing the digital literacy mission, and it is helping. It is a win-win situation. That is the reach we have, both physical and digital. Yes, please.

The cross-selling universe is very large. On our platform, we have partners offering services such as courier services, financial services, e-signing, and micro-ATMs. The platform is robust enough to bring more vendors onto it, after which the team takes those services to customers. The customers are, of course, the end beneficiaries. This is continuing to expand.

This slide essentially covers our journey and how the trend lines are extremely positive. If you look at the growth we have seen year-on-year from 2019 onward, these are the types of numbers I am referring to over the last 5-6 years. The trend lines are extremely positive. We are doing more transactions, adding more value for our partners, and gaining their trust.

This means that we are entrusted with more opportunities to work with our partners, and the numbers are evidence of that. The number of outlets has grown, and overall volumes have grown.

In e-governance, the Government of India wants to ensure the seamless delivery of services provided by both the central and state governments. That is where BLS comes into play. The

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objective is to use technology intelligently and take these government services directly to citizens.

If you look at India's ranking, we are proud as a company to say that we are participating in India's digital journey and taking services to citizens, thereby contributing our part. The scores are evidence of that. The EGDI weighted average index is a very well-respected metric, and it reflects India's ranking.

India is improving its ranking, and I am sure the scores will improve further as we move ahead, with companies like ours partnering with governments to deliver services across the country.

This slide essentially discusses how the loan disbursement markets have behaved. It provides a macro view of the loan market. As I mentioned, our loan disbursement last year was almost 9,000 crores in a quarter, so you can extrapolate the momentum.

The government has been very focused on MSME loans because that is where the heart of the business lies. There is also a focus on secured assets and housing loans. Clearly, there is a market, and we are participating in that market by distributing loans. This also adds to the company's bottom line.

As I mentioned, I will not repeat the earlier points. The focus is on maintaining the asset-light model, gaining more wallet share from customers by offering them more services, and ensuring that cross-selling takes place on both the G2C and CSP sides.

We have diversified revenue streams. The acquisitions we have undertaken have contributed to the overall financial health of the company. These companies are properly integrated, and we also have a pan-India network. That is the focus, and that is how we are progressing.

On the organic side, the volumes in the BC business we have been operating have increased. The focus is to grow those businesses after acquiring them as well.

The objective is to obtain more government business because it is a very large opportunity. In terms of obtaining more government tenders, we bid as a company and work to secure these new business lines. That was the focus during the last quarter.

We ensure that we offer more services, because wallet share is important. We also ensure that efficiencies are achieved through our technology capabilities, allowing us to take these services to people while reducing the cost of delivering them.

Investment in technology is something on which we focus. As I said, most of these businesses involve partnerships with governments and financial service providers, and they can be executed only if we have strong technology capabilities, which we do.

This means that API integration is faster, and products and services can be rolled out in a time-bound manner. There is no delay between announcing a deal and taking it to the market. The company also continues to look for strategic inorganic opportunities as and when they arise.

This slide contains historical data and covers previous years. As I said, the CAGR has been extremely positive at around 85%, demonstrating a consistent track record. PAT margin growth has

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also been strong, with an 89% CAGR. Net worth has reached approximately 522 crores. EBITDA margins are also growing, so this broadly provides a snapshot of the numbers I mentioned.

There are three key points. First, growth and profitable growth. Second, ensuring that efficiencies are built into our businesses through the use of technology. Third, ensuring that the customers who come to us are not treated transactionally, but through relationship-led engagement by gaining more wallet share from them.

I think that covers my presentation. I am happy to take any questions. Thank you very much. I hand it over to the moderator.

Operator: Thank you, sir. The first question in the queue is from Sandeep Agarwal. Sandeep, you can unmute yourself and ask your question.

Sandeep Agarwal: Thank you for the opportunity. I have a single question. Recently, we acquired Atyati for 157 crores. The revenue of Atyati is 375 crores and subsequently—

Sandeep Agarwal: —the plan is to transfer or resell the 100 crore revenue business to the same promoter for only 59 lakh. What exactly is the rationale and economic logic behind this structure? Why did BLS not acquire only the desired business after restructuring, instead of acquiring the entire company first and subsequently selling it? Any comments?

Management: Rahul, would you like to take that, please?

Rahul - CFO & ED: Amit will take this.

Management {? Amit ?}: Sure.

Management: Is he on the call? Amit?

Operator: Yes, sir, Amit is on the call. He may be having some network issues.

Sandeep Agarwal: My point is that we acquired the 375 crore revenue business for 156 crores, and we will sell the same business, or the 100 crore business, to the same promoter for only {? 59 lakh rupees ?}. This is very—

Management: I think we will come back to you, Sandeep. This is a relevant point and a good question. If Amit is unable to log in, please remain in the queue. We will come back to you because this is an important question. We will wait for him to join. Thank you. Moderator, we can keep Sandeep in the queue and bring him back. Are there any other questions?

Operator: The next question is from Shaurya.

Shaurya: Hi. Am I audible?

Management: Yes.

Shaurya: Sir, my question is: what revenue and margin growth are we expecting this year and next year?

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Management: Rahul, would you like to take that as the CFO and Executive Director? Rahul?

Rahul - CFO & ED: Yes, sir. I am—hello? Yes. Amit, we were first discussing a point raised by Sandeep Agarwal. He wanted to understand the Atyati Technologies acquisition. He wanted clarity on how it adds value when there is a payment to the promoter. He had some numbers to share, so could you explain the rationale? Over to you.

Sandeep Agarwal: No, my question—sorry. Can I ask it again?

Management: Yes, please.

Sandeep Agarwal: My question is why we did not acquire the business after the restructuring. First, we purchased the entire company and then undertook the restructuring. Recently, we acquired the 375 crore revenue business for 156 crores, and again we are selling the 100 crore business to the same promoter for only 54—{? 59 lakh ?}. I want to understand why we did not acquire only the desired business in the first place. Does this not create confusion regarding the valuation at which we acquired the company? That is my only question. Thank you.

Management: Hello? Hello? Hi, can you hear me?

Sandeep Agarwal: Yes.

Management {? Amit ?}: Let me explain. We did not sell this business to the promoters who sold the company to us.

Sandeep Agarwal: But Rahul, the business is the same, and the directors—all the directors—are the same in both companies.

Management {? Amit ?}: Yes, the directors are the same, but the promoters who sold the company are not the promoters of this company. That is the first point.

Second, when we acquired this business, it had three segments. One was the BC business, which is very similar to what we are doing through Zero Mass, Starfin, BLS, and our other companies, and we are consolidating that business together.

The second segment was the IT business, which we are going to continue. The third was the JLG business, which was making losses and which we were not interested in acquiring. Our understanding was that, once we bought the company, one of the directors, through his own company, would take over this segment, which was making losses.

When we valued the company, we did not assign any value to the JLG business, with the understanding that we would not continue with this loss-making business.

Sandeep Agarwal: Okay.

Management {? Amit ?}: What we paid them was a multiple of the EBITDA generated by the IT and BC businesses.

Sandeep Agarwal: Correct.

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Management {? Amit ?}: Therefore, the valuation was low. There was cash of around 30 crores in the company, and we calculated the valuation with the understanding that we would not continue with the JLG losses after acquiring the company.

Sandeep Agarwal: Okay.

Management {? Amit ?}: We are not interested in entering the JLG business in the future. This was a strategic decision. Since the owners were not interested in this business either, we worked out a structure under which one of the directors, who had a company, would take it over.

Sandeep Agarwal: Okay.

Management {? Amit ?}: The net worth of that business, if you look at it, is also around the same value. Therefore, we are selling it at the net worth of that company, or rather, at the net worth of that segment.

Sandeep Agarwal: Okay. Thank you.

Management: Thank you.

Shaurya: Hi, am I audible?

Management: Hello? Yes, you are audible, Shaurya.

Shaurya: What revenue and margin are we expecting for the next 2 years?

Management: We do not comment on forward-looking numbers. As I said, the business plans are in place. You have seen our track record in terms of our focus on last-mile financial inclusion and on becoming empanelled with more governments. However, we do not comment on numbers of that nature.

Shaurya: Can you provide the segment-wise revenue breakup, if possible?

Management: You can extrapolate that from the information provided. You have seen that we operate a well-diversified revenue model. There is no dependency on any one vertical.

The BC business, loan disbursement business, and government citizen services business are all well spread across governments and partner banks. The businesses are well diversified, and you can extrapolate from that. I think the trend line will also continue in that direction.

Shaurya: Okay. Thank you very much.

Operator: There is a question in the chat box from Pratik Pandey. He is asking: “Operating cash flow fell from 67.3 crores to 50.7 crores even though PAT rose, and unbilled revenue is now 90.5 crores, or 76% of total receivables, up from 59%. Can you address this question? There appears to be some grammatical error in it.”

Management: Sure. Rahul, would you like to take this? I think he wants to discuss cash flows.

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Rahul – CFO & ED: Pratik, I think the way the question has been phrased is not entirely clear. However, I can explain it briefly.

We are conducting the DSA business through AdiFidelis Solutions. The operating margin of AdiFidelis Solutions is around 4%-5%, as you have seen in the separately reported AdiFidelis figures. That margin gets blocked in the advances we pay to the connectors. Therefore, the amount we earn gets blocked in working capital.

That is why operating cash flows are continuously declining. As you can see, we have expanded AdiFidelis, and we increased its revenue by more than 40%. That revenue is therefore taking up a larger proportion of the overall revenue because it contributes the majority of the total turnover.

That is the broad explanation I can provide. You can also send us an email, and we will share the details.

Operator: The last question is from Saurabh. Hello, Saurabh. Can you unmute yourself?

Saurabh: Yes. Thank you, Rahul, for the presentation. I was going through your annual report and looking at the attrition numbers. The numbers seem very high. They were around 50% a couple of years ago, and this year they were closer to 70%.

What I am trying to understand is whether this is the nature of the business or whether you are facing distinctly higher attrition compared to the industry. If this continues, what kind of impact does it have on your financials?

Rahul – CFO & ED: Saurabh, are you looking at the standalone numbers or the consolidated numbers?

Saurabh: I am looking at the BLS E-Services numbers on a consolidated basis.

Rahul – CFO & ED: I think that is because of the field-level employees. Loknath, can you take this up?

Management {? Loknath ?}: Sir, could you repeat the question once again?

Saurabh: I am asking about the attrition levels at the company. Two or 3 years ago, they were around 50%, and today they are closer to 70%. I am trying to understand whether this is the typical nature of the business or whether it is specific to your company, and how this number impacts the company's financials.

Management {? Loknath ?}: Do you mean employee attrition? I do not think so. We need to check this because the number appears very high to me. We do not have that level of attrition.

Saurabh: Okay. It was mentioned in the report. I can share the page number shortly.

Rahul – CFO & ED: Yes, please do that and send it by email. {? 70% ?} You may be looking at something different.

Saurabh: Okay.

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Operator: I cannot see any further questions. Would you like to make any closing remarks?

Management: Thank you very much for joining us. I can see that a hand is raised. Saurabh Dole would like to ask someone a question.

Operator: He was speaking just now. He has not lowered his hand.

Management: His hand has not been lowered. Thank you for this opportunity. I hope we were able to walk you through our financials and our journey clearly.

There is a lot of momentum in our businesses. We operate in rural India with our partners. The objective has been to ensure that our partnerships, whether on the government side, in financial distribution, or on the services side, help ensure that citizens and customers are financially included in the overall architecture of government schemes and the financial schemes offered by banks.

If you have any other questions, the team will engage with you. Please send us an email. Thank you to Arihant for organizing this platform for the management team at BLS. Thank you very much.

Operator: On behalf of Arihant Capital, I would like to thank the management and the participants for sparing their time and sharing insights about the company. If participants have any further questions, they can get in touch with the team. Thank you, everyone.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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