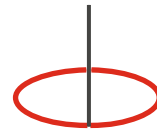


Initiating Coverage
18th July, 2024



DALAL & BROACHA
STOCK BROKING PVT. LTD.

Protean eGov Technologies



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Protean eGov Technologies Ltd is a distinguished player in India's financial and digital services landscape, commanding leading market position (Avg 60%+) in legacy verticals such as tax services, social security, and digital identity. The company's strategic pivot towards new age businesses, including an Open Digital Ecosystem (ODE) and international expansion, presents compelling growth opportunities. With a robust balance sheet supported by strong cash flows of ~Rs 700 cr and a debt-free status, Protean is well-positioned to capitalize on emerging trends and expand its footprint globally. As these new business areas reaches a scale, a change in the business model—directly tied to transaction volumes—presents a significant earnings opportunity for the company.

Investment Rationale

➤ Dominance in Legacy Verticals i.e. PAN issuance & Social Security (NPS & APY):

Tax Services: Holds a commanding 63% market share in cumulative PAN issuance, highlighting its critical role as a PAN service provider.

Social Security: Acts as the sole administrator with 100% market share in Atal Pension Yojana (APY) and holds a 97% market share in the National Pension System (NPS), positioning itself as a trusted Central Record Keeping Agency (CRA).

Financial Summary

Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Net sales	6,909	7,422	8,820	10,339	12,254	14,260
EBITDA	1,238	1,180	894	1,411	1,866	2,533
EBITDA margins	17.9	15.9	10.1	13.6	15.2	17.8
PAT (adj)	1,439	1,070	973	1,361	1,652	2,156
EPS	36	26	24	34	41	53
P/E (x)	40	54	59	42	35	27
P/B (x)	7	7	6	6	5	4
EV/EBITDA (x)	26	32	33	24	20	15
RoE (%)	18	12	11	13	14	16
ROCE (%)	23	16	14	18	19	22
RoIC (%)	15	10	6	9	11	14

Source: Dalal and Broacha

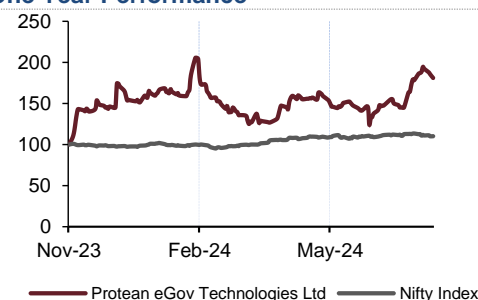
Rating	TP (Rs)	Up/Dn (%)
BUY	1,865	30

Market data

Current price	Rs	1,430
Market Cap (Rs.Bn)	(Rs Bn)	58
Market Cap (US\$ Mn)	(US\$ Mn)	694
Face Value	Rs	10
52 Weeks High/Low	Rs	1712 / 775
Average Daily Volume	('000)	560
BSE Code		544021
Bloomberg		PROTEAN.IN

Source: Bloomberg

One Year Performance



Source: Bloomberg

% Shareholding	Mar-24	Dec-23
Promoters	-	-
Public	100	100
Total	100	100

Source: Bloomberg

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➤ **Growth Drivers**

• **New Age Businesses to multiply at substantial pace:**

Open Digital Ecosystem (ODE): Positioned to provide digital solutions across diverse sectors such as e-commerce, agriculture, health, education, and mobility. The scalability of ODE services is anticipated to drive substantial revenue growth, with potential EBITDA margins exceeding 50% once scaled.

- **ONDC** - Protean offers registry and gateway services to enable ONDC transactions, acting as the sole operator of the network's gateway since inception. Protean is also a founding member in ONDC with 3.85% equity stake.
- **AgriStack** - Government initiative to build an ecosystem that will digitize agriculture services. Protean is leveraging its expertise in digital public infrastructure, consent management, and open networks to address information asymmetry in the agriculture sector through the development of foundational elements.
- **ONEST (Education & Skilling) – VidyaLakshmi & VidyaSaarathi**

Vidyalakshmi is an initiative launched by the Government of India to provide a single platform for students seeking educational loans. The portal is developed & maintained by Protean under the guidance of the Ministry of Education and the Ministry of Finance, Government of India. 30% of country's education loan is processed through protean's portal.

Vidyasaarathi is a digital platform designed to provide students with easy access to various scholarship opportunities offered by different sponsors. The platform is developed by Protean.

Protean has also been a key contributor to setting up and operationalizing ONEST, which primarily focuses on Learning Experiences, Financial Support, Work Opportunities etc.

- **Health** - Designed to establish the essential framework required to support an integrated digital health infrastructure across the country. Protean has developed a PHR (Personal Health Record) app, enabling users to create a health ID & facilitate to get onboarded with digital health solution stack.
- **International Expansion – Bid for more than 13 RFPs in multiple countries:**
Targeting high-growth markets in Africa, Middle East, and Southeast Asia, Protean aims to leverage its expertise in digital solutions to capture new market opportunities beyond India. Each RFP shall bear a contract value of more than \$8M - \$10M which will be spread across 3 years with margin potential of more than ~30/35%.

➤ **Financial Strength and Efficiency:**

- **Strong Balance Sheet:** Protean operates debt-free with a net cash & cash equivalents exceeding Rs 700 crore, operations of the company funded entirely by internal accruals. This financial stability supports consistent dividend payouts and provides flexibility for future inorganic expansions.
- **EBITDA Margin Expansion:** Investment in technology and human capital, coupled with efficient capital allocation, underscores the company's commitment to enhancing profitability and sustaining growth momentum. Intervention in new verticals of ODEs as well as foray in international markets ensures substantially higher margins from the current levels.

➤ Competitive Advantage:

- **Unique Market Position:** As one of only three authorized PAN service providers in India and a key administrator for APY, Protean operates in segments with limited competition, safeguarding its market leadership and pricing power. Additionally, Protean has experience to execute projects at population scale.

Tax Services

PAN cards

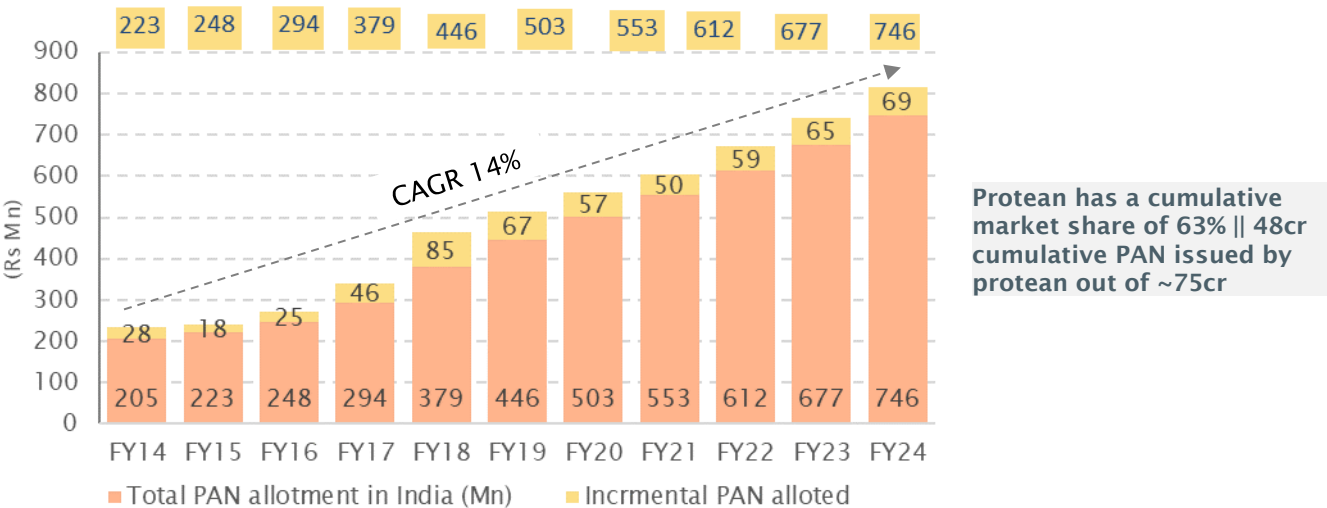
Permanent Account Number (PAN) is issued by the Income Tax Department and serves as crucial identification proof in India. Currently, Protean and UTI Infrastructure Technology & Services Ltd (UTIITSL) are authorized to provide PAN services, encompassing processing, issuance, delivery, verification, modification, and maintenance.

There are two primary types of PAN applications: (i) Application for the allotment of PAN, for those who have never applied or do not have a PAN allotted; (ii) Application for a new PAN card, changes, or corrections.

These applications can be completed online or offline by submitting physical PAN applications to any TIN-facilitation centre (TIN-FC) or PAN centre. Since 2004, Protean has been accepting PAN applications on behalf of the Income Tax Department through its nationwide network of TIN-FCs and PAN centres. Additionally, Protean offers online PAN application services. As on current date, Protean operates over 84,000 centres across India and has partnered with distribution networks like Nearby Technologies Private Limited, Fino Payments Bank Limited, Vakrangee Limited, and Payworld Digital Services Private Limited, CSC e-governance to extend its geographical reach.

In the 2020 budget, Instant ePAN was introduced, allowing individuals to obtain a PAN using their Aadhaar without submitting a form. The IT Department issues the PAN in PDF format initially, with individuals later availing Protean's service for the physical PAN card, as physical PAN cards remain a necessity for practical usage.

Exhibit 1: Annual PAN issuance growing at a steady rate of 14%.

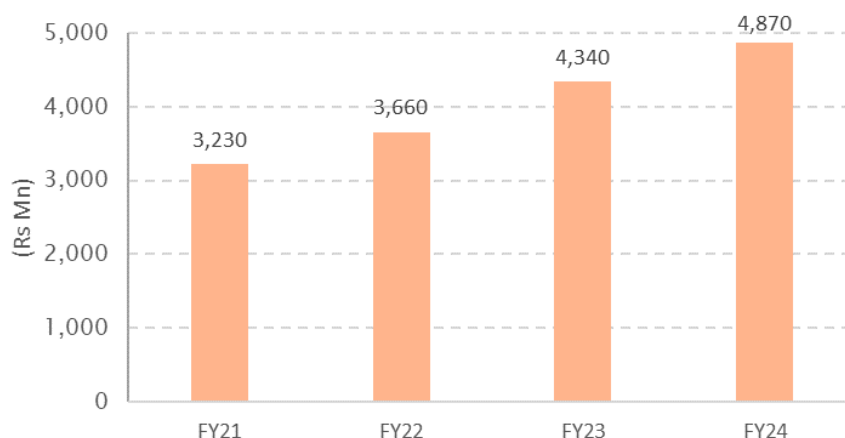


Source: ITD, Dalal & Broacha Research

The issuance of PAN is expected to continue to grow due to several key factors:

- **Growing Use Cases:** PAN is mandatory for various financial transactions under Income Tax rules, encompassing approximately 18 types of transactions. This includes authentication of digital transactions, investments in shares and mutual funds, property transactions, and availing government schemes, all of which necessitate PAN identification.
- **Increase in Demat and Bank Accounts:** The total number of demat accounts in India recently exceeded 15 crore for the first time, indicating significant growth. With India's large population, there remains ample room for further penetration. Additionally, over 5 crore bank accounts were opened in FY23, a trend expected to continue, thereby driving the need for PAN cards.
- **Expanding Taxpayer Base:** The number of taxpayers has nearly tripled since 2014, as highlighted in the interim budget. PAN is essential for filing income tax returns, analyzing Tax Deducted at Source (TDS), and Tax Collected at Source (TCS). As the taxpayer base widens, the demand for PAN cards is poised to increase correspondingly.
- **Inclusion of Government Schemes:** Initiatives such as Pradhan Mantri Jan Dhan Yojana (PMJDY) and National Mission for Financial Inclusion (NMFI) are expected to further stimulate the allotment and issuance of PAN cards by promoting financial inclusion across the country.

Exhibit 2: Revenue from Tax service



Source: Company, Dalal & Broacha Research

PAN revenue structure & Headroom for growth

~90% of revenue from Tax services by Protean is accrued towards PAN allotment/issuance. The nature of revenue from PAN services are on per transaction basis. Protean earns a net profit margin of ~10-12% from PAN allotment service.

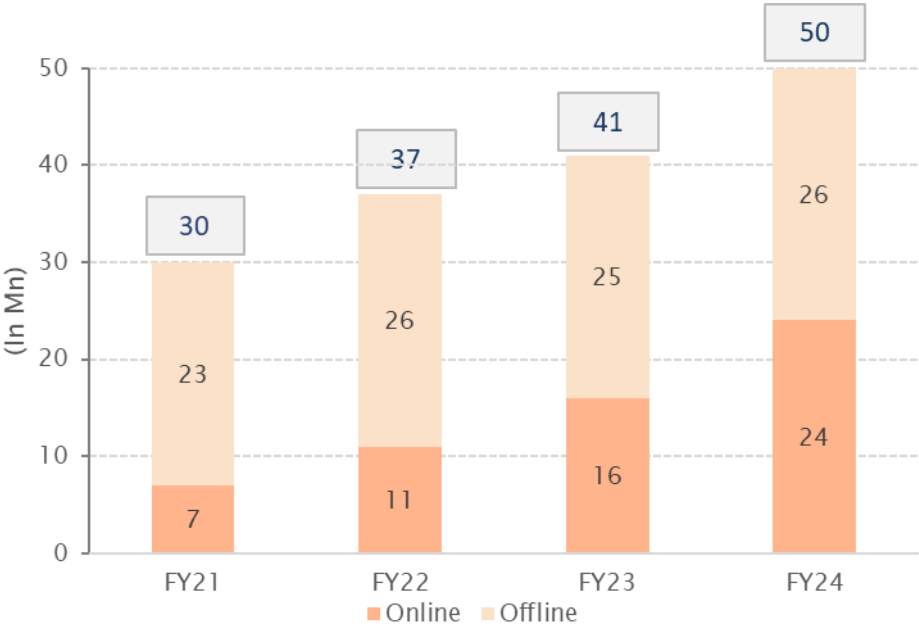
As of March, 31, 2024, a total of 74.67 cr PAN cards have been issued across the country.

Protean has established PAN service centres across major cities in India. They have 84,000 TIN & PAN centres across India with presence in more than 12,000 PIN Codes. Historically on average every year, 6-8 cr PAN cards are issued.

Headroom in India → ~70cr pan issued – population of 150cr – ~35% of Indian population have PAN card, presenting huge headroom.

In the Union Budget 2023, the finance minister Nirmala Sitharaman said that PAN will be made as a single business identifier for each company that will be acceptable to all departments or ministries at the Central & State level. This will further reduce the compliance burden

Exhibit 3: Annual PAN issuance by protean, Proportion of online issuance increasing providing better margins



Source: Company, Dalal & Broacha

As the application made through online channel increases the company saves on the cost of commission paid to franchise/facilitation centre thereby earning higher margins. As evident in Exhibit 1 the contribution of PAN application through online channels has doubled over past 3 years.

PAN Charges

Exhibit 4: PAN card fees & charges



If physical PAN is required

Particulars	Fees excluding GST	Fees including GST
Application submitted at TIN/PAN centre & Online using physical mode		
Dispatch of PAN card in India	₹ 91	₹ 107
Application submitted online through paperless mode		
Dispatch of PAN card in India	₹ 86	₹ 101

If physical PAN is not required

Particulars	Fees excluding GST	Fees including GST
Application submitted at TIN/PAN centre & Online using physical mode		
ePAN to be dispatched at email ID of applicant	₹ 61	₹ 72
Application submitted online through paperless mode		
ePAN to be dispatched at email ID of applicant	₹ 56	₹ 66
* Request for Reprint of PAN card		
Dispatch of physical PAN card in India	₹ 42	₹ 50

Source: Company, Dalal & Broacha Research

All the services surrounding PAN card including the issuance, delivery, verification, modification & maintenance works on a PPP (Public private partnership) model. PAN is issued by the Income tax department. 3 entities are assigned for this task: Protean, UTI Infrastructure technology services limited (UTIITSL) & the ITD itself as the service providers.

Tax Information Network

The Government of India entrusted Protean with implementing the Tax Information Network (TIN) in 2004, resulting in a consolidated electronic tax ledger for each taxpayer. TIN is a repository of nationwide tax related information.

Taxation was a manual activity earlier. This system modernized direct tax collection, processing, monitoring, and accounting, enhancing efficiency and transparency.

TIN was the first platform level intervention done by Protean in modernizing direct tax infrastructure.

Revenue from TIN to protean comes when a corporate & entities file their returns. For every return filed there is a charge levied based on number of records. The structure has 3 slabs of charges depending on number of records.

These initiatives have significantly contributed to the modernization and efficiency of India's direct tax administration system.

Social Security

Protean eGov Technologies Limited and The Pension Fund Regulatory and Development Authority (PFRDA) have entered into an agreement relating to the setting up of a Central Recordkeeping Agency (CRA) for the National Pension System (NPS). Similarly, to address the longevity risk among workers in unorganized sector, Protean is CRA appointed by PFRDA to manage administration of Atal Pension Yojana

NPS

PRAN number, also known as Permanent Retirement Account Number, is a 12-digit unique identifier assigned to individuals enrolled in the National Pension Scheme (NPS). It is crucial for managing retirement accounts, contributing towards savings, tracking pension funds, and accessing NPS benefits. NPS is being adopted mandatorily by central government & almost all state govt & Union territories for government employees.

PRAN number serves as a permanent and secure reference for all NPS transactions. The scheme is a defined contribution plan with co-contribution from the government. Currently, 3 CRA's are registered under NPS – Protean, CAMS & Kfintech.

APY

Atal Pension Yojana was introduced by the government in 2015. The scheme was particularly targeted at under-privileged, unorganized & low-income individuals. Majority of employees working in the country are from unorganized sector. It's a defined-benefit and defined-contribution pension plan, which gives life-time monthly pension in the range of Rs 1,000 – Rs 5,000 post 60 years of age.

Earlier Protean was the only CRA for APY. Recently, in order to cater to larger market & boost competition, PFRDA has issued CRA license to CAMS & Kfintech also.

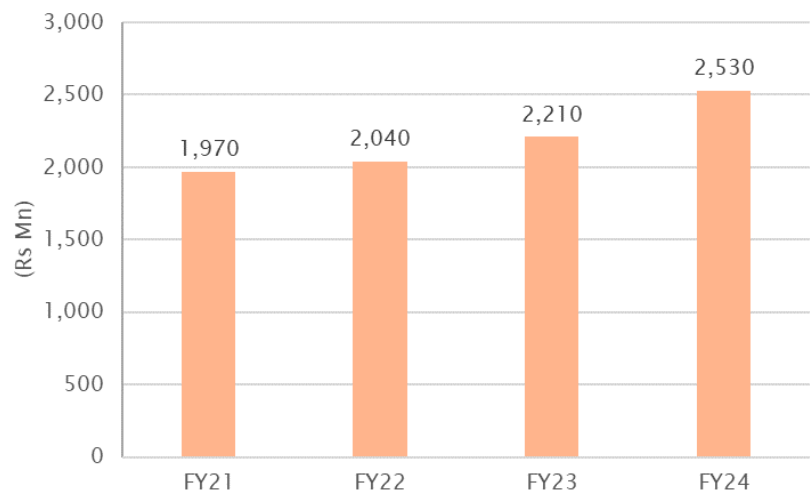
Protean's role

As a CRA, protean established IT infra, handles administration & customer service functions for all subscribers of NPS. They provide unique & portable Permanent Retirement Account Number. At end of FY, CRAs send physical transaction statement to subscribers with details of transaction.

Functions of a CRA

- Registration of subscribers & issuance of PRAN
- Updating subscriber record/preferences based on requests made for change/revision
- Processing of Exit/Withdrawal request of subscribers.
- Monitor the flow of contributions made by subscribers to their PRAN account
- Digitization and maintenance of subscriber record/preferences.
- Generation and dispatch of Statement of Transactions to subscribers.

Exhibit 5: Revenue from Pension Services



Source: Company, Dalal & Broacha Research

Low Pension penetration in India providing ample headroom for growth

The pension system in India is still greatly underpenetrated. Total number of EPFO accounts in India stands at ~28 cr, however, NPS + APY have only ~7.4 cr subscriber base. According to Mercer CFA Institute Global Pension Index Report, India ranked 45 out of 47 countries analyzed for its retirement system. There is significant headroom for growth in Pension business in India.

Increasing base of subscribers & AUM

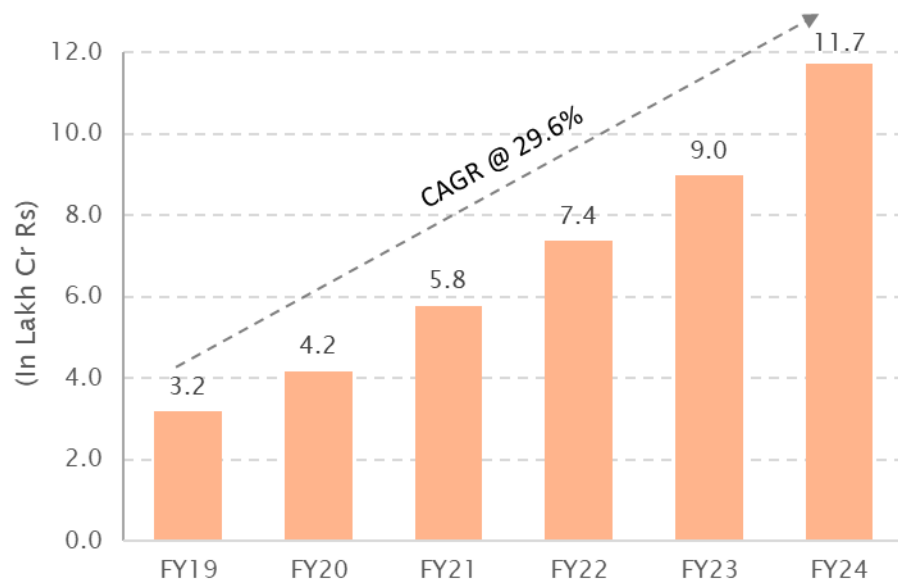
The subscriber base for NPS & APY has been consistently increasing. Total number of combined subscriber base has logged a CAGR of 22% over FY 2019-24. Likewise, the combined AUM base has seen a healthy CAGR of 30% over the same period.

Government supports these schemes in the form of tax benefits & guarantees which increases the appeal of these schemes.

Exhibit 6: Total subscriber base for NPS & APY



Source: Company, Dalal & Broacha Research

Exhibit 7: Increasing base of AUM for NPS & APY growing at robust 5 Year CAGR of ~30%

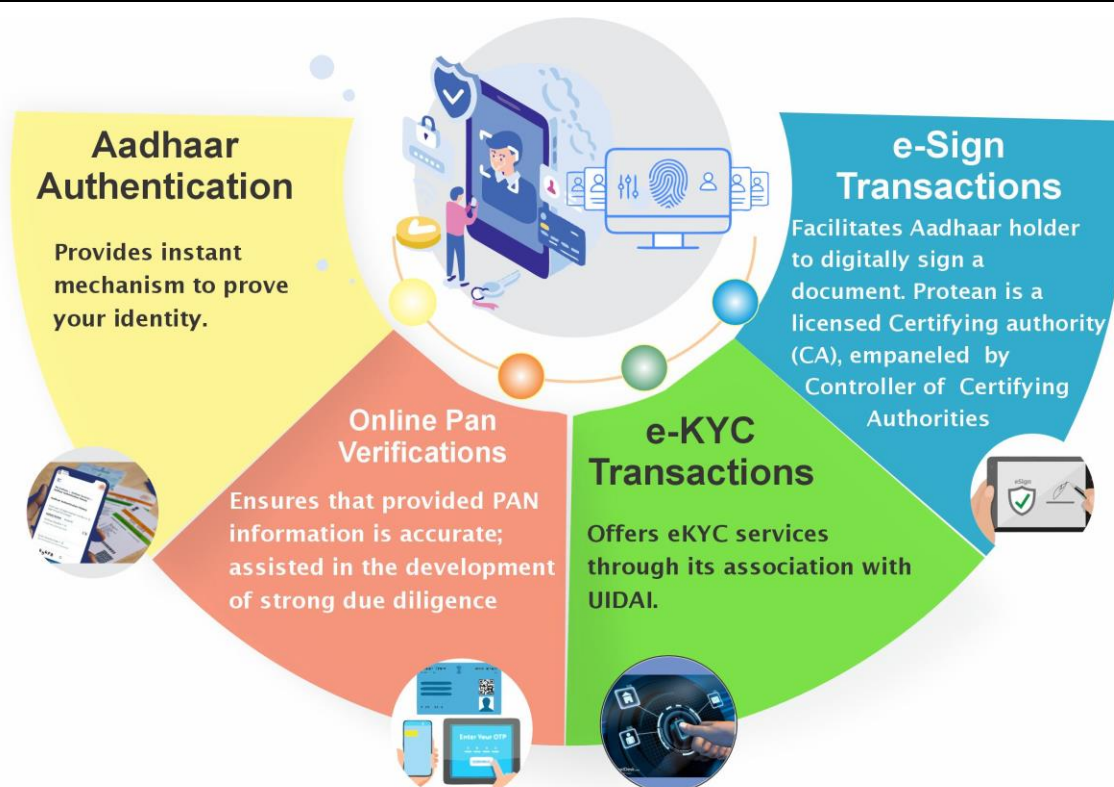
Source: Company, Dalal & Broacha Research

Digital Identity

Digital identity refers to the collection of information used by computer systems. Digital identity includes aspects like: Authentication, Authorization, verification etc. In essence, digital identity is a digital representation of an individual or entity used for online interactions and transactions.

Protean is the only company in the country that covers all four facets of the segment, offering a comprehensive suite of services. Primarily operating in a B2B capacity, the company engages with over 2,500 regulated entities, showcasing a diverse and extensive customer base. Additionally, Protean provides specialized services to more than 1,500 corporations, demonstrating its versatility and broad reach.

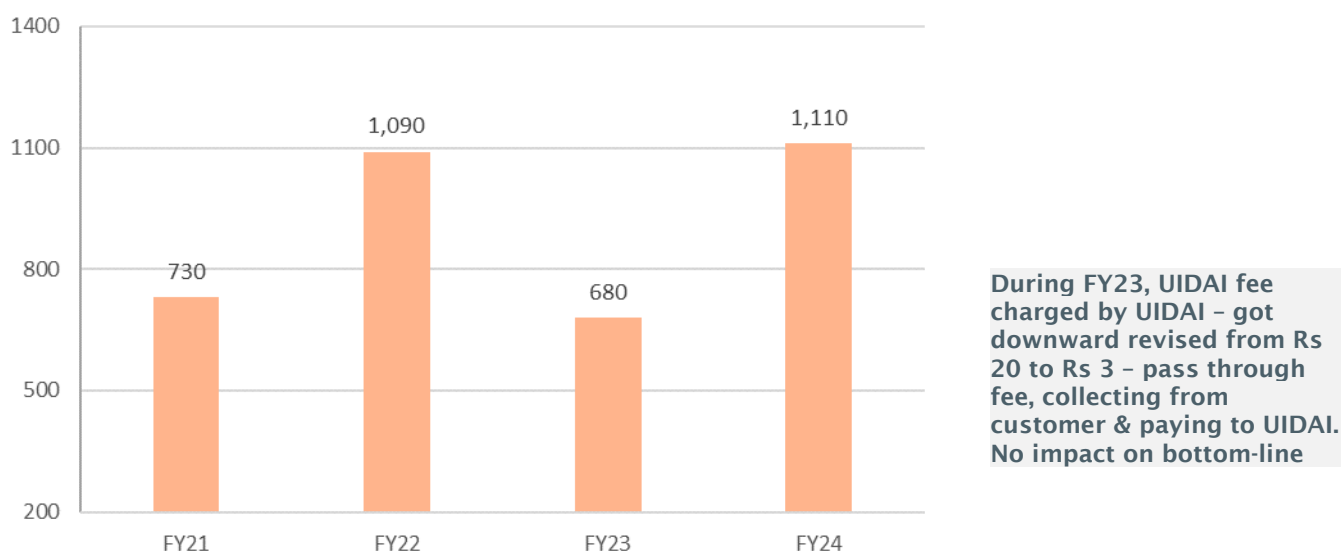
Exhibit 8: 4 Facets of Digital Identity business || Primarily B2B in nature || High volume businesses



Source: Company, Dalal & Broacha Research

The company has strategically built its services around the Aadhaar stack, a crucial infrastructure in the Indian digital ecosystem, which includes services such as authentication and KYC. By leveraging the Aadhaar stack, Protean effectively caters to a wide range of clients within the Banking, Financial Services, and Insurance (BFSI) sectors, as well as numerous fintech companies. This adaptability underscores Protean's ability to meet the diverse needs of its clients in a dynamic market.

Exhibit 9: Revenue from Digital Identity

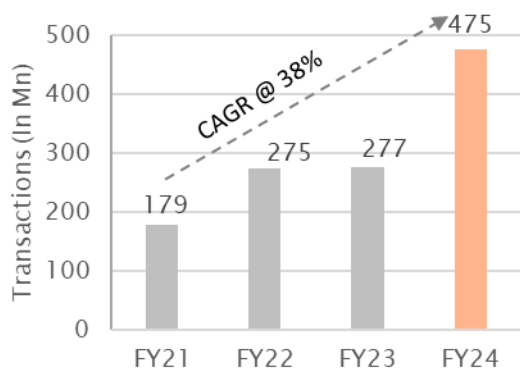


Source: Company, Dalal & Broacha Research

Protean's revenue model is mainly transactional, meaning that its income is generated based on the volume and nature of transactions processed through its services. This model aligns with the company's focus on providing scalable and efficient solutions to its clients, ensuring a steady stream of revenue as it continues to expand its service offerings and client base.

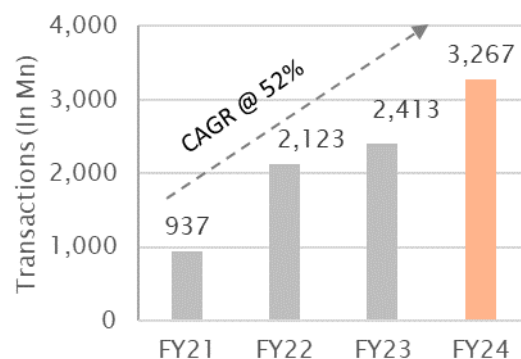
As an integral part of KYC process, PAN verification ensures that the provided PAN information is accurate. Due to its complexity and range of applications, PAN card verification involves many regulatory agencies that work together effectively. The Income Tax Department, responsible for issuing PANs. Protean collaborates with banking institutions to ensure that PANs are seamlessly integrated into various financial operations.

Particulars	Use cases
Aadhaar authentication	Aadhaar seeding in bank, DBT/subsidies for various schemes by Central/State Govt., Attendance of Govt. officials, students in Govt. schools and colleges, Aadhaar PAN seeding etc.
Online Pan Verification	Verifying PAN in financial sector as per regulatory requirements
E-KYC	e-KYC of clients used by Banks, NBFCs, Insurance companies for new account opening, modification of details, loans, DBT/subsidies for schemes by Central/State Govt., issuance of DSC,
E-Sign	Digitally signing of documents for account opening, different types of loan sourcing documents, debit/credit cards, mutual funds, Form 60, FATCA-CRS, opening PPF account, loan agreements, debit mandate/ACH, agreements, demat/trading account, DDPI, Citizen centric services, loan documents by Self Help Group members etc.

Exhibit 10: Aadhar Authentication

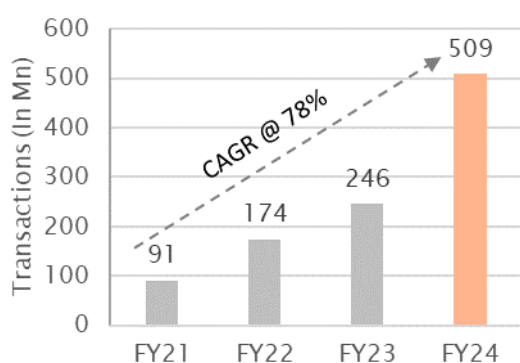
Source: Company,

~10 lacs Transactions per day Dominant market position (among top 5 ASAs)

Exhibit 11: Online PAN verifications

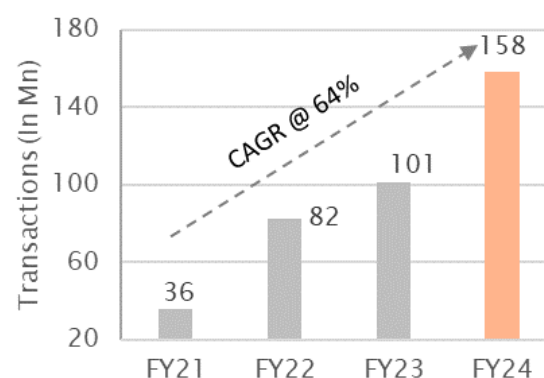
Source: Company,

~ 80 lacs Transactions per day || 90% Market Share

Exhibit 12: e-KYC Transactions

Source: Company,

~12 lacs Transactions per day Dominant market position (among top 5 KSAs)

Exhibit 13: e-Sign Transactions

Source: Company,

~ 4.3 lacs Transactions per day || 70% Market Share

Source: Company, Dalal & Broacha Research

Additionally, GST council at its 53rd Meeting decided to roll out pan-India Aadhaar based biometric authentication in order to keep in check of fake invoicing used to fraudulently claim input tax credit (ITC). Two pilot projects in Gujarat & Puducherry have already been carried out which has proved successful and now the facility will be rolled out nationwide in a phased manner.

Protean was appointed as a Registrar of UIDAI to facilitate registration of residents for obtaining Aadhaar. The company also functions as an authentication agency to validate the identity of aadhaar holder.

This will further enhance the aadhaar authentication transactions and going forward many such policies and increasing compliance norms will be a major growth driver for e-governance solutions.

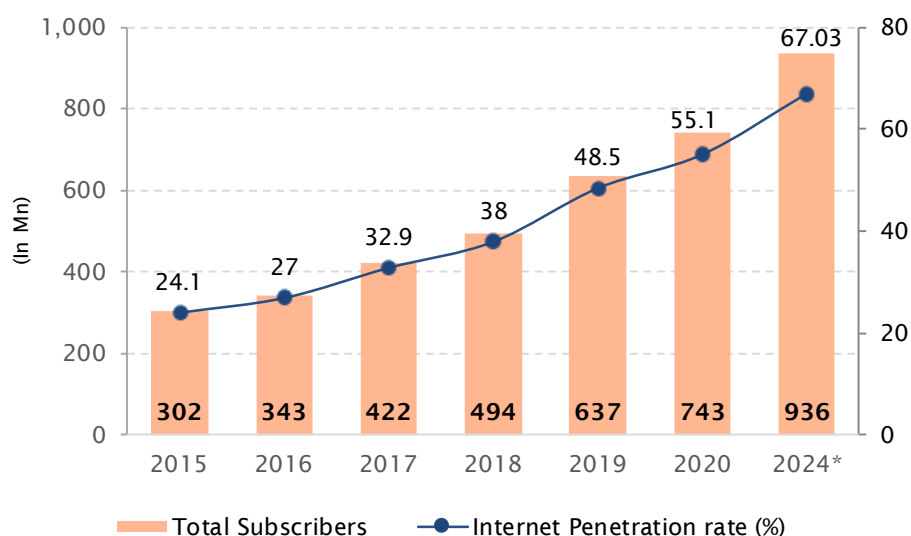
Digital Public Infrastructure: Paving the Way to a Digital Future

Digital Public Infrastructure (DPI) encompasses a suite of essential digital frameworks, platforms, and services crucial for supporting a modern digital economy and society. These infrastructures are designed to be universally accessible, dependable, secure, and open, facilitating a broad array of public and private services.

India has emerged as a leader in advancing its Digital Public Infrastructure (DPI), pioneering a unique approach to digital transformation characterized by its population-scale operations, transaction-driven model, and emphasis on affordability and scalability. Central to India's strategy is IndiaStack, a pioneering initiative encompassing all three foundational DPIs: Digital Identity (Aadhaar), Digital Payments (UPI), and Data Exchange.

The rapid expansion of internet connectivity across India has been instrumental in driving widespread digitization, significantly impacting sectors such as economic growth, education, healthcare, governance, agriculture, employment, social connectivity, and entertainment.

Exhibit 14: Total Internet Subscriber base and Internet penetration in India



Source: Company, Dalal & Broacha Research

However, several challenges persist:

- **Digital Divide:** A substantial segment of the population, particularly in rural areas, still lacks access to the internet and digital devices, posing a barrier to digital growth.
- **Cybersecurity Risks:** The threat landscape continues to evolve, with cybersecurity vulnerabilities posing risks to sensitive data and digital transactions, potentially disrupting public services.
- **Digital Literacy:** Enhancing digital literacy remains crucial to ensure that all segments of society can effectively utilize digital services and participate in the digital economy.

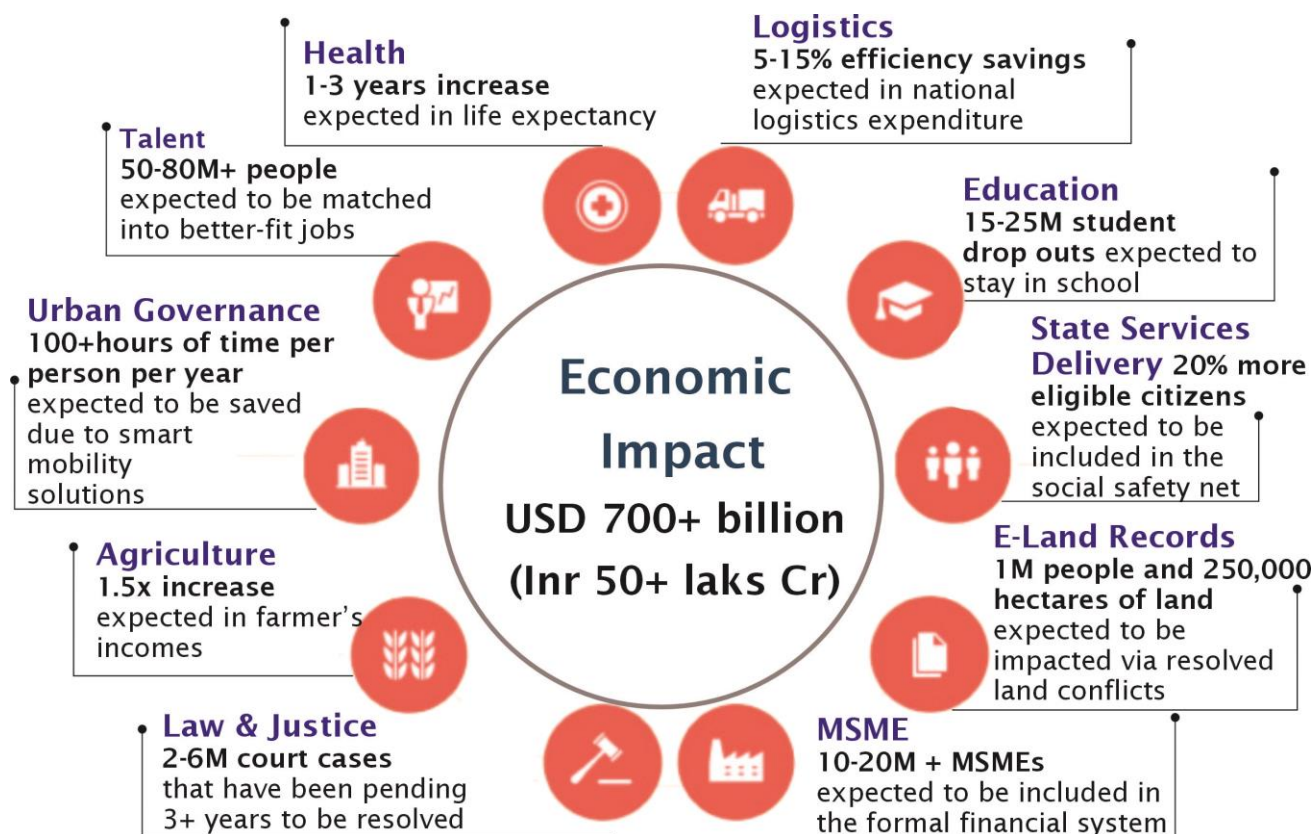
According to research conducted by NASSCOM, DPI has the power to boost India towards \$8 Tn economy by 2030.

India's DPI model, in just 7 years, has achieved over 80% financial inclusion for its citizens & now accounts for more than 60% of all digital transactions worldwide.

Addressing these challenges will be pivotal in leveraging India's DPI advancements to foster inclusive growth and realize the full potential of digital transformation across the nation.

Open Digital Ecosystem

Exhibit 15: How ODE can improve various segments



Source: ODE website, Dalal & Broacha Research

Open Digital Ecosystems (ODEs) are secure online platforms where different people and organizations work together to create innovative solutions for societal challenges. These platforms are governed by a set of rules that ensure fair and efficient collaboration. Open Digital Ecosystems (ODEs) are the public infrastructure that is needed for an increasingly digital world.

According to a report, it is estimated that 10 High potential National ODEs in sectors such as health, education & skilling, agriculture, logistics etc can unlock over \$700 Bn in economic value by 2030

UPI network is a perfect example to understand the scope and opportunity of ODEs.

Protean is at the forefront of creating Open Digital Ecosystems (ODEs) designed to foster innovation, efficiency, and inclusivity in the digital age.

ONDC to revolutionize e-commerce industry

Overview

Incorporated as a Section 8 company in December 2021, the ONDC was founded by the Quality Council of India and Protean e-Gov Technologies Ltd. It operates as a network-driven open protocol designed to revolutionize domestic e-commerce by connecting every buyer and seller within its network. This allows a buyer using one application to transact with a seller using another application, as long as both are integrated into the ONDC network.

E-commerce infrastructure in India

Currently, ~20% of internet users in India shop online. In 2020, the Gross Merchandise Value (GMV) of the Indian e-retail market was Rs 2.85 lakh crore (US\$ 38 billion), accounting for only 4.3% of the total retail GMV. This penetration level is significantly lower than that of China (25%), South Korea (26%), and the UK (23%).

Protean's Role in ONDC

To understand the role of Protean in ONDC, consider this analogy: UPI being run by NPCI, ONDC being run by Protean. Just like UPI removes payment-related barriers i.e. UPI allows you to make transaction from your bank account without actually requiring you to install a particular bank's mobile application

Protean offers registry and gateway services to enable ONDC transactions, acting as the sole operator of the network's gateway for the past two years. In layman's terms, a Gateway is like a matchmaker that helps buyers find sellers easily. As a founding promoter, Protean provides the digital infrastructure for ONDC and has been instrumental in establishing the initial technology for open gateways and registries. Beyond gateways, Protean is now developing technology for both buyers and sellers app.

ONDC transactions Growing at a rapid pace

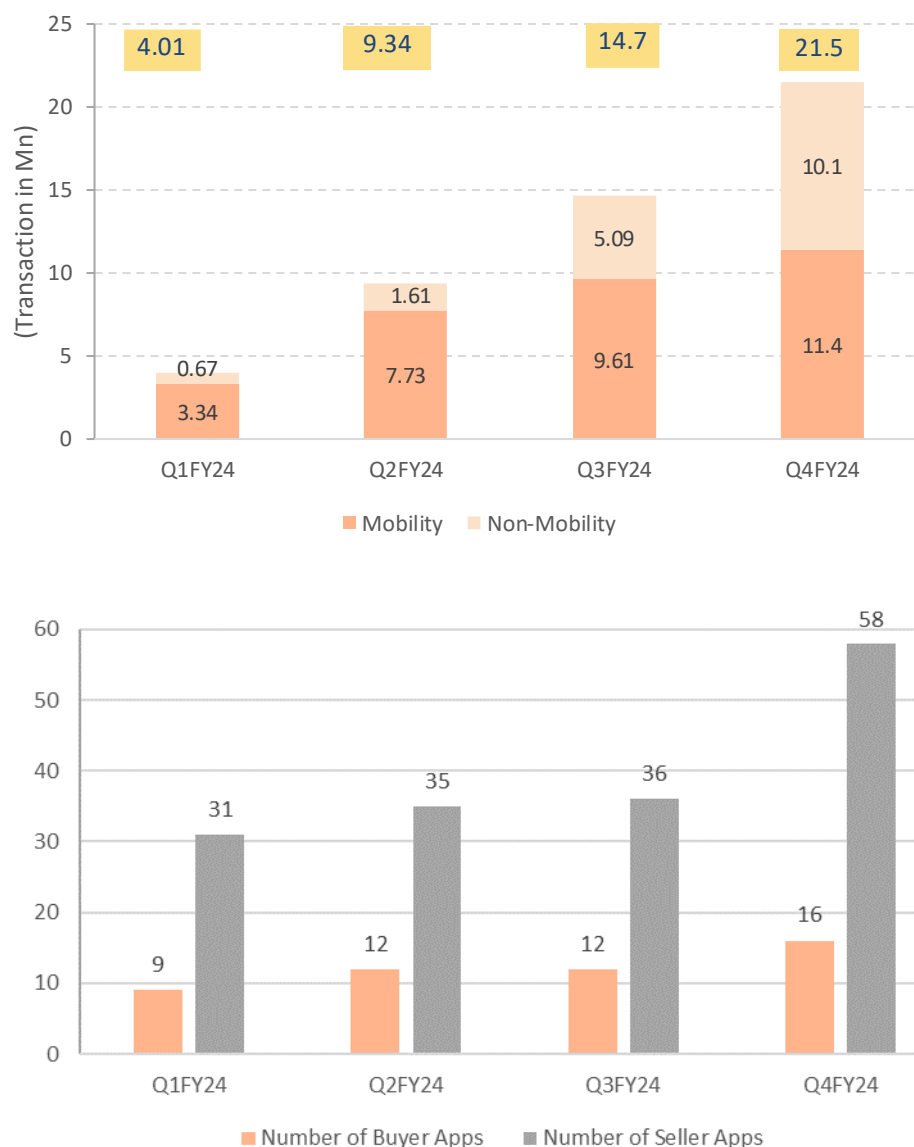
The number of transactions taking place on the platform is increasing at a rapid pace. In May, 2024, ONDC clocked a record of 89 Lakh transactions across retail & mobility segment, an increase of 23% Month-on-Month (MoM). In the month of June, it is expected that ONDC will touch the mark of 10Mn transactions on its network. Transactions have tripled in the last 6 months.

ONDC charges commission ~5%, significantly lower than Amazon & Flipkart which charges more than 25/30%

ONDC recorded 3,74,000 orders in a single day during the finals of T20 World Cup.

ONDC MD & CEO, T Koshy is confident that the ONDC platform will do 40-50Mn monthly transactions by the end of this year.

Exhibit 16: Number of Transactions & network expanding on ONDC at rapid pace



Source: Company, Dalal & Broacha Research

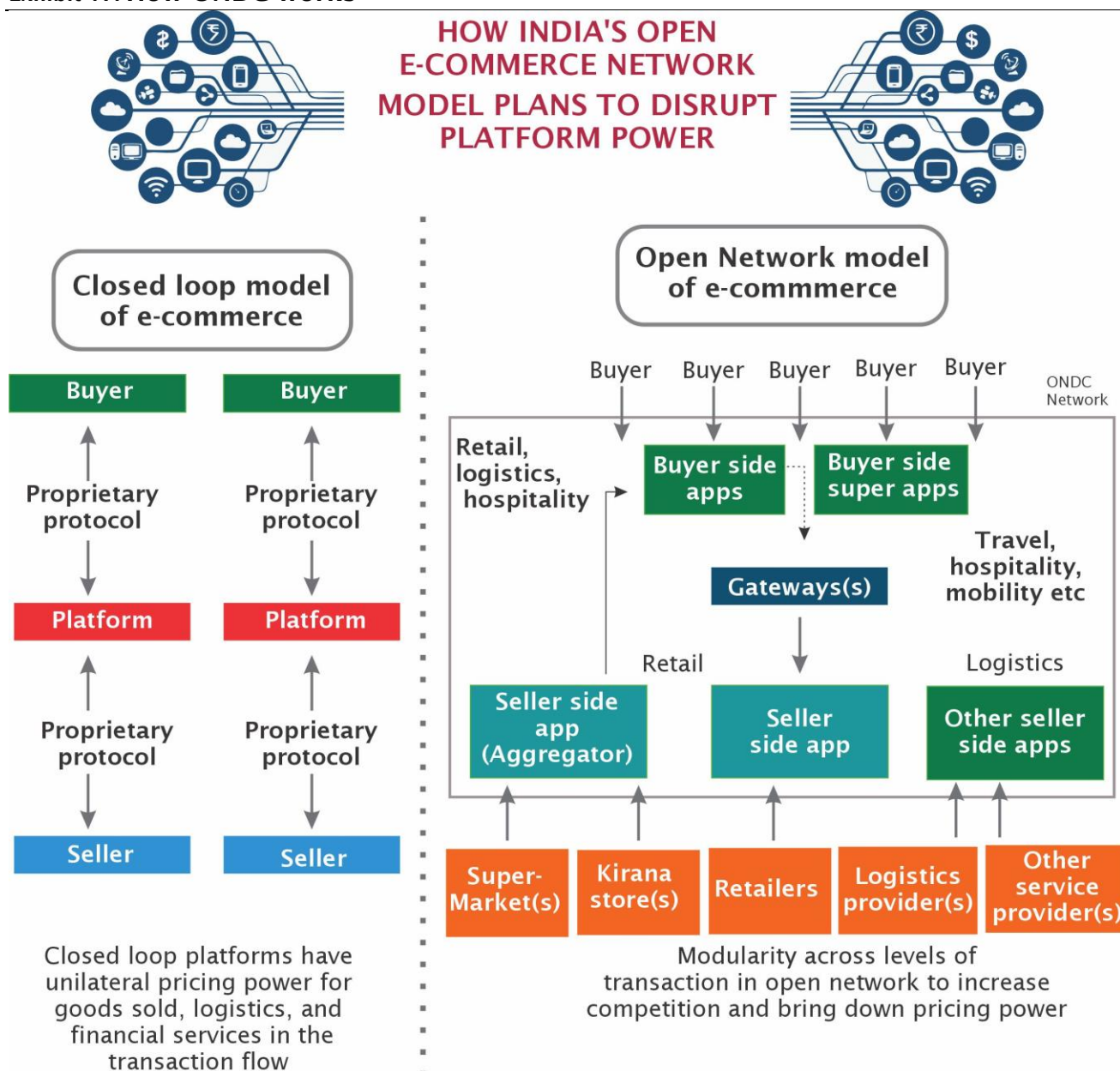
Expanding offerings in new verticals

The platform has also initiated testing of financial services related to loans in collaboration with two private lenders. The network is expected to expand its offerings to include insurance products in the near future. Once these new segments stabilize and prove successful, there are plans to further broaden the portfolio by incorporating mutual funds.

Protean – Founder in ONDC

Protean has cumulatively invested a total sum of Rs 25 crore representing 3.85% of paid-up capital of ONDC. Since the platform is still in its nascent stage, the revenue generated is a small proportion of the company's total revenue.

Exhibit 17: How ONDC works



In India, more than 12 million sellers earn their livelihood by selling or reselling products and services. However, only 15,000 of these sellers (0.125% of the total) have enabled e-commerce. E-retail has been out of reach for the majority of sellers, especially from small towns and rural areas.

Revenue Structure

Currently, Protean generates revenue through three channels: (i) one-time fees, (ii) transaction fees, and (iii) monthly fees, depending on the customer type. FY25 will be the first year when the company goes live with commercializing buyer and seller technology which will provide an additional source of income. In FY23 and FY24, most of the revenue came from the gateway.

Revenue potential for Protean from ONDC (Sensitivity Analysis)

Exhibit 18: Protean share = 0.25% of GMV

Annual Revenue (In Mn)		Average Order Value (In Rs)				
		300	400	500	600	700
Number of transactions per month (In Mn)	10	90	120	150	180	210
	20	180	240	300	360	420
	30	270	360	450	540	630
	40	360	480	600	720	840
	50	450	600	750	900	1050

Source: Dalal & Broacha Research

Exhibit 19: Protean share = 0.30% of GMV

Annual Revenue (In Mn)		Average Order Value (In Rs)				
		300	400	500	600	700
Number of transactions per month (In Mn)	10	108	144	180	216	252
	20	216	288	360	432	504
	30	324	432	540	648	756
	40	432	576	720	864	1008
	50	540	720	900	1080	1260

Source: Dalal & Broacha Research

Exhibit 20: Protean share = 0.45% of GMV

Annual Revenue (In Mn)		Average Order Value (In Rs)				
		300	400	500	600	700
Number of transactions per month (In Mn)	10	162	216	270	324	378
	20	324	432	540	648	756
	30	486	648	810	972	1134
	40	648	864	1080	1296	1512
	50	810	1080	1350	1620	1890

Source: Dalal & Broacha Research

Exhibit 21: Protean share = 0.50% of GMV

Annual Revenue (In Mn)		Average Order Value (In Rs)				
		300	400	500	600	700
Number of transactions per month (In Mn)	10	180	240	300	360	420
	20	360	480	600	720	840
	30	540	720	900	1080	1260
	40	720	960	1200	1440	1680
	50	900	1200	1500	1800	2100

Source: Dalal & Broacha Research

Agristack – Enabler for agriculture to become digital

What is Agristack?

It is a government initiative to build an ecosystem that will digitize agriculture services. An attempt to provide all-round digital services to farmers, primarily for credit, advisory, inputs & market linkage. IDEA (India Digital Ecosystem of Agriculture) will lay down the framework for agristack.

Why is it needed?

Agriculture employs half of country's workforce, however contributes to only one-sixth to GDP. This indicates lower productivity. Yields in India are 35-50% lower than global benchmarks. Digital technologies can be used to manage soil health, optimize resource & mitigate other risks.

Central core of Agristack?

Govt attempts to build 3 core registries –

- I. Farmer registry – A unique ID for each farmer, linked to their landholdings and other relevant information.
- II. Geo-referenced land registry – There are ~17-18 cr farmers who own land & on average each farmer has ~5 small plots of land totaling ~85-90 cr land plots. Satellite imagery and GIS data for precise mapping of these agricultural land.
- III. Crop registry – What crops are actually sown by the farmers

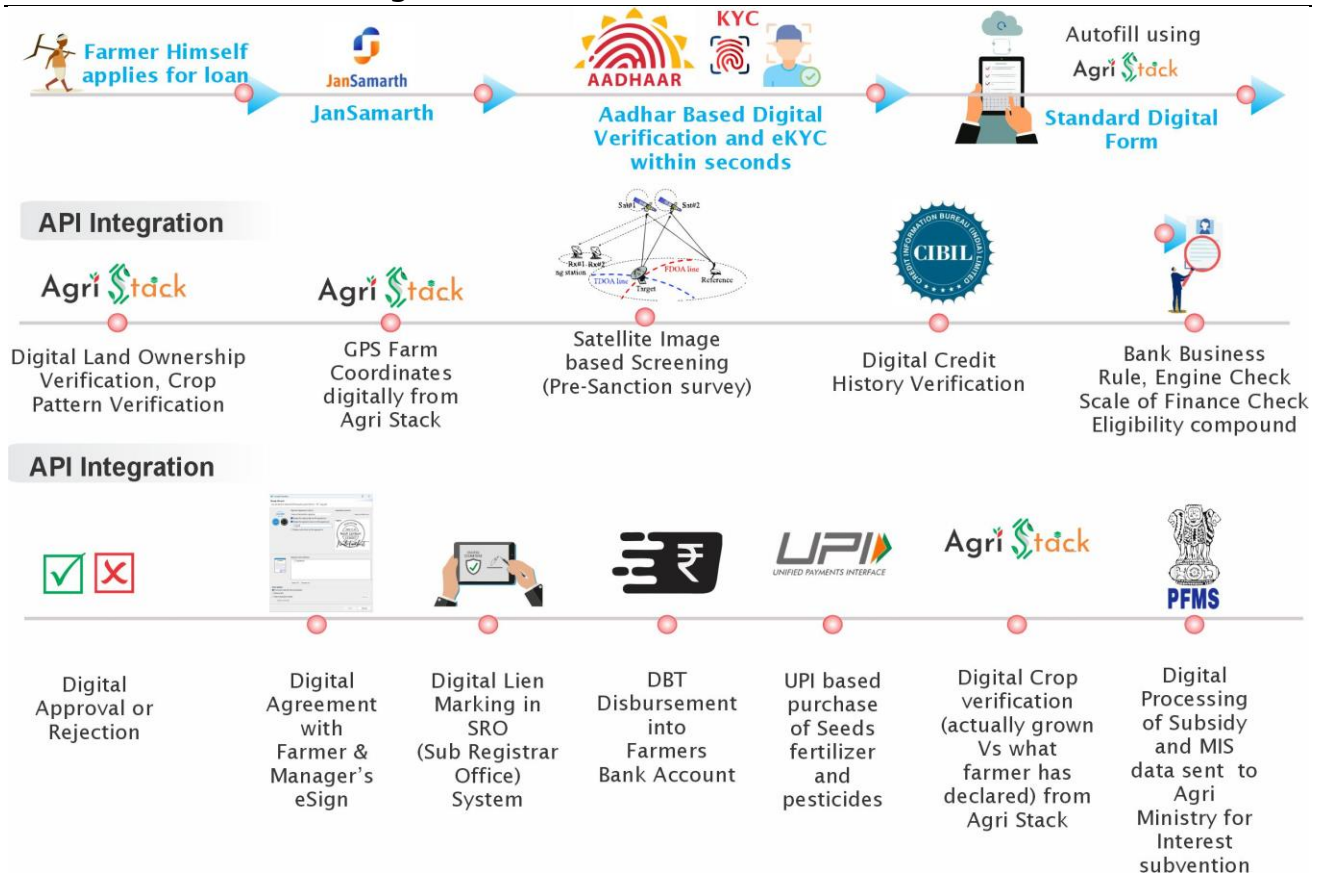
How will it help farmers?

Farmers can then take informed decision on what crops to grow, variety of seeds to use, when to sow, when to sell & at what price. Additionally, they will be advised on best practices that can be adopted to maximize yields.

Use case

If you are a banker looking to lend to a farmer, you need various pieces of information such as the farmer's identity, the area of land they are cultivating, and the crops they are growing. Currently, there is a significant information asymmetry in obtaining this data accurately. Moreover, many farmers are often unaware of market prices, potential buyers, and other essential details. Agristack aims to provide transparency in these areas. It will also support various other use cases, including lending advisory services, agricultural insurance, and crop insurance.

Exhibit 22: Sample Use Case of Agristack : Contactless Straight-Through Processing of Kisan Credit Card (KCC – government scheme)



Source: Dalal & Broacha Research

Revenue framework/Revenue model –

Protean is in the process of developing various foundational elements for the agriculture sector, where they are leveraging their expertise in creating digital public infrastructure, consent management frameworks, and open networks to address issues related to information asymmetry.

Initially, since the mandate for agristack came from government, it is the government who invests & going forward, various network participants will be the end user of the data (farmers, farmer organization, food producing organizations, banks) who will be paying on SaaS model.

Open Network for Education & Skilling Transformation (ONEST)

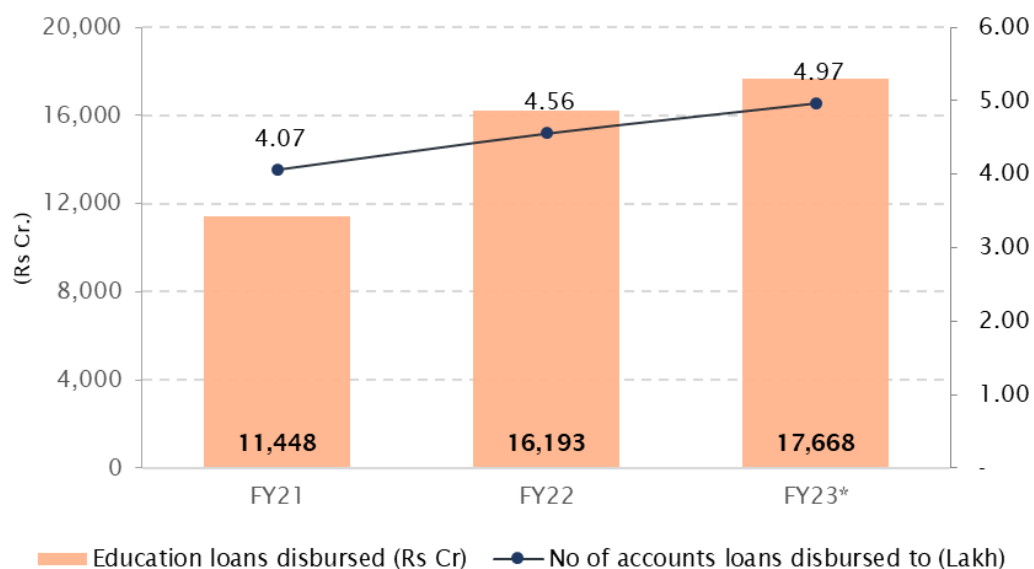


Source: Company, Dalal & Broacha Research

Vidya Lakshmi

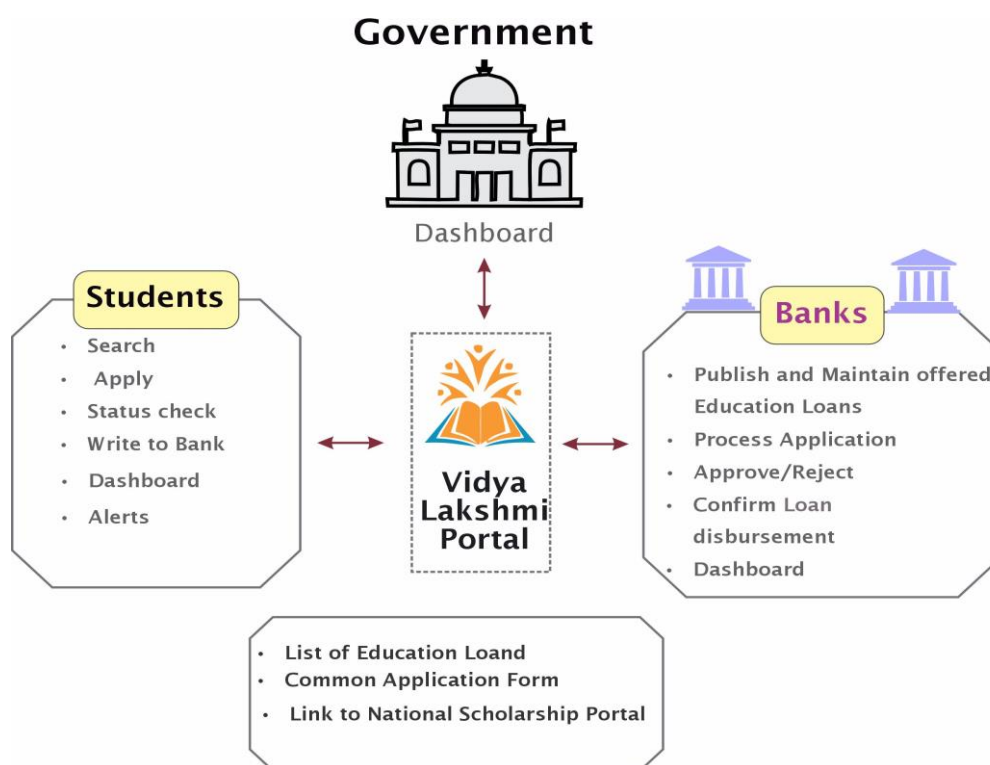
Vidyalakshmi is an initiative launched by the Government of India to provide a single platform for students seeking educational loans. From February 1, 2018, the centre has mandated banks to offer education loans only through VidyaLakshmi portal. The portal is developed & maintained by Protean under the guidance of the Ministry of Education and the Ministry of Finance, Government of India.

Exhibit 23: Total amount of loans borrowed for educational purpose



Source: Ministry of Education department of Higher Education, Dalal & Broacha Research

Exhibit 24: Vidyalakshmi Portal Mechanism



Source: Company, Dalal & Broacha Research

Current Revenue Structure:

Currently, revenue is generated through a flat fee structure. Protean earns approximately Rs 100 - 150 from banks per application for which a loan is disbursed. However, there has been a discrepancy between the number of applications on the portal and the number of applications for all loan disbursal. Moving forward, another revenue stream will involve charges based on the number of applications or profiles created on Vidyalakshmi portal on the portal.

Opportunity:

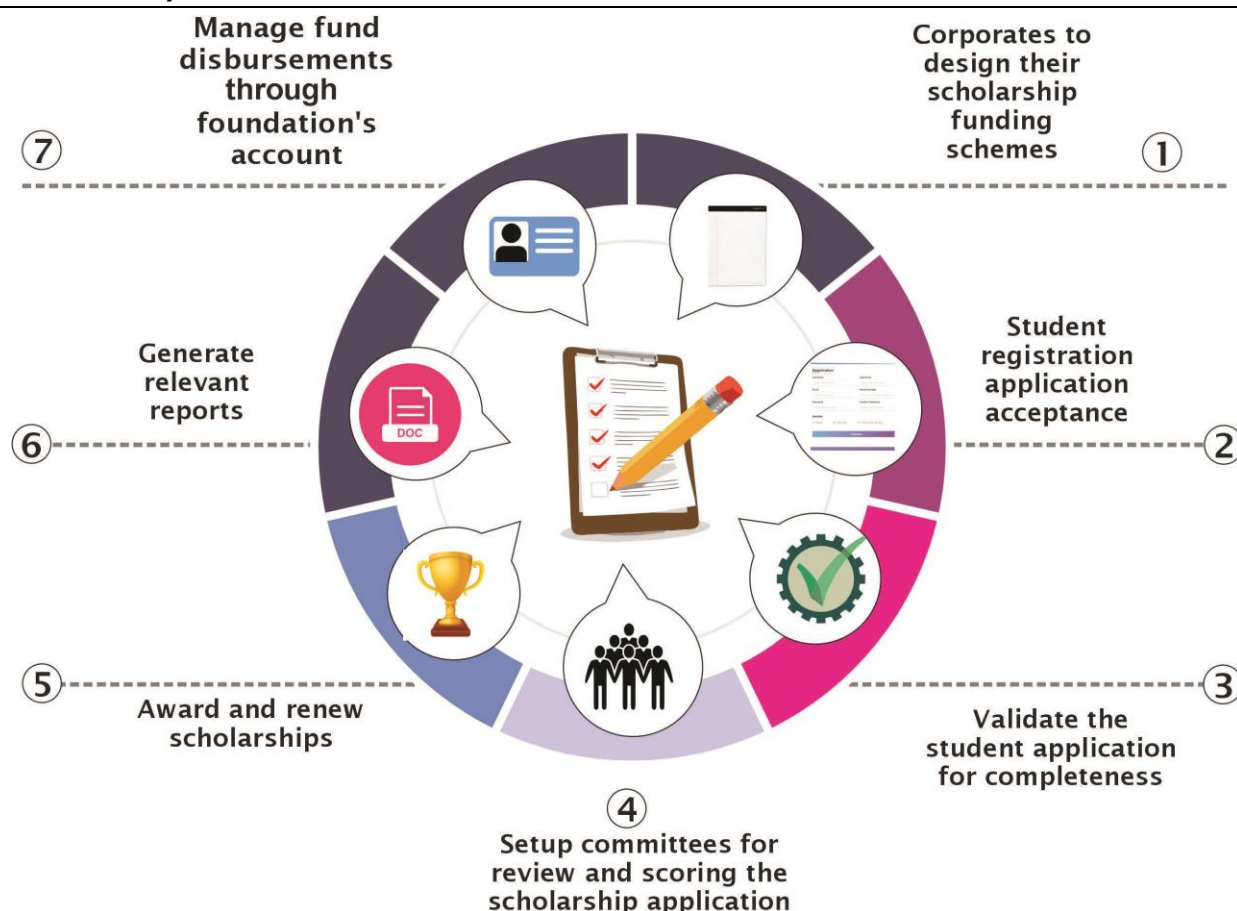
Presently, the portal exclusively serves scheduled commercial banks and primarily public sector undertakings (PSUs). Non-Banking Financial Companies (NBFCs) are not included in the current mandate. There are plans to incorporate NBFCs into the platform. Once this expansion occurs and the portal achieves a certain scale, the revenue model may transition to one where Protean receives a percentage of each transaction or loan disbursal.

As on date, total of 37 banks are registered and the portal has 139 Loan schemes to select from.

Vidyasaarathi

Vidyasaarathi is a digital platform designed to provide students with easy access to various scholarship opportunities offered by different sponsors. Developed by Protean eGov Technologies Limited, Vidyasaarathi aims to simplify the scholarship application process and increase the accessibility of financial aid for students across India.

Exhibit 25: Vidyasaarathi Portal Framework



Source: Company, Dalal & Broacha Research

Revenue structure

Protean generates revenue as a percentage of the Corporate Social Responsibility (CSR) funds disbursed. Protean offers a service that matches eligible students and applicants with the requirements of various corporate sponsors.

Network

More than 1.6 Mn applicants have joined Vidyasaarathi portal and 1.3 Mn applications have been processed. 169 education institutes registered. Since inception the portal has disbursed scholarship of close to Rs 85cr.

Key Clientele

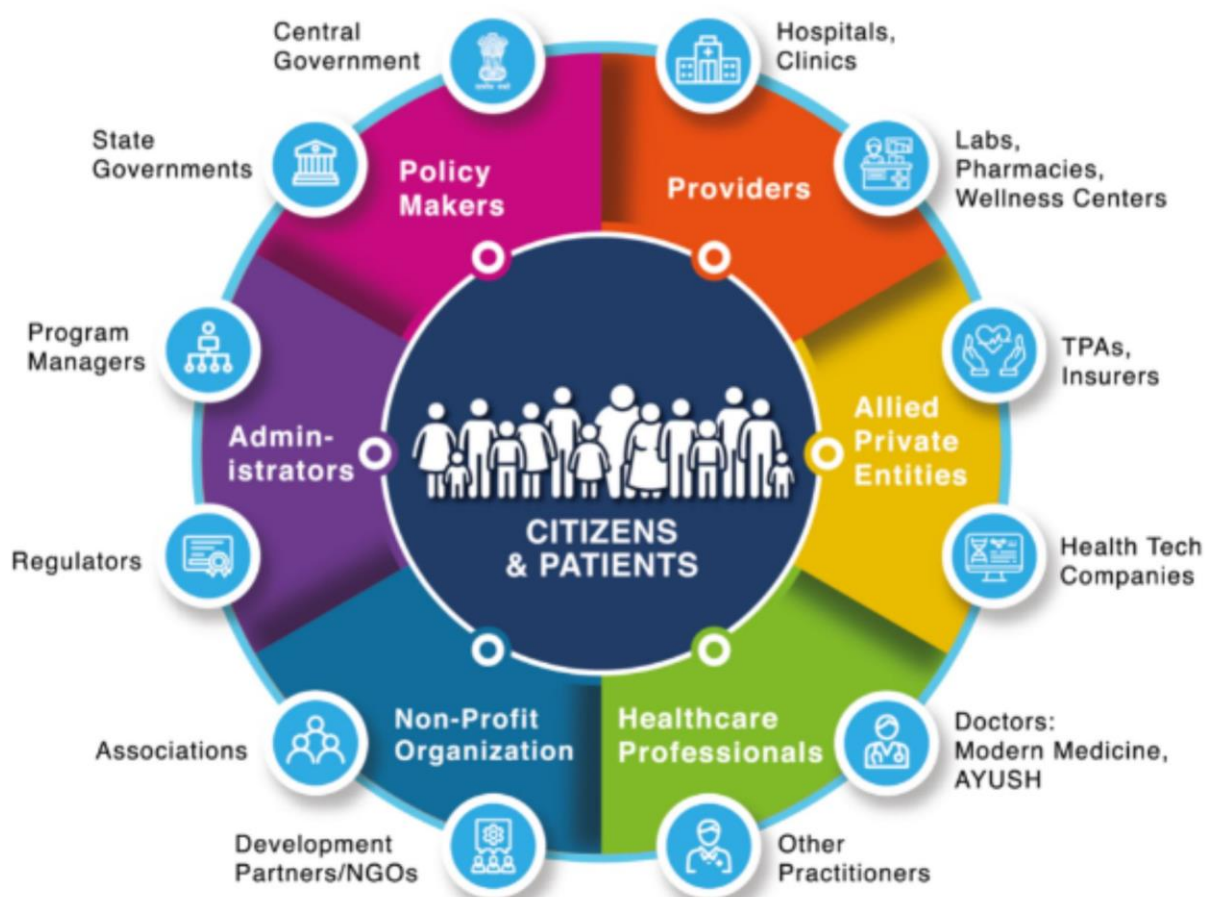


Health

The Ayushman Bharat Digital Mission (ABDM)

Designed to establish the essential framework required to support an integrated digital health infrastructure across the country. It aims to connect various stakeholders within the healthcare ecosystem.

Exhibit 26: ABDM Ecosystem



Source: ABDM website, Dalal & Broacha Research

ABDM is anticipated to greatly enhance the efficiency, effectiveness, and transparency of healthcare service delivery. Patients will have the ability to securely store and access their medical records, including prescriptions, diagnostic reports, and discharge summaries. They can also share these records with healthcare providers, ensuring appropriate treatment and follow-up care.

Health ID - Under the mission, individuals are encouraged to create a health ID. The Universal Health ID system collects basic details, including demographics, location, family, and contact information. This ID uniquely identifies individuals, authenticates them, and allows their health records to be shared with informed consent across multiple healthcare systems.

Protean has developed the PHR (Personal Health Record) app, enabling users to create a health ID. Patients can upload documents in two ways: (i) Manually scan and upload pictures (ii) Facilities and clinics can push prescriptions to the health locker.

The company received funding from the Gates Foundation to run these projects on a national level. The last fiscal year was dedicated to developing and building the app. Currently, the app is in the final stages of certification by the National Health Authority (NHA) and will soon go live. It is estimated to launch in multiple districts, starting with Maharashtra, where the company received the first mandate. The strategy is to replicate this process district by district.

Since the project is already funded, state governments do not need to pay initially. Payments from the state government will begin once the project reaches scale.

Another potential use case involves insurance companies monitoring digital health data to offer better insurance based on health metrics.

This app is just one product under the Health ODE initiative. Future plans include creating a marketplace for medical and diagnostic services, bringing all these services under one app.

Cloud & Infosec Services

Protean, a certified cloud provider by MeitY, operates across various sectors including e-commerce, aggregators, SaaS vendors, and public sectors, offering contract-based cloud services. Their cloud technology, known as Protean Cloud, is developed in India and is highly energy-efficient, leveraging patented technology in collaboration with a partner focused on energy conservation. This aligns with the government's Atmanirbhar Bharat initiative. Despite its potential, the cloud business currently makes a modest contribution to the company's overall profitability.

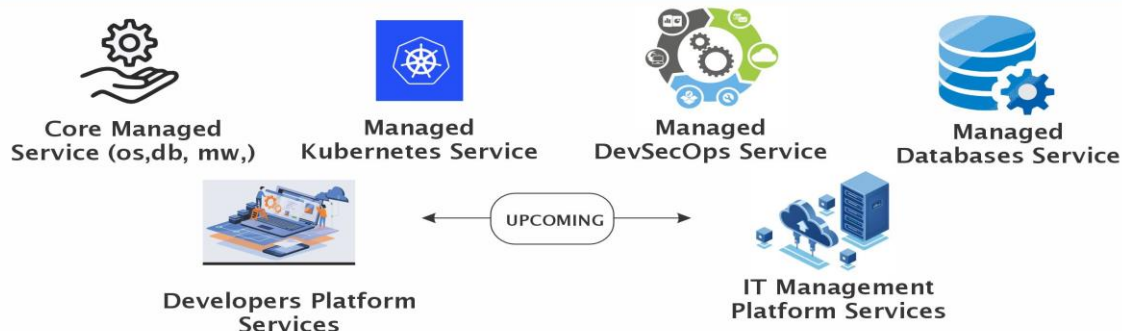
Addressing the growing concerns in cybersecurity, Protean has expanded into this market with the establishment of Protean Infosec Services Ltd. This new venture specializes in providing consulting and advisory services focused on key aspects of cybersecurity governance and operations. The company's strategy is centered on three critical areas: Cyber Security Architecture, Governance Risk Compliance (GRC) & Data Privacy Practice (DPP), and Information & Cybersecurity technical services.

Protean has achieved early successes in this new venture, securing over 25 clients spanning across 10 different sectors.

Protean operates two data centers for cloud services: one owned by Protean in Pune and another in Mysore, managed in collaboration with a partner.

Exhibit 27: Proteans offerings in Cloud

Protean Cloud MServices



Protean Cloud Foundational Services



Protean Cloud Data Centers :- Two regions



Source: Company, Dalal & Broacha Research

Data Stack



A data stack is a collection of technologies and tools used to collect, store, process, analyze, and visualize data. This integrated system transforms raw data into meaningful insights, helping organizations make informed decisions.

Protean's data stack products include advanced machine learning, customizable data visualization, API integration, among many other features. The company has recently launched several products:

RISE with Protean:

A multi-sector one-stop shop for APIs. This platform offers over 300 APIs for digital onboarding, credit verification, and DPI-related services in sectors such as ONDC, agriculture, healthcare, and ONEST. It simplifies access to APIs, microservices, and user journeys for multiple industries. Additionally, the platform provides capabilities such as sandboxing, a security practice where a code/program is executed in an isolated environment, enabling users to test their use cases.

Since its launch, the platform has seen 100 entities apply, with integration and contracting processes underway to convert them into active users. Notable partners include PhonePe, QCI, and various government and non-government organizations.

AI-powered CKYC

As a pioneer in Aadhaar authentication and eKYC with over a decade of experience, Protean has launched an AI-powered CKYC solution. This system uses AI, image recognition, and other intelligent engines to minimize manual intervention while processing millions of records and syncing them with CERSAI's CKYC database. Protean went live with one customer last quarter, Credit Saison, and has a pipeline of more customers at the integration stage. Protean earns revenue for every CKYC upload, similar to how NBFCs pay for each customer they onboard.

It also offers APIs for search & download from CERSAI. This helps entities to provide pre-filled data in the digital onboarding journey & reduces customer drop-offs.

eSign Pro:

Based on the eSign service infrastructure, which commands 70% market share, Protean has introduced eSign Pro. In addition to meeting all eSign requirements, eSign Pro offers e-stamp and digital stamping solutions coupled with workflow-based solution. Currently, financial institutions spend more than Rs 200 on average to print, execute, store physical documents, and manage logistics between various stakeholders. eSignPro delivers all of these in a digital, paperless, and legally accepted format at a fraction of the cost.

Currently, eSign is priced in low single digits, depending on volume. Integrating additional services like workflow management promises to increase prices. The price for this begins from ~Rs 15/20 and can go much higher. eSignPro can completely eliminate physical paper and manual signatures across processes such as account opening, re-KYC, lending, and contract execution.

Account Aggregator (AA)

An AA is an RBI regulated digital platform that helps you share your financial data from your account to any other financial institution that requires this data to serve you. These institutions are entities like banks, insurance, companies etc. that offer you their financial services.



The data is shared only with your consent.



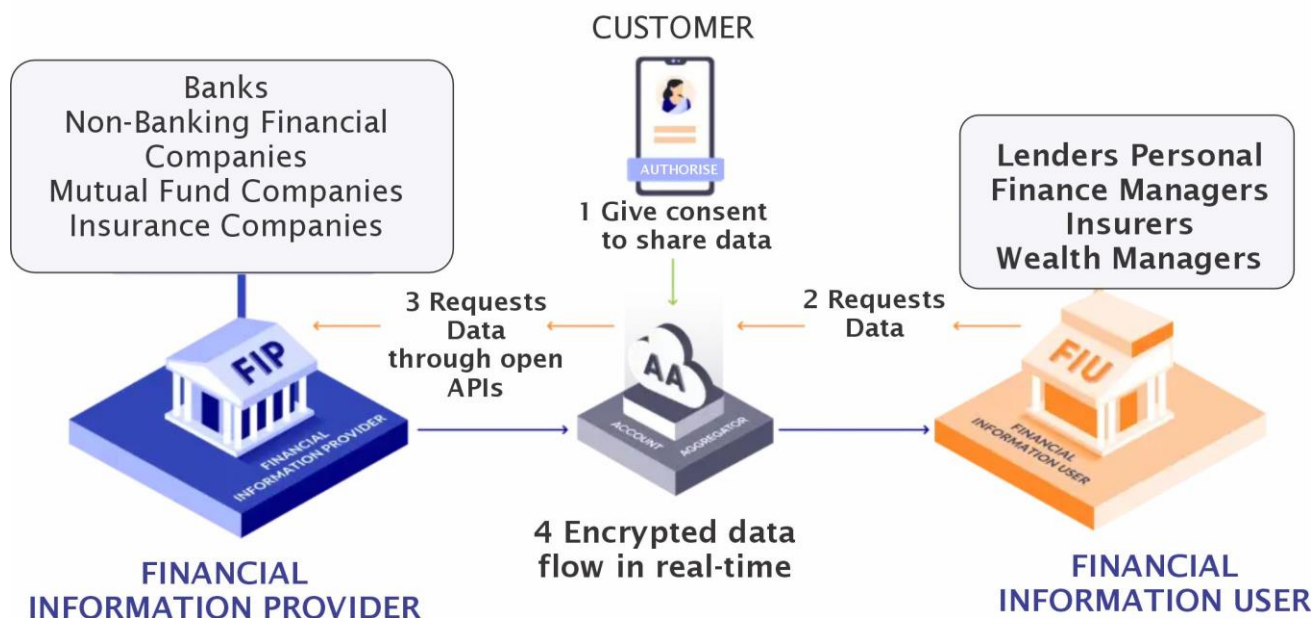
You can approve/deny requests & view the purpose and duration of such requests



Consent, once given, can be paused or revoked at any time on AA app/website

Protean went live with AA services in July, 2023. Still at nascent stage. AA can reduce processing time of loan. As on 30th April, 2024, 150 Financial Institutions & 428 Financial institutions are live as FIPs & FIUs respectively.

Exhibit 28: Account Aggregator Framework



Source: Google, Dalal & Broacha Research

Protean's account aggregator business is operated through its wholly-owned subsidiary, Protean Account Aggregator Limited, which is licensed by the RBI. Protean plans to leverage its data analytics services through this account aggregator offering.

International

Taking India Stack global

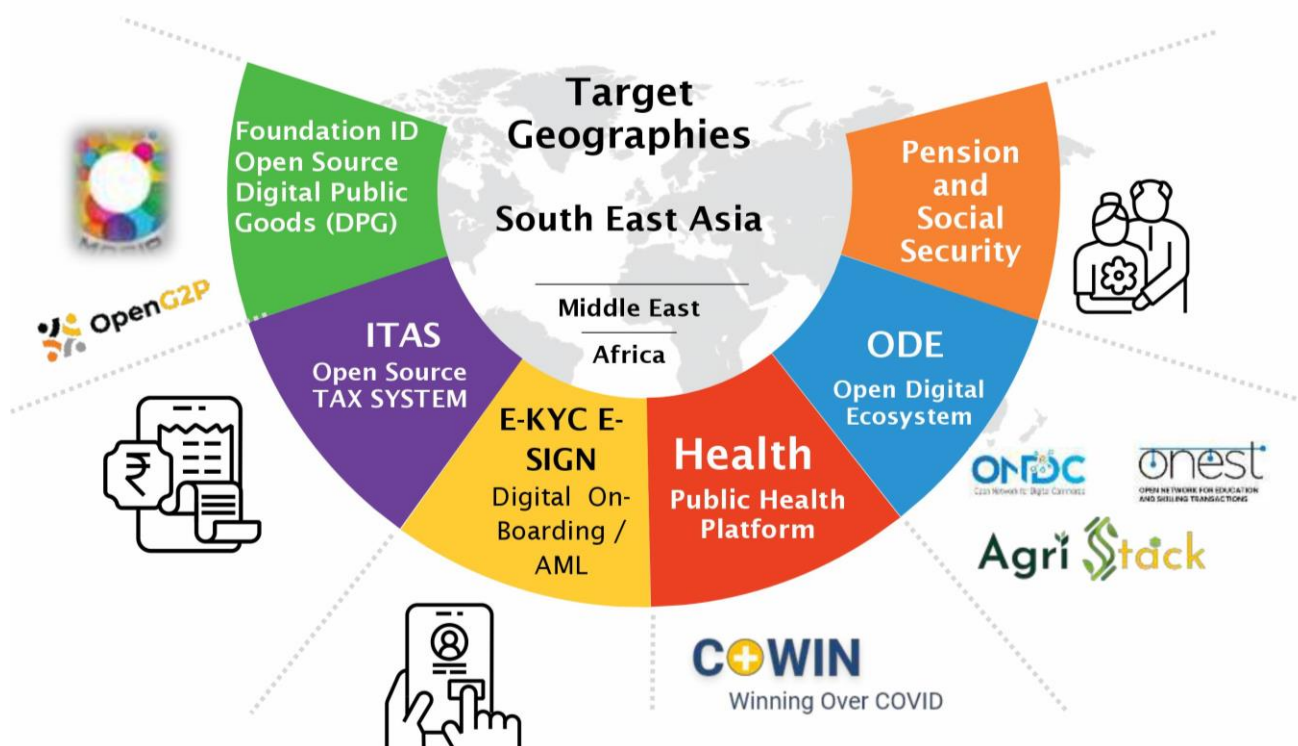
India's digital public infrastructure (DPIs) also known as India stack, which comprises of 3 pillars – Digital identification, Digital payment & data management, has had a profound impact on country's economy. Given how India & its economy is now structured around DPI, there entails a significant opportunity to unleash this potential in international markets.

Protean also foresees significant investment potential in various sectors & targets geographies like South East Asia, Middle East, Africa. Some of these geographies face critical challenges for digital development primarily due to lack of accessibility, lack of affordability, inadequate regulatory & political scenario. Protean has successfully established strategic partnership in these geographies. There's momentum in policy development and RFPs in these areas, indicating a growing interest in advancing digital solutions.

As a result, the company has established a 100% subsidiary company in Dubai, UAE which will house all the international operations of the company.

The company has already participated in close to 13 RFPs & expects some of these to fructify in the current FY. Some of these RFPs are in advanced stages of discussion.

Exhibit 29: DPI components to offer in International Market



Source: Company, Dalal & Broacha Research

Since Protean houses a cohort products/platforms/services, there presents tremendous base of offerings.

- The company has seen significant traction in the areas of National ID and authentication, leveraging its experience with PAN and Aadhaar authentication.
- Protean plans to extend its expertise in Open Digital Ecosystems (ODEs) to international markets.
- In the healthcare sector, Protean is one of the few companies authorized by the Ministry of Economic Affairs to expand the Cowin platform internationally. Health departments needing vaccine management platforms could be potential clients.

These initiatives will support foundational digitization, mostly in collaboration with governments.

Revenue Potential

These RFPs generate revenue from two sources:

1. Technology development and deployment (paid upfront).
2. Service management (annuity-based revenue).

Each RFP has a potential revenue of \$8M-\$10M over three years, with 40-50% expected in the first year and the rest from maintenance, enhancements, and upgrades in the subsequent years.

And since some of these RFPs are completely bespoke in nature or requires customization work, margins for international business are expected to be north of 30%.

About the Company

Originally set up as a depository participant in 1995, demerged from NSDL, Protean e-Gov was formed to manage important projects like Tax Information Network (TIN), Central Recordkeeping Agency (CRA) for NPS & APY.

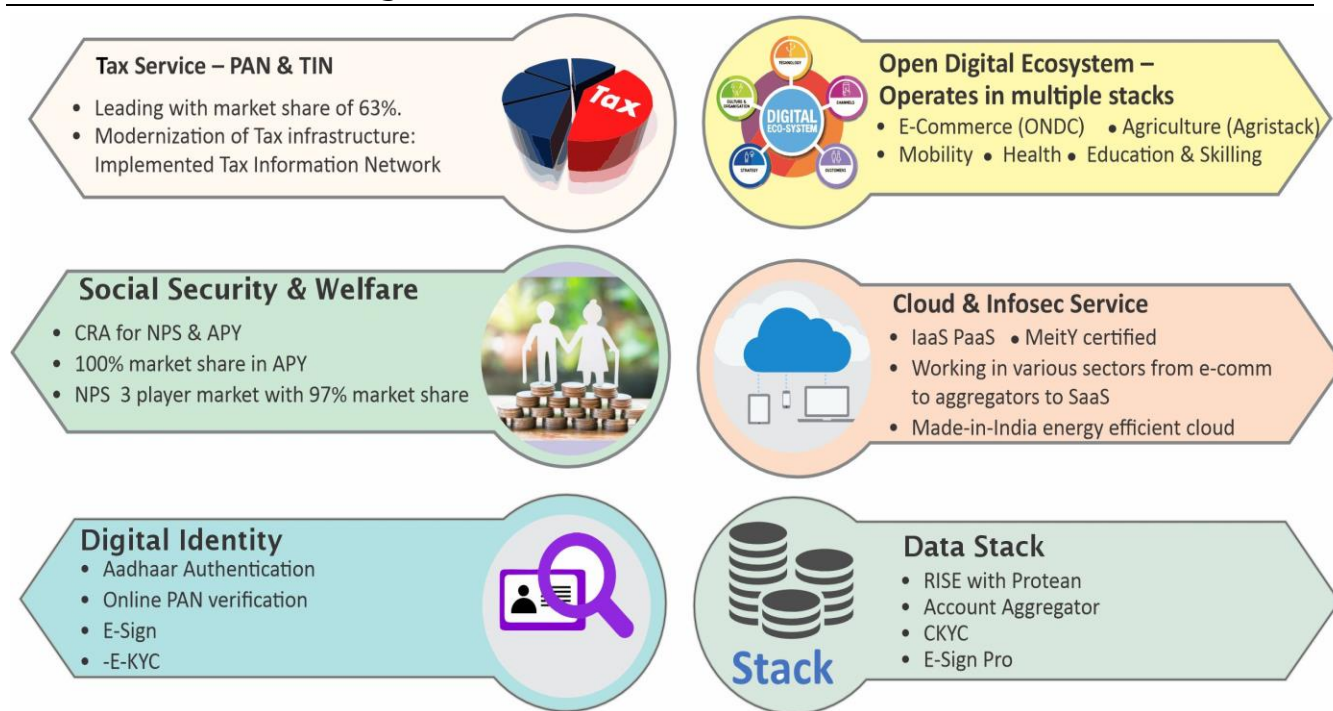
The company offers citizen services, e-governance solutions, system integration, IT consulting service for government, enterprises & individuals. Protean has modernized direct tax infrastructure, provided tax identity to individual as well as corporates (Issues PAN cards), strengthened social security infrastructure by acting as a Central record keeping agency (CRA) for National Pension System & Atal Pension yojana.

Over 28 years old, being involved in building Digital Public Infrastructure (DPI) for the country, Protean is now among few players in India who is working towards Open digital ecosystem. Protean is one of the founding members & early contributor in powering ONDC. As on date, company has invested a total sum of Rs 250 Mn, representing 3.85% of paid-up equity capital.

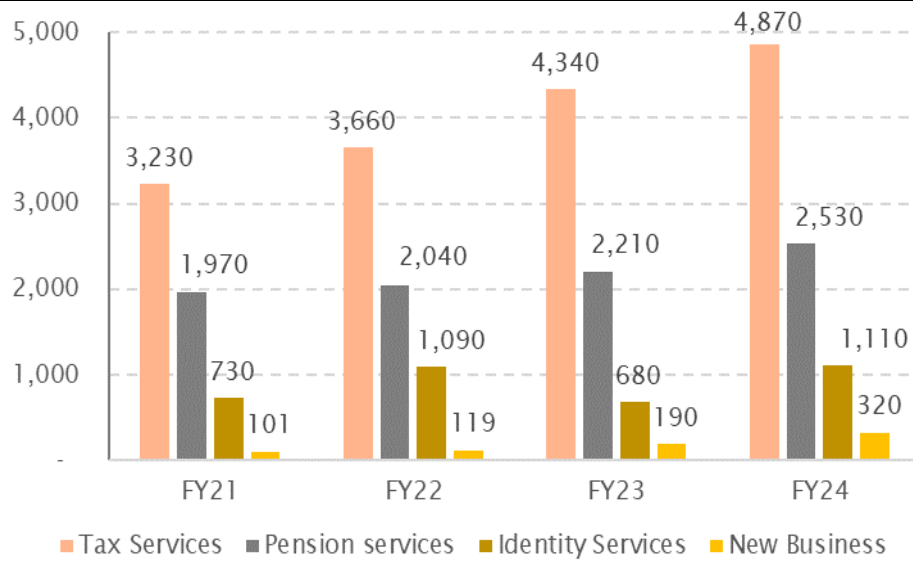
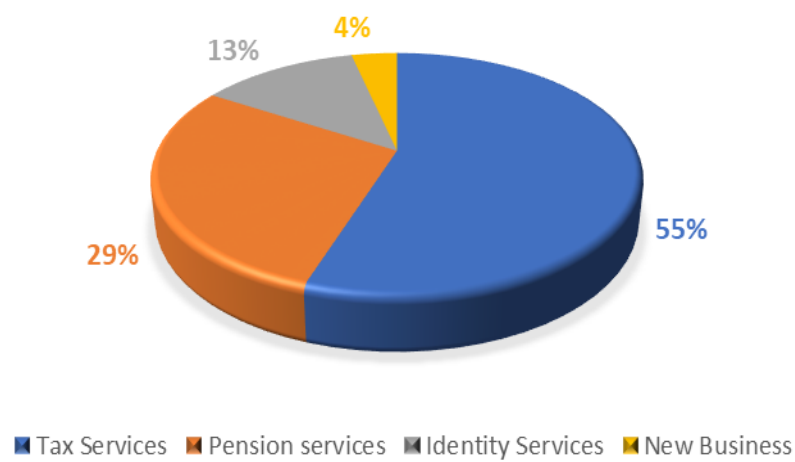
The company is professionally managed, guided by a seasoned senior management team whose wealth of expertise and vast industry experience has been instrumental in the expansion of company's operations.

Build various national scale project that has enabled digitization of India.

Exhibit 30: Protean Growing from 3 Business verticals to 6 verticals



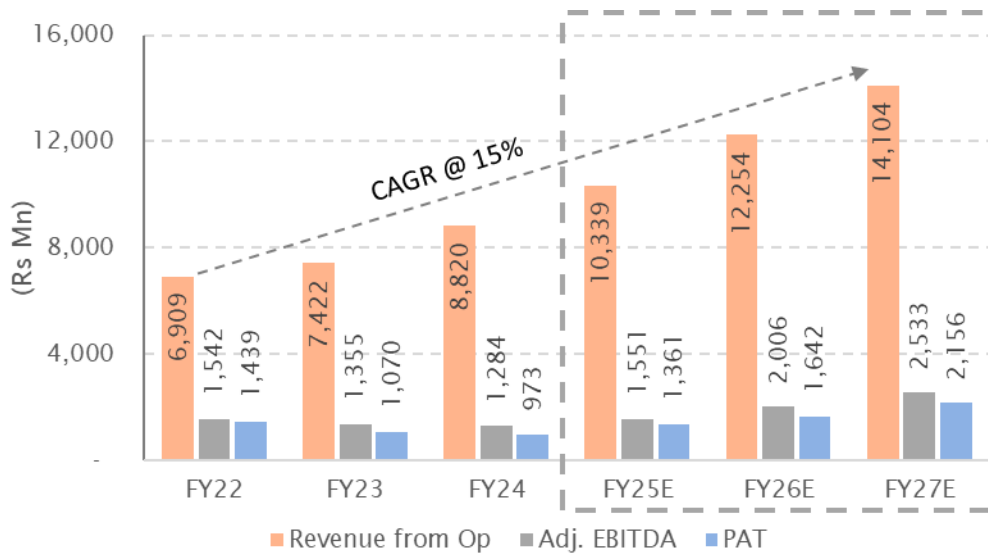
Source: Company, Dalal & Broacha Research

Exhibit 31: Revenue Break-up vertical-wise**VERTICAL-WISE REVENUE SEGMENTAION FOR FY24**

Source: Company, Dalal & Broacha Research

Financials

Exhibit 32: Revenue, EBITDA and PAT trajectory || Revenue growing at 15% CAGR from FY22-27E

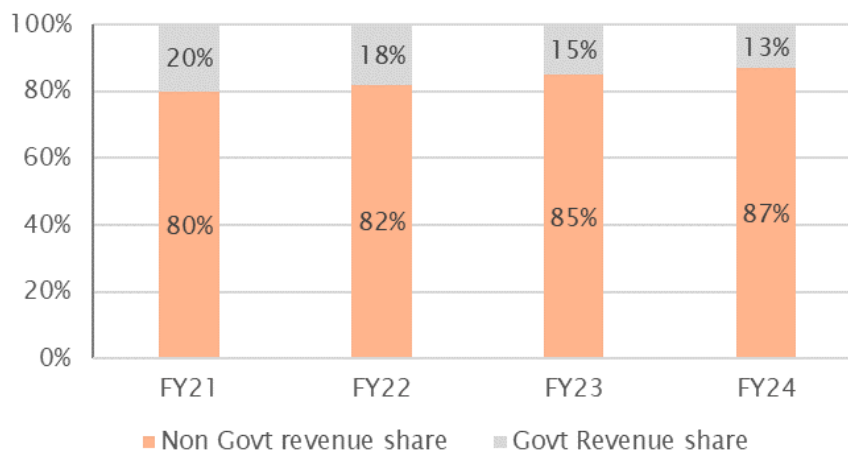


Source: Company, Dalal & Broacha Research

Dependence on government reducing

Majority of work is with enterprise & retail customer. Dependence on government has been reducing from 20% in FY21 to 13% in FY24. 13% represent the share of revenue that is actually paid by Government. Pension is the only business vertical in which Protean is paid by the government that too for only government accounts/employees.

Exhibit 33: Protean's dependence on government



For PAN issuance, contract have been signed with the ITD. However, charges are actually paid by consumer. Hence, B2C in nature.

Source: Company, Dalal & Broacha Research

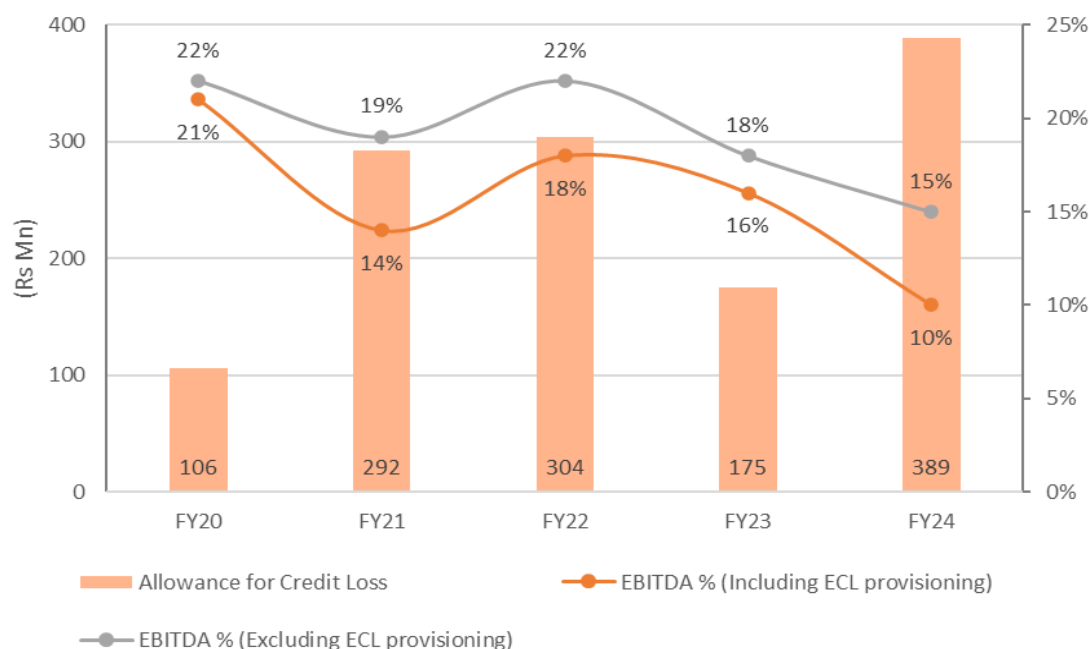
ECL Provisioning dragging the margins

In 2004, when the agreement was made, documents for PAN were collected by franchises without much thought about handling the massive volume of documents. These documents were sent to Protean, which then appointed a third party to maintain the records due to the sheer quantity. In 2015, Protean approached the government, which subsequently released the payment for storing these documents. Consequently, the payments covering the storage costs from 2004 to 2015 were received in 2016.

In Q3FY24 company made a provision of Rs 24cr. For every 100 Rs that is collected by the company, they pay out anywhere between 50-80% to franchise. As a result, actually the net provision for the quarter was ~Rs 7cr. Conversely a reverse entry of ~Rs 17cr has been shown in other income. After the ECL provisioning, net exposure of the company in Q3FY24 stood at Rs 60 cr.

Historically these receivables have been received from the government, hence the company does not anticipate this amount to not come in. However, in order to stay conservative, provisioning has been done.

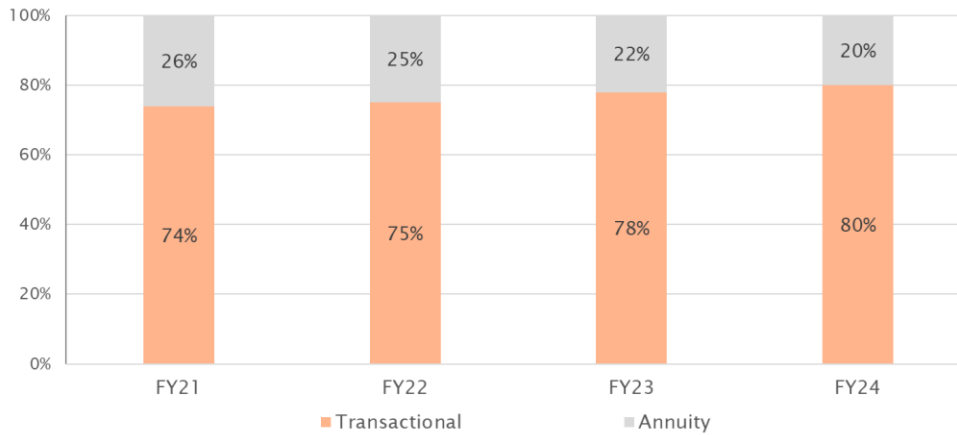
Exhibit 34: Recent increase in ECL provisions || Current net exposure stands at Rs 28 cr.



Source: Company, Dalal & Broacha Research

In Q4FY24 company made a provision of Rs 13.5 Cr. Net remaining provision stood at Rs 28 Cr which will come in next 2 years. Out of the total receivable of Rs 190cr, 92-95% pertain to business as usual which is ~Rs 130 Cr, which will be less than 6m.

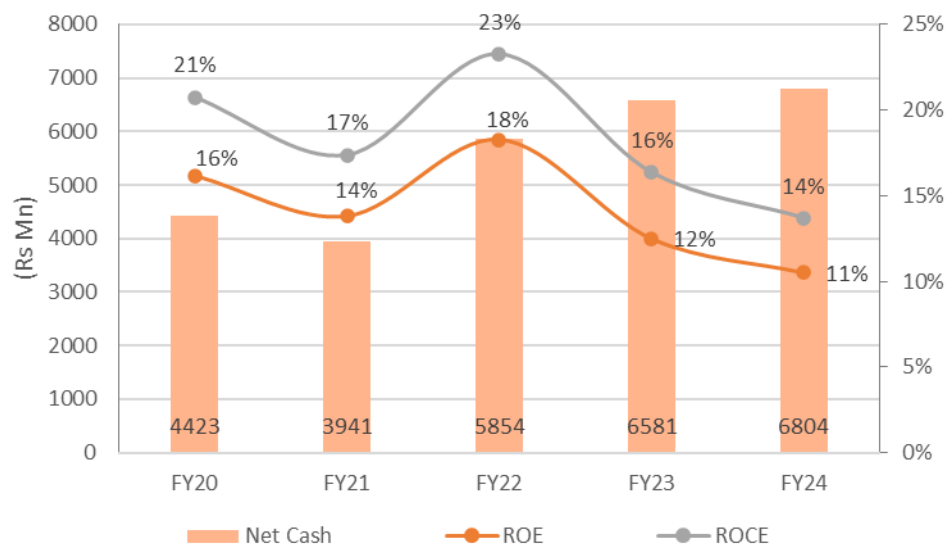
Hence, we have forecasted Rs 14cr of ECL provisioning for FY25 & FY26 for each year.

Exhibit 35: Majority of revenue incurred by protean is transactional in nature

Source: Company, Dalal & Broacha Research

The majority of the revenue incurred by the company is transactional in nature. Whenever a PAN is issued/re-issued, whenever an account is opened under NPS & APY or whenever there is aadhaar authentication or PAN verification or Sign taking place, Protean earns revenue.

Strong balance sheet

Exhibit 36: High Cash on Books dragging down return ratios

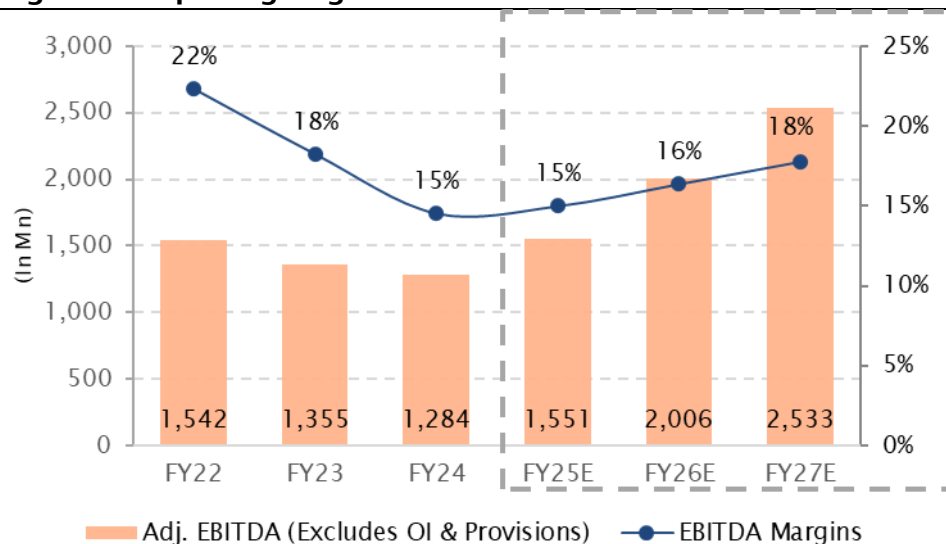
Source: Company, Dalal & Broacha Research

The company boasts a robust balance sheet with zero debt and substantial cash reserves, positioning it securely in the market. Despite these strengths, its Return on Equity (ROE) and Return on Capital Employed (ROCE) have been impacted negatively by the high level of unutilized cash. However, the company plans to leverage this cash for strategic inorganic expansions, which is expected to bolster its profitability metrics significantly in the near future. This proactive approach not only enhances growth prospects but also promises to optimize financial performance, aligning with long-term shareholder value creation.

EBITDA/EBITDA margins to improve

Due to increased investments aimed at expanding from three to six verticals, the company's margins have been lower. However, most of the expenses related to this expansion have already been incurred and are expected to peak. Moving forward, these expenses are anticipated to stabilize, allowing the company to reap the benefits. Additionally, new verticals such as open digital ecosystems, data stack development, and international market penetration are expected to be margin accretive, further boosting the company's margins.

Exhibit 37: Margins to expand going forward



Source: Company, Dalal & Broacha Research

KMPs

Protean is a professionally managed company led by a senior management team with extensive expertise and industry experience, pivotal in driving the company's operational growth. Many members of this experienced team have been with the company for over two decades, contributing significantly to its development.

Name	Designation	Background
Suresh Sethi	MD & CEO	30 years of experience in financial inclusion, fintech, and digital innovation. Formerly the CEO of India Post Payments Bank, he has also worked with Citigroup, YES Bank, and Vodafone M-Pesa across various countries. Recognized by The Asian Banker, he was named CEO of the Year at the 2019 India Banking Summit and Awards.
Jayesh Sule	Whole Time Director & COO	Has been associated with the company since its inception in 1995, responsible for strategic decisions, launching new businesses, and overseeing the company's functional capabilities. More than 25 years experience in capital markets & IT enablement services.
Bertram D'souza	Chief Product & Innovation Office	Has over 17 years of experience in the technology and financial sectors. He has held key positions at IntrasoftTech India Limited, Atom Technologies Limited, Venture Infotek Global Private Limited, Tata Communications Payment Solutions Limited, Vodafone Mpesa Limited, and Kotak Mahindra Bank Limited. His extensive background includes expertise in building digital partnerships and ecosystems, as evidenced by his completion of an online program from INSEAD.
Dattaram Mhadgut	Chief Technology Officer	Has over 24 years of experience in IT & Service industry. He joined the Company on April 1, 1997
Metesh Bhati	Chief Digital Officer	Previously associated with DSP Investment Managers Private Limited, Investors India Technologies Private Limited (subsidiary of Bajaj Capital Limited) and HDFC Bank Limited. He joined the Company on November 22, 2022.

Peer Comparison

Offerings	NPS CRA	PAN card issuance	Aadhaar authentication/ E-KYC	Certifying authority for E-Sign	GST Suvidha provider	Aadhaar enrollment
CDSL ventures Ltd	✗	✗	✗	✓	✓	✗
CMS Computer Ltd	✓	✗	✗	✗	✗	✓
CAMS	✓	✗	✓	✗	✗	✗
CSC e-governance services Ltd	✗	✗	✓	✗	✗	✓
Karvy Data management services Ltd	✗	✗	✓	✗	✗	✗
Kfin Technologies Pvt Ltd	✓	✗	✗	✗	✗	✗
Protean eGov	✓	✓	✓	✓	✓	✗
Sify technologies Ltd	✗	✗	✗	✓	✗	✗
UTI Infrastructure technology & services Ltd	✗	✓	✗	✗	✗	✓

Company Name		Protean eGov	Kfin Technologies *	CAMS*	eMudhra *
CMP (₹)		1,430	770	4,242	869
Mcap (₹ Mn)		57,839	131,661	208,676	71,963
Revenue (₹ Mn)	FY24	8,820	8,375	11,365	3,731
	FY25E	10,339	9,961	13,268	5,203
	FY26E	12,254	11,480	15,051	7,109
	FY27E	14,260	13,214	17,199	N/A
EBITDA (₹ Mn)	FY24	894	3,666	5,049	1,096
	FY25E	1,411	4,430	6,001	1,706
	FY26E	1,866	5,191	6,984	2,433
	FY27E	2,533	6,056	8,174	N/A
EBITDA %	FY24	10%	44%	44%	29%
	FY25E	14%	44%	45%	33%
	FY26E	15%	45%	46%	34%
	FY27E	18%	46%	48%	N/A
PAT	FY24	973	2,460	3,536	764
	FY25E	1,361	3,075	4,187	1,215
	FY26E	1,652	3,629	4,911	1,724
	FY27E	2,156	4,294	5,703	N/A
P/E	FY24	59	54	59	91
	FY25E	42	43	49	58
	FY26E	35	37	42	41
	FY27E	27	31	36	N/A
CAGR	Revenue	17%	16%	15%	38%
	EBITDA	41%	18%	17%	49%
	PAT	30%	20%	17%	50%

* - Bloomberg estimates

For CAGR - eMudhra is 2Y CAGR

Source: Dalal & Broacha Research

Valuation & Outlook

Protean eGov Technologies is at the forefront of developing and implementing innovative digital solutions. With a proven track record of successfully executing large-scale projects like PAN issuance and the Tax Information Network (TIN), the company has shown its capability to deliver complex, high-impact solutions.

The company focuses on emerging verticals such as the Open Network for Digital Commerce (ONDC), the Open Data Ecosystem (ODE), and the digitization of India, which present significant revenue opportunities. These new verticals are highly margin accretive, promising to improve overall company margins.

Protean eGov's debt-free status and substantial cash reserves position it well to take advantage of any inorganic growth opportunities. As the excess cash and equivalents are deployed, return ratios are expected to improve.

Existing business verticals, contributing more than 75% of the company's revenue, are projected to grow by 10-12%. However, the company's expansion into new verticals offers robust future growth potential i.e. more than 50%.

With governments and organizations increasingly prioritizing digital transformation, the demand for robust e-governance solutions is growing. Protean eGov is well-positioned to capitalize on this trend, offering a range of products and services that meet critical needs in this evolving landscape.

The company is poised to go global and is optimistic about securing bids in international markets, which will open up another high-margin income stream.

Led by a team of experienced professionals with deep expertise in technology and e-governance, the company's vision and strategic direction inspire confidence in its future growth and sustainability.

We initiate coverage on Protean eGov technologies Ltd with a BUY rating valuing the company at 35x FY27, arriving at a target price of Rs 1865 implying an upside of 30.5%.

Financials

P&L (Rs mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Net Sales	6,909	7,422	8,820	10,339	12,254	14,260
Employee Cost	787	1,229	1,751	2,016	2,258	2,529
Allowance for Credit loss	304	175	389	140	140	-
Processing charge	3,363	3,257	3,827	4,498	5,330	6,203
Repairs & Maintenance	661	895	1,061	1,241	1,470	1,668
Other Expenses	556	685	898	1,034	1,189	1,326
Operating Profit	1,238	1,180	894	1,411	1,866	2,533
Depreciation	-170	-183	-275	-315	-380	-451
PBIT	1,068	997	620	1,096	1,486	2,082
Other income	793	417	676	736	732	809
Net Interest (Exp)/Inc	-5	-9	-17	-17	-17	-17
Profit before tax	1,856	1,404	1,279	1,815	2,202	2,874
Provision for tax	-417	-334	-306	-454	-551	-719
Reported PAT	1,439	1,070	973	1,361	1,652	2,156

Balance Sheet (Rs mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity capital	404	404	404	404	404	404
Reserves	7,478	8,167	8,857	9,814	11,061	12,813
Net worth	7,882	8,571	9,262	10,219	11,466	13,217
MI	-2	-2	-2	-2	-2	-2
Non Current Liabilities	245	194	355	355	355	355
Current Liabilities	1,757	2,278	2,238	2,495	2,901	3,335
Total Equity & Liabilities	9,881	11,041	11,852	13,066	14,719	16,905
Non Current Assets	4,466	6,965	7,485	8,824	9,764	10,488
Fixed Assets	569	668	787	1,777	2,341	2,662
Right of Use Assets	122	79	205	205	205	205
Financial Assets	3,259	5,696	5,907	6,257	6,632	7,036
Deferred Tax Asset	199	208	215	215	215	215
Income Tax Asset	270	313	366	366	366	366
Other Non Current Assets	48	2	5	5	5	5
Current Assets	5,416	4,076	4,368	4,242	4,955	6,417
Current investments	553	51	140	147	154	162
Trade Receivables	2,004	2,089	1,893	2,210	2,619	3,047
Cash and Bank Balances	2,335	1,375	1,508	957	1,139	2,036
Other Financial Assets	156	245	370	426	489	563
Other Current Assets	367	316	458	503	554	609
Assets held for sale	-	-	-	-	-	-
TOTAL ASSETS	9,881	11,041	11,852	13,066	14,719	16,905

Cashflow (Rs mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E
PBT	1,856	1,404	1,279	1,815	2,202	2,874
Depreciation	170	183	275	315	380	451
Net Chg in WC	40	276	76	-99	-147	-154
Interest Expense	5	9	17	17	17	17
Taxes	-417	-334	-306	-454	-551	-719
Others	-712	-169	-765	-144	-64	-76
CFO	943	1,370	575	1,451	1,837	2,393
Capex	1,130	-239	-317	-990	-565	-320
Net Investments made	-805	-1,668	-99	-275	-289	-303
Others	401	-917	603	-	-	-
CFI	726	-2,823	187	-1,265	-854	-624
Change in Share capital	76	8	12	-315	-380	-451
Change in Debts	-45	-38	-66	-	-	-
Div. & Div Tax	-363	-404	-405	-404	-404	-404
Interest on lease liability paid	-5	-9	-17	-17	-17	-17
CFF	-336	-443	-475	-736	-801	-872
Total Cash Generated	1,333	-1,896	288	-551	183	897
Cash Opening Balance	735	2,067	171	1,508	957	1,139
Cash Closing Balance	2,067	171	459	957	1,139	2,036

Ratios	FY22	FY23	FY24	FY25E	FY26E	FY27E
OPM	17.9	15.9	10.1	13.6	15.2	17.8
NPM	18.7	13.7	10.2	12.3	12.7	14.3
Tax rate	22.5	23.8	23.9	25.0	25.0	25.0

Growth Ratios (%)

Net Sales	14.6	7.4	18.8	17.2	18.5	16.4
Operating Profit	46.0	-4.7	-24.2	57.7	32.3	35.7
PBIT	57.0	-6.7	-37.8	76.8	35.7	40.1
PAT	56.1	-25.6	-9.1	39.9	21.3	30.5

Per Share (Rs.)

Net Earnings (EPS)	36	26	24	34	41	53
Cash Earnings (CPS)	40	31	31	41	50	64
Dividend	362	404	404	404	404	404
Book Value	195	212	229	253	283	327
Free Cash Flow	69	32	25	15	33	53

Valuation Ratios

P/E(x)	40	54	59	42	35	27
P/B(x)	7	7	6	6	5	4
EV/EBIDTA(x)	26	32	33	24	20	15
Div. Yield(%)	25	28	28	28	28	28
FCF Yield(%)	5	2	2	1	2	4

Return Ratios (%)

ROE	18%	12%	11%	13%	14%	16%
ROCE	23%	16%	14%	18%	19%	22%
RoIC	15%	10%	6%	9%	11%	14%

Abbreviations

PAN	Permanent Account Number
CRA	Central Recordkeeping Agency
NPS	National Pension System
APY	Atal Pension Yojana
eKYC	Electronic Know Your Customer
ODE	Open Digital Ecosystem
ONDC	Open Network for Digital Commerce
ONEST	Open Network for Education & Skilling Transformation
DPI	Digital Public Infrastructure
IDEA	India Digital Ecosystem for Agriculture
CERSAI	Central Registry of Securitisation Asset Reconstruction & Security Interest
TIN	Tax Information Network
MeitY	Ministry of Electronics & Information Technology
ECL	Expected Credit Loss
RFP	Request for Proposal
ABDM	Ayushman Bharat Digital Mission
UTIITSL	UTI Infrastructure Technology & Services LTD
FC	Facilitation Centre
ITD	Income Tax Department
TDS	Tax Deducted at Source
TCS	Tax Collected at Source
PMJDY	Pradhan Mantri Jan Dhan Yojana
NMFI	National Mission for Financial Inclusion
PPP	Public Private Partnership
PFRDA	Pension Fund Regulatory & Development Authority
AUM	Asset Under Management
FATCA	Foreign Account Tax Compliance Act
UIDAI	Unique Identification Authority of India
GMV	Gross Merchandise Value
NPCI	National Payment Corporation of India
SaaS	Software as a Service
NHA	National Health Authority
GRC	Governance Risk Compliance
DPP	Data Privacy Practice

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