

### Strong Quarter on all fronts

Protean eGov Technologies delivered a strong all-round performance in FY26, driven by healthy growth across its core Tax Services and Pension/CRA businesses alongside accelerating traction in emerging Digital Public Infrastructure (DPI) opportunities. Consolidated revenue grew 18.7% YoY to a record ₹998 crore, while EBITDA increased 27% YoY to ₹188 crore with margin expansion supported by operating leverage and improving business mix; Adj PAT grew 14% YoY to ₹105 crore. Growth was supported by robust PAN issuance volumes, strong subscriber additions in the NPS ecosystem and increasing monetisation of platform-led digital identity solutions.

For FY27, growth is expected to be supported by scaling execution across key initiatives such as Bima Sugam, CERSAI and Aadhaar Seva Kendras (ASK), with wider rollout and improving monetisation of these platforms likely to drive revenue growth and strengthen the overall business mix over the medium term.

The balance sheet remains strong with zero debt and over 850 crores in cash and marketable securities and an order book of over Rs. 1,500 crores.

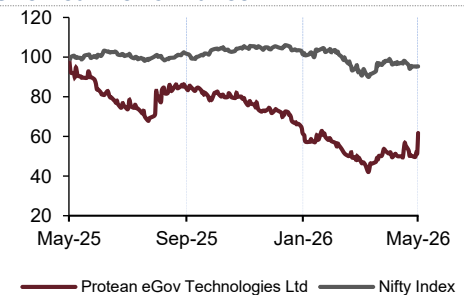
Rating	TP (Rs)	Up/Dn (%)
<b>BUY</b>	<b>778</b>	<b>19</b>

#### Market data

<b>Current price</b>	<b>Rs</b>	<b>654</b>
Market Cap (Rs.Bn)	(Rs Bn)	27
Market Cap (US\$ Mn)	(US\$ Mn)	303
Face Value	Rs	10
52 Weeks High/Low	Rs	1084 / 444
Average Daily Volume	('000)	173
BSE Code		544021

**Bloomberg** PROTEAN.IN  
Source: Bloomberg

#### One Year Performance



Source: Bloomberg

% Shareholding	Mar-26	Dec-25
Public	100	100
<b>Total</b>	<b>100</b>	<b>100</b>

Source: BSE

Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26	FY27E	FY28E
Net sales	7,422	8,820	8,407	9,978	11,225	12,183
EBITDA	1,180	894	804	1,155	1,423	1,610
PAT	1,070	973	925	1,053	1,269	1,434
EPS	26	24	23	26	31	35
P/E (x)	25	27	29	25	21	18
P/B (x)	3	3	3	2	2	2
EV/EBITDA (x)	17	22	24	17	13	11
RoE (%)	12	11	9	10	11	11
ROCE (%)	16	14	11	12	14	14
RoIC (%)	10	6	4	5	7	8

Source: Dalal and Broacha

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## Segment-wise revenue break-up

Revenue from Op	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
<i>Tax services</i>	1,770	1,070	65%	1,140	55%
<i>Pension services</i>	780	750	4%	720	8%
<i>Identity services</i>	240	240	0%	220	9%
<i>ODE + Others</i>	290	150	93%	210	38%

### SEGMENTS

#### Tax Services (50% Revenue)

- Protean eGov Technologies Limited maintained leadership position in PAN issuance with ~59% market share during FY26.
- Issued over 4.7 cr PAN cards during FY26, reinforcing its strong positioning in India's tax identity infrastructure ecosystem.
- Management remains optimistic on long-term growth opportunity driven by increasing PAN penetration, rising compliance requirements and expanding use-cases across banking, government schemes and financial services.
- Q4FY26 included ~₹44 cr storage charge income from the Income Tax Department; management indicated lower but recurring revenues from this stream over the next few years.

#### Central Record keeping Services (CRA) Business: (30% Revenue)

- Added over 1.5 cr subscribers during the year, capturing ~96% of incremental subscriber additions in the NPS ecosystem.
- Added 3,000+ corporates during FY26, marking the highest-ever annual addition for the company.
- Management highlighted strong long-term growth potential given India's low pension penetration and increasing policy focus on social security inclusion.
- Revised PFRDA pricing framework expected to support long-term revenue and margin growth as subscriber base and AUM scale up.

#### Identity Services Segment: (9% of Revenue)

- FY26 revenue stood at ₹92 cr with healthy traction across foundational digital identity products.
- Management highlighted strong growth momentum in value-added offerings including eSignPro, Protean RISE and KYC reporting solutions.
- Protean continues to strengthen its positioning in Digital India-led identity and authentication infrastructure opportunities.

- Long-term growth expected to be driven by increasing digital authentication requirements and enterprise adoption of identity-led solutions.

## **New Businesses: (11% of Revenue)**

- Revenue from new businesses nearly tripled YoY to ₹103 cr during FY26, reflecting strong execution across emerging DPI-led opportunities.
- Growth was primarily driven by mandates such as Bima Sugam, CERSAI 2.0, CRR 2.0 and Aadhaar Seva Kendras.
- Currently 44 Aadhaar Seva Kendras are operational across 20 states/UTs, with all ~190 centres expected to go live by Sep/Oct'26.
- Full-scale revenue contribution from Aadhaar Seva Kendras expected to commence from Q4FY27 onwards.
- Management remains positive on long-term opportunities in insurance stack, digital public infrastructure, global DPI exports and AI-led governance platforms.

Quarterly Financials

Particulars (In Mn)			YoY		
	Q4FY26	Q4FY25	(%)	Q3FY26	QoQ (%)
Revenue from Operations	3,075	2,222	38%	2,289	34%
Other Income	153	165	-7%	144	6%
<b>Total Revenue</b>	<b>3,229</b>	<b>2,387</b>	<b>35%</b>	<b>2,433</b>	<b>33%</b>
Employee benefit exp	585	500	17%	560	4%
Allowance for credit loss	4	-208		-	
Processing charge	1,080	817	32%	784	38%
Repairs & Maintenance	503	364	38%	355	42%
Other Expense	525	569	-8%	273	93%
<b>Total Expense</b>	<b>2,696</b>	<b>2,043</b>	<b>32%</b>	<b>1,971</b>	<b>37%</b>
<b>EBITDA (Excl Other Income)</b>	<b>380</b>	<b>179</b>	<b>112%</b>	<b>318</b>	<b>20%</b>
Depreciation & Amortization	141	81	74%	113	25%
PBIT	392	263	49%	349	12%
Interest Expense	21	11	91%	16	32%
<b>Profit before exceptional items</b>	<b>372</b>	<b>252</b>	<b>47%</b>	<b>334</b>	<b>11%</b>
Exceptional items	-8	-		-40	
<b>PBT</b>	<b>364</b>	<b>252</b>	<b>44%</b>	<b>294</b>	<b>24%</b>
Tax Exp	60	48	25%	69	-13%
<b>PAT</b>	<b>304</b>	<b>204</b>	<b>49%</b>	<b>225</b>	<b>35%</b>
<b>Adj PAT</b>	<b>311</b>	<b>204</b>	<b>53%</b>	<b>265</b>	<b>18%</b>
<b>Adj EPS</b>	<b>7.68</b>	<b>5.03</b>	<b>53%</b>	<b>6.52</b>	<b>18%</b>
<b>Margins (%)</b>	<i>bps</i>			<i>bps</i>	
EBITDA % (Excl Other Income)	12.4%	8.1%	430	13.9%	-154
Adj PAT %	9.6%	8.5%	110	10.9%	-123
<b>As a % of Revenue</b>	<i>bps</i>			<i>bps</i>	
Employee benefit exp	19%	23%	-351	24%	-545
Allowance of credit loss	0%	-9%	947	0%	12
Processing charge	35%	37%	-168	34%	86
Repairs & Maintenance	16%	16%	-2	15%	85
Other Expense	17%	26%	-855	12%	516

Source: Company, Dalal & Broacah Research

## Outlook and Valuations

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Protean eGov Technologies delivered a strong performance in FY26. The company continued to strengthen its leadership position in core businesses, supported by robust growth in PAN issuance, strong subscriber additions in the pension ecosystem and increasing traction in digital identity and data-stack solutions. New businesses witnessed significant scale-up during the year with revenue nearly tripling YoY, aided by execution of strategic mandates such as Bima Sugam, CERSAI, Aadhaar Seva Kendras.

The company continues to maintain a strong balance sheet with cash and investments exceeding ₹850 crore and zero debt, providing significant flexibility to invest in technology capabilities, large-scale platform mandates and global expansion opportunities. With a healthy order book of over ₹1,500 crore, improving business mix and increasing contribution from scalable platform-led businesses, management remains optimistic on delivering sustainable long-term growth with gradual improvement in profitability.

**At CMP of Rs. 654, the stock trades at 21x/18x FY27e/FY28e EPS. We assign a BUY Rating with a TP of Rs. 778 (22x FY28e EPS), implying an upside of ~19%**

**Financials**

<b>P&amp;L (Rs mn)</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27E</b>	<b>FY28E</b>
Net Sales	7,422	8,820	8,407	9,978	11,225	12,183
Employee Cost	1,229	1,751	1,886	2,326	2,675	2,996
Allowance for Credit loss	175	389	-97	10	-	-
Processing charge	3,257	3,827	3,366	3,448	3,873	4,142
Repairs & Maintenance	895	1,061	1,206	1,796	1,852	1,949
Other Expenses	685	898	1,241	1,243	1,403	1,486
<b>Operating Profit</b>	<b>1,180</b>	<b>894</b>	<b>804</b>	<b>1,155</b>	<b>1,423</b>	<b>1,610</b>
Depreciation	-183	-275	-278	-468	-491	-515
PBIT	997	620	526	688	932	1,094
Other income	417	676	682	729	772	819
Net Interest (Exp)/Inc	-9	-17	-23	-67	-56	-50
Profit before tax	1,404	1,279	1,184	1,349	1,648	1,863
Provision for tax	-334	-306	-260	-297	-379	-428
Reported PAT	1,070	973	925	1,053	1,269	1,434

<b>Balance Sheet (Rs mn)</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27E</b>	<b>FY28E</b>
Equity capital	404	404	406	406	406	406
Reserves	8,167	8,857	9,582	10,367	11,232	12,261
<b>Net worth</b>	<b>8,571</b>	<b>9,262</b>	<b>9,988</b>	<b>10,773</b>	<b>11,637</b>	<b>12,667</b>
<b>Non Current Liabilities</b>	<b>194</b>	<b>355</b>	<b>819</b>	<b>908</b>	<b>908</b>	<b>908</b>
<b>Current Liabilities</b>	<b>2,278</b>	<b>2,238</b>	<b>2,259</b>	<b>3,054</b>	<b>3,313</b>	<b>3,639</b>
<b>Total Equity &amp; Liabilities</b>	<b>11,041</b>	<b>11,852</b>	<b>13,066</b>	<b>14,735</b>	<b>15,859</b>	<b>17,214</b>
<b>Non Current Assets</b>	<b>6,965</b>	<b>7,485</b>	<b>8,355</b>	<b>8,639</b>	<b>9,001</b>	<b>9,550</b>
Fixed Assets	668	787	960	1,060	950	969
Right of Use Assets	79	205	675	803	803	803
Financial Assets	5,696	5,907	6,160	6,103	6,576	7,105
Deferred Tax Asset	208	215	137	216	216	216
Income Tax Asset	313	366	422	263	263	263
Other Non Current Assets	2	5	1	195	195	195
<b>Current Assets</b>	<b>4,076</b>	<b>4,368</b>	<b>4,710</b>	<b>6,097</b>	<b>6,857</b>	<b>7,663</b>
Current investments	51	140	1,636	1,388	1,457	1,530
Trade Receivables	2,089	1,893	1,441	2,046	2,399	2,604
Cash and Bank Balances	1,375	1,508	1,362	1,865	2,124	2,564
Other Financial Assets	245	370	8	6	6	7
Other Current Assets	316	458	264	792	871	958
Assets held for sale	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>11,041</b>	<b>11,852</b>	<b>13,066</b>	<b>14,736</b>	<b>15,859</b>	<b>17,214</b>

Cashflow (Rs mn)	FY23	FY24	FY25	FY26	FY27E	FY28E
PBT	1,404	1,279	1,184	1,302	1,648	1,863
Depreciation	183	275	278	468	491	515
Net Chg in WC	276	76	287	-277	-176	-73
Interest Expense	9	17	23	67	56	50
Taxes	-334	-306	-260	-297	-379	-428
Others	-169	-765	414	-478	-156	-161
<b>CFO</b>	<b>1,370</b>	<b>575</b>	<b>1,927</b>	<b>785</b>	<b>1,484</b>	<b>1,765</b>
Capex	-239	-317	-667	-294	54	-70
Net Investments made	-1,668	-99	-1,103	230	-319	-335
Others	-917	603	185	-79	-64	-
<b>CFI</b>	<b>-2,823</b>	<b>187</b>	<b>-1,586</b>	<b>-144</b>	<b>-329</b>	<b>-404</b>
Change in Share capital	8	12	57	27	-491	-515
Change in Debts	-38	-66	-52	-94	56	50
Div. & Div Tax	-404	-405	-404	-405	-404	-404
Interest on lease liability paid	-9	-17	-23	-67	-56	-50
<b>CFF</b>	<b>-443</b>	<b>-475</b>	<b>-422</b>	<b>-539</b>	<b>-895</b>	<b>-920</b>
<b>Total Cash Generated</b>	<b>-1,896</b>	<b>288</b>	<b>-81</b>	<b>102</b>	<b>259</b>	<b>441</b>
<b>Cash Opening Balance</b>	<b>2,067</b>	<b>171</b>	<b>459</b>	<b>379</b>	<b>481</b>	<b>740</b>
<b>Cash Closing Balance</b>	<b>171</b>	<b>459</b>	<b>379</b>	<b>481</b>	<b>740</b>	<b>1,181</b>

Source: Company, Dalal &amp; Broach Research

Rat ios	FY23	FY24	FY25	FY26	FY27E	FY28E
OPM	15.9	10.1	9.6	11.6	12.7	13.2
NPM	13.7	10.2	10.2	9.8	10.6	11.0
<b>Growth Ratios (%)</b>						
Net Sales	7.4	18.8	-4.7	18.7	12.5	8.5
Operating Profit	-4.7	-24.2	-10.1	43.7	23.1	13.2
PBIT	-6.7	-37.8	-15.1	30.8	35.5	17.4
PAT	-25.6	-9.1	-5.0	13.9	20.5	13.0
<b>Per Share (Rs.)</b>						
Net Earnings (EPS)	26	24	23	26	31	35
Cash Earnings (CPS)	31	31	30	37	43	48
Dividend	404	404	404	404	404	404
Book Value	212	229	246	266	287	312
Free Cash Flow	32	25	21	24	41	46
<b>Valuation Ratios</b>						
P/E(x)	25	27	29	25	21	18
P/B(x)	3	3	3	2	2	2
EV/EBIDTA(x)	17	22	24	17	13	11
Div. Yield(%)	62	62	62	62	62	62
FCF Yield(%)	5	4	3	4	6	7
<b>Return Ratios (%)</b>						
ROE	12%	11%	9%	10%	11%	11%
ROCE	16%	14%	11%	12%	14%	14%
RoIC	10%	6%	4%	5%	7%	8%

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