

IPO NOTE

Issue Details

Price Band: ₹ 752 to ₹ 792
Employee Discount: ₹ 75/share
Issue Opens on: November 6, 2023
Issue Closes on: November 8, 2023
Lot Size: 18 Shares & in Multiples thereafter

Issue Highlights

Issue Size: ₹ 490.33 Cr.
No of Shares: 6,191,000
Face Value: ₹ 10

Offer Structure

Issuance	₹ in Cr.
Fresh Issue	-
Offer for Sale	490.33
Total	490.33

Issue Breakup

Reservation for	% of Issue	₹ in Cr. (at upper band)
QIB	50	239.23
HNI	15	71.77
Retail	35	167.46
Employee	-	11.88
Total	100	490.33

Listing

BSE

Lead Managers

- Equirus Capital Pvt. Limited
 - ICICI Securities Limited
 - IIFL Securities Limited
 - Nomura Financial Advisory and Securities (India) Private Limited

Registrar

Link Intime India Pvt. Ltd.

ANALYST

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COMPANY OVERVIEW

Protean eGov Technologies Limited was previously known as NSDL e-Governance Infrastructure Limited. It was originally set up as a depository in 1995 and now it is one of the key IT-enabled solutions companies in India engaged in conceptualizing, developing, and executing nationally critical and population-scale greenfield technology solutions. It collaborates with the government and have extensive experience in creating digital public infrastructure and developing innovative citizen-centric e-governance solutions.

They were among the leading Indian companies in the e-governance sector in terms of profitability, operating income, operating profit and operating profit margin in Fiscal 2023 (Source: CRISIL Report). Since inception and as of June 30, 2023, the company has implemented and managed 19 projects spread across seven ministries and autonomous bodies ushering change in public delivery of services. The company's primary engagement has been with ministries including the Ministry of Finance, Ministry of Information and Broadcasting, Ministry of Skill Development and Entrepreneurship, Ministry of Education, Ministry of Electronics and Information Technology, Ministry of Communication, and Ministry of Commerce and industry.

The company has domain knowledge for various industries that allows it to develop functionalities that address specific requirements of end-users, businesses, and public entities. While executing large and complex projects, the company leverages its comprehensive program management expertise. The company's clients benefit from its delivery model, significant experience across various technologies, industry knowledge, project management expertise and proprietary software engineering tools developed in-house.

HIGHLIGHTS

1. Pioneer and market leader in universal, citizen centric and population scale e-governance solutions
2. Secure, scalable and advanced technology infrastructure
3. Large physical infrastructure with pan-India network and scale resulting in inclusion
4. Diversified, granular and annuity based service offerings

OBJECTS OF THE ISSUE

1. To achieve the benefits of listing the Equity Shares on the Stock Exchanges
2. To carry out the Offer for Sale of up to ₹ 6,191,000 Cr. by the Selling Shareholders.

The company will not receive any proceeds from the Offer for sale.

OUR VIEW

Originally setup as a depository in 1995, Protean eGov Technologies is now engaged in conceptualizing, developing and executing nationally critical and population scale greenfield technology solutions. The company is the Pioneer and market leader in universal, citizen centric and population scale e-governance solutions. Their strategies include diversifying the offerings with a focus on new sectors like health, education and skills, agriculture etc.

However, the company is substantially dependent on projects awarded by government entities and agencies. Revenue from contracts and licenses sourced from government clients/ bodies formed about 72.51% of revenue as at 31st March,2023. The business is highly IT dependent. The company had negative cash flow from operations at Q1FY24.

The revenue CAGR for the period FY21-23 stood at about 10.93%. The company operated on an EBITDA margin of 15.89% and PAT margin of 14.42% for year ended FY23. Generating an ROE and ROCE of 12.49% and 16.13% respectively for FY23.

The company is asking for a PE multiple of 29.9x on the upper end of the price band and using diluted EPS for FY 2023 (₹ 26.48) and a PE of 24.87x annualizing diluted EPS for Q1FY24 (₹ 7.96). The company does not have any listed peers to compare.

Protean eGov Technologies is a pioneer and a market leader in universal, citizen-centric and population-scale e-governance solutions. It has expansion plans to reach neighboring countries for e-Governance. Looking at all the factors, risks and opportunities the investors may apply for the issue with a medium to long-term view.

Brief Financials

PARTICULARS	As at June 30, 2023	₹ in Million		
		FY '23	FY '22	FY '21
Total Income	2,331.65	7,838.72	7,701.76	6,520.27
Total Expenditure	1,914.42	6,434.54	5,845.53	5,360.23
EBITDA	468.50	1,596.30	2,031.01	1,337.38
Profit before Tax	417.23	1,404.18	1,856.23	1,160.04
Profit after Tax	322.11	1,070.42	1,439.37	921.87
E.P.S. (Diluted)	7.96*	26.48	35.75	23.00
P/E (x) (Diluted)	25*	29.9	-	-
RONW (%)	3.63	12.49	18.27	13.81

* Not Annualised

PRICE CHART (@ ₹ 792) (Retail Category)

LOT SIZE	Amount
18	14,256
36	28,512
54	42,768
72	57,024
90	71,280
108	85,536
126	99,792
144	114,048
162	128,304
180	142,560
198	156,816
216	171,072
234	185,328
252	199,584

HNI Payment Chart

Category	No. of Shares	Minimum Bid Lot Amount(Rs.)
Between ₹ 2 to ₹ 10 Lakhs (Minimum Shares)	270	213,840
Between ₹ 2 to ₹ 10 Lakhs (Maximum Shares)	1,260	997,920
Above ₹ 10 Lakhs	1,278	1,012,176

Indicative Time Table

Tentative Events	Indicative Dates
Finalisation of Basis of Allotment with the Designated Stock Exchange	6/11/2023
Initiation of refunds/unblocking ASBA Fund	7/11/2023
Credit of Equity Shares to demat accounts of Allottees	8/11/2023
Commencement of trading of the Equity Shares on the Stock Exchanges	9/11/2023

For more details, Please refer RHP,

[\(SEBI | Protean eGOV Technologies Limited - RHP\)](#)

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