



IPO NOTE

PROTEAN EGOV TECHNOLOGIES LIMITED (NSDL)

Rating:

SUBSCRIBE

(Only for High Risk Investors)



ISSUE OFFER

Issue Opens on	NOV 06, 2023
Issue Close on	NOV 08, 2023
Total IPO size (cr)	490.33
Fresh issue (cr)	NIL
Offer For Sale (cr)	490.33
Price Band (INR)	752- 792
Market Lot	18
Face Value (INR)	10
Retail Allocation	35%
Listing On	BSE

ISSUE BREAK-UP (%)

QIB Portion		50%
NIB Portion		15%
Retail Portion		35%

SHAREHOLDING (No. of Shares)

Pre Issue	Post Issue
40,446,732	40,446,732

INDICATIVE TIMETABLE

Finalisation of Basis of Allotment	13-11-2023
Refunds/Unblocking ASBA Fund	15-11-2023
Credit of equity shares to DP A/c	16-11-2023
Trading commences	17-11-2023

Protean eGov Technologies Limited was previously known as NSDL e-Governance Infrastructure Limited. It is engaged in creating digital public infrastructure and developing innovative citizen-centric e-governance solutions. 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.

OBJECTS OF THE ISSUE

- The company will not receive any proceeds from the Offer and all the Offer Proceeds will be received by the Selling Shareholders,

OUTLOOK & VALUATION

Protean eGov Technologies is a leading Indian IT-enabled solutions company that is well-positioned to benefit from the government's continued investments in digitization. The company has a wide range of services and solutions and a secure, scalable, and advanced technology infrastructure.

The financial performance of the company has been mixed, with an increase in its top-line numbers but a decline in its profit. However, Protean eGov Technologies faces some risks too, such as its dependence on government contracts, competition from other enterprise solution companies, and regulatory risks.

The IPO is coming at a P/E valuation of 29.9x, and though the company does not have any listed peers, the issue is looking reasonably priced. Considering all these factors, investors may apply for this IPO.



KEY MANAGERIAL PERSONNEL

01

Suresh Kumar Seth

Managing Director and Chief Executive Officer of the Company. He has over three decades of experience in the financial services industry with financial services companies such as Citigroup, YES Bank and Vodafone M-Pesa across India, Kenya, UK, Argentina, and USA. Prior to this role, he was the managing director and chief executive officer of India Post Payments Bank

02

Jayesh Waman Sule

Whole-time Director and Chief Operating Officer of the Company. He is a member of the Institute of Chartered Accountants of India. He was previously associated with NSDL and has over two decades of experience in capital markets and IT-enabled services.

03

Sudeep Bhatia

Chief Financial Officer and executive vice president of the Company. He is a member of the Institute of Chartered Accountants of India. He has over 20 years of experience. He joined the Company on October 7, 2022 as executive vice president and was promoted to the Chief Financial Officer with effect from January 9, 2023.

04

Maulesh Kantharia

Company Secretary and Compliance Officer and vice president of the Company. He has cleared the final examination conducted by the Institute of Company Secretaries of India and the Institute of Chartered Accountants of India. He has over 20 years of experience. He joined the Company on August 2, 2017.



COMPANY PROFILE

- Protean eGov Technologies Limited has been the chief architect and implementer for some of the most critical and large-scale technology infrastructure projects in India.
- Since its inception, it has implemented and managed 19 projects spread across seven ministries and autonomous bodies ushering change in the public delivery of services.
- It is 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.
- It has successfully adapted to technology advancements through continuous investments in new technologies and capabilities and by developing sophisticated technology architecture.
- Its Shareholders include financial institutions such as NSE Investments Limited, 360 ONE Special Opportunities Fund, SUUTI, Citicorp Finance India Limited, and certain public and private sector banks.

COMPETITIVE STRENGTHS

- Pioneer and market leader in universal, citizen-centric, and population-scale e-governance solutions.
- Secure, scalable, and advanced technology infrastructure.
- Large physical infrastructure with pan-India network and scale resulting in inclusion.
- Diversified, granular, and annuity-based service offerings.
- Track record of healthy financial performance.
- Experienced senior management team backed by strong corporate governance standards and supported by marquee investors.

KEY STRATEGIES

- Diversify its offerings with a focus on new sectors.
- Building capability around data analytics, digital verification, and due diligence.
- Expanding into newer geographies.
- Adoption of disruptive technologies and investment in open-source solutions, protocols, and networks.

KEY CONCERNS

- The business is currently substantially dependent on e-governance and other projects awarded by government establishments.
- The company is neither associated with nor related to National Securities Depository Limited. It is not engaged in the business of providing depository services under the Depositories Act.
- The prices that the company can charge for e-governance services are dependent on recommended or mandatory fees fixed under the terms of the agreements entered into with Central or State Governments.
- The Company faces competition from global and Indian enterprise solution companies.
- The company has had negative cash flows from operating activities in the past and may, in the future, experience similar negative cash flows.
- The company relies on telecommunications and information technology systems, networks, and third-party infrastructure to operate its business



COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2023)

In terms of every facet of the company's operations and services, no listed company in India can be compared to this one. Therefore, comparing the Company to other industries is not conceivable.

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (RS. IN MILLIONS)	FY 2023	FY 2022	FY 2021
Equity Share Capital	404.21	403.84	401.39
Other Equity	8,167.15	7,478.05	6,275.05
Net Worth	8,569.43	7,880.01	6,674.59
Revenue from Operations	7,422.06	6,909.09	6,031.32
EBITDA	7,838.72	7,701.76	6,520.27
Profit Before Tax	1,404.18	1,856.23	1,160.04
Net Profit of the Year	1,062.09	1,475.62	893.27

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CORPORATE & ADMINISTRATIVE OFFICE - 48, Jaora Compound, M.Y.H. Road, Indore - 452 001 | Phone 0731 - 6644000

Compliance Officer: Ms. Sheetal Duraphe Email: compliance@swastika.co.in Phone: (0731) 6644 241

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