

Subscribe

Issue Detail	
Price Band (Rs.)	Rs.752 - Rs.792
Face Value (Rs.)	10
Issue Size (Rs.)	490.33 Cr
Issue Type	Book Built Issue IPO
Minimum lot	18 Shares
Issue Opens	November 6, 2023
Issue Closes	November 8, 2023
Listing on	BSE

Indicative Timeline	On or before
Finalization of Basis of Allotment	November 13, 2023
Unblocking of Funds	November 15, 2023
Credit of shares to Demat Account	November 16, 2023
Listing on exchange	November 17, 2023

Other Detail	
Book Running Lead Managers	ICICI Securities Limited, Equirus Capital Private Limited, IIFL Securities Ltd, Nomura Financial Advisory And Securities (India) Pvt Ltd.
Registrar	Link Intime India Private Limited.

Distribution Team
E: ipo@acm.co.in D: +91 22 6132 5931

Retail Research
E: retailresearch@acm.co.in D: +91 22 2858 3206

Protean eGov Technologies Limited

Company Background

Protean eGov Technologies Limited (PETL) was incorporated in December 1995, previously known as NSDL e-Governance Infrastructure Limited. The company is engaged in the business of developing citizen-centric and population-scale e-governance solutions for more than 2 decades. It has played a vital role in developing national infrastructure for capital market development in India.

The company has developed and implemented some of the most crucial technological infrastructure in India. Since December 2022, it has implemented and managed 19 projects spread across several ministries. The company's vital role in developing digital infrastructural solutions has led to the achievement of multiple milestones.

The company's PAN and TIN facilitation centers network was in over 12,000 PIN codes spread across over 700 districts in India. In addition, as of June 30, 2023, it covered over 26,000 nodal offices of the central government, over 263,000 nodal offices of state governments and had over 87,000 points of presence across India for the administration of the NPS. As of June 30, 2023, it has 635 employees on its payroll.

Issue Details

The IPO Offer for Sale of equity shares aggregating upto Rs. 490.33 Cr

Issue Objectives

The company will achieve:

1. Benefits of listing the Equity Shares on the Stock Exchange &
2. Carry out the Offer for Sale of up to 6,191,000 Equity Shares.

IPO Share Issue Structure

Category	Allocation	Number of Shares	Value at upper price band (Rs. in Cr.)
QIB (Institutional)	50%	30,20,500	239.22
Non Institutional	15%	9,06,150	71.77
Retail	35%	21,14,350	167.46
Employee*		1,50,000	10.76
Total	100%	61,91,000	489.20

Employee Discount is Rs. 75 Per Share*

Source: Company RHP, ACMIIL Research

Outlook and Valuation

The company is Embracing Digital Progress With the economy becoming more digitalized and the introduction of advanced infrastructure like the new 5G network, the company anticipates a rise in the adoption of its products by clients and end-users. Looking ahead, the company plans to enhance digital platforms, create industry and technology frameworks, introduce IoT-based solutions, utilize blockchain and artificial intelligence, and focus on business process digitalization. These initiatives aim to establish comprehensive digital transformation capabilities, ensuring a positive outlook for the future. At the upper price band of Rs. 792/-, stock has valued at PE multiple of 29.91 of its FY23 Diluted EPS. **We recommend subscribing to the issue from a medium to long-term perspective.**

Company Overview

Protean eGov Technologies Ltd. (PETL) - (erstwhile known as NSDL eGovernance Infrastructure Ltd.) 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 collaborated with the government and has extensive experience in creating digital public infrastructure and developing innovative citizen-centric e-governance solutions. The company has a set-up of depository and created a systemically important national infrastructure for capital market development in India. It is the chief architect and implementer for some of the most critical and large-scale technology infrastructure projects in India.

They are a prominent IT-enabled solutions company in India. Their focus lies in conceptualizing, developing, and implementing large-scale Greenfield technology solutions of national significance. They engage in collaboration with the government and possess extensive experience in building digital public infrastructure and pioneering citizen-centric e-governance solutions. In Fiscal 2023, they stood out among the leading Indian companies in the e-governance sector. Their significant contributions include the establishment of public digital infrastructure and the implementation of e-governance initiatives that has impacted various sectors of the Indian economy. It is a professionally managed company and is led by an experienced senior management team whose expertise and industry experience has helped it grow operations and innovate services. 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.

PETL has been instrumental in establishing public digital infrastructure and creating e-governance interventions impacting multiple sectors of the Indian economy. Some of its key interventions include:

- Modernizing the direct tax infrastructure in India through projects like Permanent Account Number ("PAN") issuance, the Tax Information Network ("TIN") including Online Tax Accounting Systems ("OLTAS").
- Strengthening the old age security system in the country by building the core IT infrastructure as a Central Recordkeeping Agency ("CRA") for the National Pension System ("NPS").
- Enabling the universal social security system for all Indians, particularly the workers in the unorganized sector by creating technology infrastructure as a CRA for the Atal Pension Yojana ("APY").
- Contributing to the India Stack, a set of application programming interface ("API") that allows governments, businesses, startups and developers to utilize a unique digital infrastructure to prepare solutions that are presence-less, paperless and enable cashless service delivery. It has also enabled the BFSI sector by providing Aadhaar-based identity authentication and e-Sign services, as a licensed certifying authority empaneled by the Controller of Certifying Authorities. PETL appointed as a registrar for enrolling citizens for Aadhaar.
- Improving accessibility to education and skill financing through creation of efficient digital marketplaces enabling discovery of financial resources through platforms such as Vidya Lakshmi, and Vidyasaarathi.
- Contributing to and supporting open digital building blocks such as Open Network for Digital Commerce ("ONDC") for use-cases across sectors like e-commerce, mobility, healthcare, agriculture and education. It is one of the key and early contributors to the open source community and protocols that are powering ONDC.

The company's market share has been 45% in PAN issuance, 58% in TIN, 94% in NPS, and 100% in Atal Pension Yojana (APY). It has embraced an impact-weighted framework to guide all business decisions with a focus on the Environment, Social and Governance ("ESG") framework and is committed to building a value system guiding it to contribute towards a sustainable and responsible future.

Its market-first innovations has been consistently implemented across various sectors and products such as TIN in taxation, pilot infrastructure for GST which laid out the foundation for the roll-out for a unified tax accounting system in India. It is actively contributing to and supporting open digital building blocks having open-source technology and protocols that powers ONDC for use cases in sectors like e-commerce, mobility and open finance. ONDC is live in 400+ cities in alpha phase and seven (7) cities in the beta/test phase. The difference in alpha and beta phases is that more focus and marketing efforts are done in the beta phase. ONDC has onboarded about 1.79 lakh sellers'/service providers across the country with 47 network participants gone live. These network providers are buyers', and seller applications and logistics providers.

Business Operations

A) Tax Modernization

The GoI constituted a high powered committee comprising of ten prominent members from public and private institutions under the chairmanship of Dr. Vijay L. Kelkar, Advisor to the Minister of Finance and Company Affairs in September 2002 for modernisation of the direct tax infrastructure. The Kelkar Committee report submitted by the taskforce in December 2002 was the cornerstone for tax modernisation reforms in India. The report mentioned that the availability of IT expertise and the presence of world-class (common carrier) network systems developed by Company could be relatively quickly deployed to make a systemic improvement in processes to reduce transaction costs.

B) Tax Information Network

The GoI entrusted the Company to incubate and implement the TIN in 2004, resulting in the creation of a consolidated electronic tax ledger for each taxpayer providing complete details of taxes paid and a 360 degree view of tax collected and deducted at source. The Company believes it has helped in modernization of the direct tax collection system, processing, monitoring and accounting of direct taxes and has made tax administration more effective, facilitated reconciliation, filing of TDS returns convenient, reduced compliance cost, improved turnaround time and increased transparency.

C) PAN Services

The Income Tax Department, Government of India has authorized the Company to set up and manage PAN service centres for application processing, collection, verification of proof of identity and proof of address, PAN card printing and logistics management. To offer these services, has established PAN service centres and TIN facilitation centres at various locations across India. It also offer the option of submitting application through its service centres or online through its website. In addition to allotment of new PAN, it also take care of reprint of PAN or/and changes or corrections in PAN data. Further, in order to expand its last mile geographical reach, it has entered into partnerships with distribution networks such as Nearby Technologies Private Limited, Fino Payments Bank Limited, Vakrangee Limited and Payworld Digital Services Private Limited among others.

D) Online PAN Verification

The online PAN verification service was authorized by the Income Tax Department, Government of India to launch a verification service for PANs by authorized entities. Entities who avail this facility are 'investment advisors' approved by SEBI, housing finance companies, insurance companies, banks, financial institutions, educational institutions established by regulatory bodies, government agencies, stock exchanges, commodity exchanges and clearing corporations.

E) Central Recordkeeping Agency - National Pension System 14B

Pension reforms in India were set out by the 'OASIS' Committee and culminated into the implementation of National Pension System by the Pension Fund Regulatory and Development Authority ("PFRDA") under directions of Government of India. To strengthen the old age security infrastructure in the country and to make India a pensioned society, unbundled architecture was established by PFRDA in 2007. The Company were appointed as a CRA after a selection process from among various institutions in the country. It believe they were selected based on their demonstrated experience in conceptualizing, implementing and managing similar large infrastructures across various projects.

F) Atal Pension Yojana ("APY")

To address the longevity risks of workers in the unorganised sector and to encourage them to voluntarily save for their retirement, the Indian government announced a new scheme called Atal Pension Yojana (APY) in the Union Budget 2015 - 2016. APY is administered by the PFRDA through the NPS architecture. They are the only CRA managing the infrastructure of the APY in India.

G) Aadhaar

The implementation of the Aadhaar has led to a revolution in authentication and consequently in monitoring and security, credit ecosystems, payment systems and direct benefit transfers. They were appointed as a registrar by the Unique Identification Authority of India to facilitate registration of residents for Aadhaar. As a registrar Company carried out more than 90 million Aadhaar enrolments, as of January 30, 2019. However, Company's engagement under this project was concluded in Fiscal 2019 and has not been renewed further.

H) Aadhaar Authentication / e-KYC Services

e-KYC process often referred to a paperless KYC, is the process through which verification of customer credentials are done electronically. In India, e-KYC process norms are laid down by Reserve Bank of India. e-KYC services are majorly based in situations where service providers need to verify the authenticity of details provided by the customer. In addition, to support digital payments and increase the financial inclusion in rural part of nation, Government of India has introduced Aadhaar enabled payment system through which one can have Aadhaar linked bank account to process the transaction.

I) e-Sign Services

Enablement of electronic signatures is critical for end to end digitisation of documentation processes across various sectors facilitating paperless operation. Electronic signature ("e-Sign") is a service through which electronic signing of documents can be done in an easy, efficient and secure manner. The Company has been empaneled by the Controller of Certifying Authorities of India as a licensed 'Certifying Authority' and e-Sign Service provider.

J) Education and Skill Financing Solutions

In its quest to promote sustainable development through various innovative technology solutions one of its areas of focus has been to bring about inclusivity in education. In most of the developing countries only a small percentage of the education funding is attributed to external funding mechanisms but access to these initiatives are limited. Therefore, even though basic educational qualifications hold a lot of importance while determining career prospects -fulfilling the aspiration of specializations and upskilling comes with a huge financial burden. Courses from top colleges and universities need more than just talent. Understanding this inherent need for inclusivity and the important role of funding in education in promoting this inclusivity, It has developed multiple funding avenues including digital marketplaces across education and skilling.

K) Sunset Project - Vidya Kaushal

In the skilling sector, Vidya Kaushal platform developed by Company for the National Skill Development Corporation enables any student to apply for financial assistance / loan to pursue skill development training courses. This unique skill platform aims to provide truly seamless access to skill loan funding aligned with the national vision of developing a skilled India, which, It believe will help in creating greater employment opportunities and employable skills. It believe that its offerings has not just led to efficiency in operations through creation of various service platforms but has also resulted in greater financial inclusion in education and skilling.

L) National Judicial Reference System ("NJRS")

The NJRS was developed by Company for the Income Tax Department. It is a platform for decision support and timely actions in direct tax cases. NJRS acts as a tool to achieve efficiency in the tax litigation process of Income Tax Department and is a repository of tax judgments. It is a single accumulated reference of all final judgments and orders of the Income Tax Appellate Tribunal from the year 2012 and High Courts and the Supreme Court of India from the year 2009 and all legacy judgments.

Industry Overview

Technology is expected to play an important role by progressively reducing the cost of reaching out to smaller markets. India has seen a tremendous rise in fintech adoption in the past few years and has the highest fintech adoption rate globally of 87% which is significantly higher than the global average rate of 64%. Among many initiatives by the government, the Unified Payments Interface ("UPI") is playing a pivotal role towards financial inclusion.

E-governance involves the utilization of information and communication technology (ICT) to facilitate government operations and deliver public services. Its overarching goal is to enhance and streamline governance for all stakeholders, encompassing the government, citizens, and businesses. The advancement in technology and platform upgrades, coupled with the initiatives of both central and state governments, will be the driving force behind its growth. E-governance strives to render interactions between the government and citizens, government and business entities, and inter-agency interactions more haser-friendly, convenient, transparent, and cost-effective.

Key Industry Demand Driver

Internet penetration in India

Internet subscribers to reach ~1,000 million by fiscal 2026 Internet and broadband penetration in India has expanded rapidly owing to connectivity by means of smartphones and other digital modes. Internet subscribers in the country increased from 251.6 million in Fiscal 2014 to 824.9 million in Fiscal 2022, logging a 16.0% CAGR. Going ahead, total internet subscribers are expected to clock 4-6% CAGR to reach 970-1,030 million by Fiscal 2026.

Government's outlay on promotion of digital payments

There has been a manifold increase in digital payments in the recent past. To further boost digital transactions, the finance minister in Union Budget 2023-2024 earmarked ₹ 115.4 billion to bolster the digital India initiative of which ₹ 1.5 billion are proposed to provide financial incentive to promote digital mode of payments. Further, various initiatives such as setting up of 75 digital banking units in 75 districts across the country by scheduled banks and 100% inclusion of post-offices under the core banking systems thus providing features such as net banking, mobile banking, ATMs, and also provide online transfer of funds between post office accounts and bank accounts has been taken.

Government expenditure on IT and telecom continues to rise

Government spending on IT and telecom has increased continuously, with telecom comprising bulk of the share, at approximately 86% in Fiscal 2023.

Digitisation: Catalyst for the next growth cycle

Technology is expected to play a pivotal role in taking the financial sector to the next level of growth, by helping surmount the challenges stemming from India's vast geography, which makes physical footprints in smaller locations commercially unviable. Technology is conducive for India, considering its demographic structure where the median age is less than 30 years. The young population is tech savvy and at ease with having it to conduct the entire gamut of financial transactions.

Growth drivers for PAN card issuance

Further growth in financial inclusion schemes would augment PAN card issuance. Financial inclusion refers to a method in which every individual in the society is provided with banking and financial solutions and services irrespective of their earnings. With an aim to provide banking services for the unbanked population in the country, the Government of India started the National Mission for Financial Inclusion ("NMFII"), namely Pradhan Mantri Jan Dhan Yojana ("PMJDY"), in 2014. In order to implement this scheme, a digital pipeline has been set up linking the Jan-Dhan account with the Aadhaar card of the account holder. Under PMJDY, a basic savings bank deposit account can be opened at any branch or business correspondent outlet by persons not having any other account. In addition to this, the RBI along with National Bank for Agriculture and Rural Development ("NABARD") has undertaken several steps such as issue of Kisan Credit Cards, improving the banking network in remote areas, increasing the number of ATMs, linkage of self-help groups with banks, amongst others. Apart from those mentioned above, the Government of India has also introduced other schemes to promote financial inclusion.

Growth drivers for income tax filings and tax collection

Over 60% of India's population is the working age bracket of 15-59 years and this bracket is expected to grow to above 60% in the next decade. According to UN World Population Prospects, in 2020, approximately 879 million people were in the working age range and the number is expected to be close to 940 million by 2026 adding more individuals to the taxpayer base. The individual taxpayer base in Fiscal 2018 stood at 80.4 million. With increasing working age population and the overall economic growth in the country, the individual taxpayer base is expected to expand at a CAGR of 9%-10% till Fiscal 2026.

Competitive Strengths

Pioneer and market leader in universal, citizen-centric, and population-scale e-governance solutions

PETL is among the few players in India which are working towards the creation of open digital ecosystems. For example, it is one of the key and early contributors to open-source community and protocols that are powering ONDC. It is among India's top IT-enabled e-governance service providers in terms of profitability and operating income in Fiscal 2023. It continues to be a market leader in the provision of e-governance services such as management of the TIN, PAN processing, NPS, and Atal Pension Yojana. It has demonstrable experience in implementing and managing population scale critical solutions, and since inception, it has developed and implemented 19 projects across seven ministries across India. It is amongst the few private players in India the in e-governance space working towards the achievement of Digital India initiative and creation of open digital ecosystems by leveraging open source technologies, across variety of sectors such as e-commerce, mobility, healthcare, agriculture and education amongst others.

Secure, scalable, and advanced technology infrastructure

It has made investments in technology platforms that its experience has strengthened their competitive advantage, increased its operating leverage, ensured scalability and improved functionality while driving innovation. These investments have also helped to provide their clients and other stakeholders with bespoke services. Its market-first innovations have been consistently implemented across various sectors and products such as TIN in taxation, pilot infrastructure for GST which laid out the foundation for the roll-out of a unified tax accounting system in India. It is actively contributing to and supporting open digital building blocks open-source technology and protocols that power ONDC for use cases in sectors like e-commerce, mobility and open finance.

Large physical infrastructure with pan-India network and scale resulting in inclusion

Its digital touch points include the e-Sign, e-KYC, Aadhaar Authentication, e-PAN services. In Fiscal 2023, it handled over 101.07 million of e-Sign transactions and crossed 276.33 million e-Sign transactions cumulatively until Fiscal 2023. In the three months ended June 30, 2023, it handled over 31.55 million e-Sign transactions and crossed 307.88 million e-Sign cumulative. It also generated 36.50 million e-PANs in Fiscal 2023 and 12.82 million e-PANs in the three months ended June 30, 2023. Its mobile application for NPS has been downloaded over nine (9) million times, as of June 30, 2023 and its APY mobile application was downloaded over 4.11 million times. It believes that its technology infrastructure is designed to support the growth of its business and helps ensure reliability of their operations and this large physical infrastructure assists in completing the digital journey of individuals who has limited or no access to technology infrastructure and helps them achieve certain of their sustainable development goals through greater inclusivity.

Diversified, granular and annuity-based service offerings

The Company's diversified service offerings are spread across sectors such as tax administration, pension record-keeping solutions, national identity and identity authentication solutions, and education and skill financing solutions. Its offerings cater to multiple target groups and customer segments including businesses and retail consumers apart from the government, ensuring low concentration risk. For example, under business-to-business, it has implemented e-KYC and e-Sign as a service. While under business-to-consumer services it has PAN enrolment. Under business-to-government services, it has services like TIN and NPS.

Track record of healthy financial performance

It has established a track record of strong and consistent financial performance. Its technology-driven operations and low operational costs has resulted in comparatively higher operating margins. It has been able to scale its technology platforms with limited capital expenditure and working capital to offer additional service offerings.

Experienced senior management team backed by strong corporate governance standards and supported by marquee 141 investors

The company's experienced senior management team has been instrumental in the growth of its operations over the years with many of them being associated with their Company for over two decades. Their collective industry experience has enabled them to anticipate and capitalize on changing market trends, manage and grow their operations and leverage and deepen client relationships. Its Managing Director and Chief Executive Officer, Suresh Kumar Sethi has over 30 years of experience and has worked in the financial inclusion space, leveraging fintech and digital-led innovation. In his stints prior to India Post Payments Bank, he has worked with financial services companies such as Citigroup, YES Bank, Vodafone and M-Pesa across India, Kenya, UK, Argentina and hasA. He has held senior-level positions at regional and global levels.

Key Business Strategies

Diversify its offerings with a focus on new sectors

The Company has been involved at multiple nodes of the Aadhaar value chain starting from enrolments to digital transactions creating digital public infrastructure and providing enabling solution to the Aadhaar ecosystem. It intend to extend thier experience in implementing large scale time critical and data intensive project like Aadhaar to diverse sectors with the specific focus on health, education and agriculture. It intend to position ourselves as an enabler of digitalization to create sustainable public digital infrastructure across sectors and continue to invest in improving its existing technology systems or implement new, more advanced technology systems that may be developed. The sectors targeted are in the areas such as;

a) Healthcare:

Healthcare is one of India's largest sectors, in terms of revenue and employment. The growth in the industry is supported by increased demand due to the COVID-19 pandemic and government initiatives like access-free drugs and diagnostics under the Ayushman Bharat programme, increased spending under healthcare, and increased penetration of insurance and increased awareness about regular health check-ups. With renewed impetus from PM Jan Arogya Yojana and government focus shifting to the healthcare sector, the healthcare delivery market is expected to clock Rs. 7.67 trillion in Fiscal 2025.

b) Education and Skilling:

India's education system is one of the largest systems in the world. With slightly over a half a billion under the age of 20 years, India has a large pool of students to target the infusion of technology related services. The digital education market is estimated to be worth about ₹ 200 billion to ₹ 210 billion in Fiscal 2022. The major factors driving the growth of edtech in the future are increasing penetration of ed-tech learning at home and schools, rising demand for skilling of corporate employees and higher education students, development of technology, rationalization in the prices of new-tech solutions.

C) Agriculture:

The pandemic has imposed a difficult situation in front of farmers with challenges, such as shortage of farm labour, farming equipment and agri-inputs (seeds and crop protection products). This situation aided the agritech companies in the digital space to respond, and advance their penetration with thoughtful interventions. There has been an increasing trend to leverage various ecommerce platforms for last-mile delivery of essential agri-inputs to farmers. Additionally, farmers received crop-specific advisory, funding, and market linkages to buy their produce back from various agritech players. Such support in a crisis acted as a tool in winning the farmers' trust.

Building capability around data analytics, digital verification and due diligence

PETL has a track record of successfully implementing and managing large and critical applications and databases and developing solutions that offer operational efficiency and productivity. Leveraging on this experience, It intend to build core capabilities around data led businesses. In the Indian market, IoT, artificial intelligence and big data are the strong drivers for data center investments. The Indian market is witnessing the adoption of a variety of IoT-enabled devices at a steady pace. The implementation of 5G network for mobile devices will aid growth of IoT and big data analytics. These opportunities enable them to build on its strength of managing and monitoring large databases and build offerings around data led businesses such as:

a) Account Aggregator:

Account Aggregator ("AA") has the potential to disrupt the digital lending industry by allowing more people and businesses to access formal credit. By eliminating paperwork, AA enables lenders to has faster access to consented data from individual customers and small businesses, allowing them to assess credit risks and process more loan applications without jeopardising due diligence and security.

b) Digital verification and due diligence:

It has developed credible business intelligence solutions by consolidating its existing offerings like online PAN verification, e-KYC, GST verification and integrating with other such verification solutions and delivering products designed to identify frauds, make credit appraisal seamless and monitor financial transactions swiftly and securely. Its API's integrate with existing client systems to offer customizable solutions as per requirements.

c) Cloud Services.

According to NASSCOM, public cloud services market size was estimated to be approximately ₹ 550 billion in Fiscal 2023 and expected to grow at CAGR of 22% to 28% to reach about ₹1,000 billion to ₹ 1,150 billion by Fiscal 2026. (Source: CRISIL Report). In the Indian market, IoT and big data are the strong drivers for data center investments. The implementation of 5G network for mobile devices will aid growth of IoT and big data analytics. Further, digitalisation is driving the demand for cloud-based services in India. The adoption of advanced technological solutions that include IoT, big data and artificial intelligence increases the demand for cloud services across verticals.

d) Cyber Security.

Accelerated adoption of digital consumption and more number of inter-connected systems has made organizations focus more on cyber security as a vital investment area. The market is mainly driven by e-commerce and other emerging online platforms. According to an analysis by the Data Security Council of India, the cyber security market in India is expected to grow from has\$ 1.98 billion in 2019 to has\$ 3.05 billion by 2022, at a CAGR of 15.6%.

Expanding into newer geographies

Given its expertise in handling a range of IT/ ITEX projects and its ability to provide diversified services and solutions, It intend to offer their services selectively in jurisdictions outside India. It will look to leverage the expertise of working and developing projects for the Indian government to similar projects in countries where Company is currently evaluating projects. Considering this expertise, the Ministry of External Affairs, Government of India has enlisted Company under its "Development Partnership Frameworks" to promote India's capabilities globally.

Adoption of disruptive technologies and investment in open source solutions, protocol and networks

PETL recognize that they are evolving towards collaborative ecosystems and are striving to be one of the main contributors in creating and building 'Open Digital Ecosystems' across sectors which would be transparent, secure and enable a community of actors to unlock innovative, disruptive and transformative solutions for society, based on a robust governance framework. It believe that having such ecosystems would enable different parts of the government system (across centre, states, ministries and departments) and private entities to collaborate for service delivery and allow various players to build new services and solutions which will coexist in this ecosystem. It expect that the full potential of technology and community will be realized by having open APIs, open standards, open data and modular architecture, thus facilitating inter-operability and unlocking shared value.

Financial Snapshot (Consolidated)

Particulars (in Rs. Mn)	FY2021	FY2022	FY2023	Three months ended June 30, 2023
Revenue from operations	6,031.32	6,909.09	7,422.06	2,204.03
EBITDA	848.43	1,238.34	1,179.64	340.88
Profit for the year / period	921.87	1,439.37	1,070.42	322.11
PAT Margin (%)	15.28%	20.83%	14.42%	14.61%
Net Worth	6674.59	7880.01	8117.69	8880.95
Diluted EPS	23	35.75	26.48	7.96
Return on Capital Employed (%)	16.93%	22.91%	16.13%	4.60%
Return on Equity (%)	13.81%	18.27%	12.49%	3.63%

Source: Company RHP, ACMIIL Research

Risks and concerns

- Government Projects Dependency**

The company heavily depends on government projects, which comes with risks. Their relationship with government entities might affect their business negatively.

- Tech Reliance Warning**

The company relies on technology and third-party networks to operate. If these systems fail, it could impact their ability to deliver products and services effectively.

ACMIIL Retail Research Products

Informational Products	Recommendation Products
Morning Notes	Momentum calls
Market Watch	Smart Delivery trades
Investor First	Positional technical calls
Preview	Investment ideas
Market Pulse	Master trades High & Medium Risk
RBI Monetary Policy	Techno Funda
Budget Report	Stock Basket
Weekly Derivatives Synopsis	Mutual fund model portfolios
Rollover Snapshot	Portfolio Doctor
Rollover Analysis (Monthly)	

For More Information on Retail Research Products please visit

<https://www.investmentz.com/research-services>

Asit C. Mehta

INVESTMENT INTERMEDIATES LTD.

Retail Research Desk:

Email: retailresearch@acm.co.in

Research Analyst Registration Number:

INH000002483

CIN: U65990MH1993PLC075388

Download Investmentz app:



Follow has on:



Information pertaining to Asit C. Mehta Investment Intermmediates Limited (ACMIIL):

ACMIIL is a SEBI registered Stock Broker, Merchant Banker, Portfolio Manager, Research Analyst and Depository Participant. It is also a AMFI registered Mutual Fund Distributor. Its associate/group companies are Asit C. Mehta Commodity Services Limited, Nucleus IT Enabled Services, and Asit C. Mehta Financial Services Limited (all providing services other than stock broking, merchant banking and portfolio management services.).

Disclosures

ACMIIL/its associates and its Research analysts have no financial interest in the companies covered on the report. ACMIIL/its associates and Research analysts did not have actual/beneficial ownership of one per cent or more in the companies being covered at the end of month immediately preceding the date of publication of the research report. ACMIIL/its associates or Research analysts have no material conflict of interest, have not received any compensation/benefits for any reason (including investment banking/ merchant banking or brokerage services) from either the companies concerned/third parties with respect to the companies covered in the past 12 months. ACMIIL/its associates and research analysts have neither managed or co-managed any public offering of securities of the companies covered nor engaged in market making activity for the companies being covered. Further, the companies covered neither are/nor were a client during the 12 months preceding the date of the research report. Further, the Research analyst/s covering the companies covered herein have not served as an officer/director or employee of the companies being covered.

Disclaimer:

This report is based on information that We consider reliable, but We do not represent that it is accurate or complete and it should not be relied upon such. ACMIIL or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in the report. To enhance transparency We have incorporated a Disclosure of Interest Statement in this document. This should however not be treated as endorsement of the views expressed in the report.

You are also requested to refer to the disclaimer (which is deemed to be part and parcel and is applicable to this research report as well) :

<http://www.investmentz.com/disclaimer>