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## UIDAI ₹1160 cr order improves revenue visibility

**About the stock:** Protean eGov Technologies Ltd. (Protean) is a play on digital public infrastructure (DPI) and e-governance initiatives taken by various governmental bodies in India.

The company has 3 core verticals including i) Tax services, ii) social security & welfare and iii) identity authentication. Further, it has ventured in new age businesses including Open Digital Ecosystem (ODE), Cloud & Infosec.

**Event Update:** Protean eGov Technologies Limited has received a work order from the Unique Identification Authority of India (UIDAI), Government of India, to act as a service provider for establishing and operating District Level Aadhaar Seva Kendras (ASK) across 188 districts in the country. The contract, valued at ~₹1,160 cr (exclusive of taxes), covers a period of six years and involves delivering Aadhaar enrolment, various kind of updates (demographic, biometric) and related services through both appointment and walk-in modes.

**ASK work order improves revenue visibility esp. post PAN 2.0 miss:** This ₹1,160 cr UIDAI contract is poised to substantially enhance Protean's revenue visibility which has taken a hit post PAN 2.0 miss. Broadly even revenue of ₹ 180-190 cr is expected with inflation adjustment every 2 years. This is equivalent to ~21-23% of its TTM topline. Management expects small portion of revenue to start accruing from Q3FY26 and it could take upto 12 months for full impact to get reflected. Management indicated the project shall be margin accretive once operating at full scale although they didn't quantify the same. This work order is not a turnkey project but a managed service provider. Further, Protean shall receive payment from UIDAI on monthly basis as per the transactions. Thus, capex and working capital requirement is expected to be limited.

Overall, Aadhar is a deeply penetrated category with almost entire population covered above age of 5 years. Thus, updation and services transaction also take place at a large scale wherein Protean will be playing one of the key roles in supporting India's digital public infrastructure. Beyond the financial impact, the successful rollout of 188 Aadhaar Seva Kendras would further strengthen Protean's position as a trusted partner in executing mission-critical digital public infrastructure projects, strengthening its competitive edge in the digital services domain.

### Rating and Target Price

- This work order shall recoup part of the loss expected owing to PAN 2.0 contract miss. Prior to ASK contract, RFP order book stood at ₹ 300 cr of which ~₹ 100 cr is expected to be executed in FY26E. With addition of meaningful contribution of ASK contract from FY27E onwards, revenue visibility has improved. We revise our earnings for FY27E upwards and also upgrade multiple considering improved revenue visibility. Recommend BUY rating on the stock with a revised target price of ₹ 1070.



**protean**  
Change is growth

### Particulars

Particular	Amount
Market Cap (₹ Crore)	3,604
FY25 Debt (₹ Crore)	69
FY25 Cash (₹ Crore)	797
EV (₹ Crore)	2,876
52 Week H/L (₹)	1535 / 716
Equity Capital (₹ Crore)	40.5
Face Value	10

### Shareholding pattern

	Sep-24	Dec-24	Mar-25	Jun-25
Promoter	-	-	-	-
FII	6.7	9.9	10.9	8.8
DII	28.9	30.1	27.8	24.8
Others	64.4	60.0	61.3	66.5

### Price Chart



### Key risks

- Dependency on projects awarded by government entities and agencies.
- Technology break-down / Cyber security risk
- Competition capable to challenge Protean

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### Key Financial Summary

(₹ crore)	FY22	FY23	FY24	FY25	3 year CAGR (FY22-25)	FY26E	FY27E	2 year CAGR (FY25-27E)
Revenue	691	742	882	841	6.8	1,002	1,209	19.9
EBITDA	124	118	89	80	(13.4)	110	167	44.4
EBITDA Margin (%)	17.9	15.9	10.1	9.6		11.0	13.9	
Net Profit	144	107	97	92	(13.7)	103	143	24.5
Diluted EPS (Rs)	35.5	26.4	24.0	22.8		25.4	35.3	
P/E (x)	24.9	33.5	36.8	38.7		34.8	25.0	
EV/EBITDA (x)	24.4	24.2	31.9	35.5		25.5	16.3	
RoCE (%)	22.8	16.1	13.4	11.1		12.1	15.4	
RoE (%)	18.2	12.5	10.5	9.3		9.7	12.4	

Source: Company, ICICI Direct Research

## Concall highlights and outlook

- Gross contract value of UIDAI order is ₹1370 cr for Protean, inclusive of GST while the net amount is ₹1160 cr.
- UIDAI has given orders to 2 companies covering 471 districts in total of which 188 such districts i.e. 40% of this mix has been allotted to Protean. There is no overlap of districts among these two companies nor any geographical concentration.
- Scale of Aadhar is unmatched with 140 cr+ such cards issued till date. Protean's role shall be to establish and operate ASK for delivering Aadhaar enrolment, various kind of updates (demographic, biometric) and related services through both appointment and walk-in modes.
- Revenue would be earned on per transaction basis wherein contract size of ₹1160 cr is based on reasonable estimate of transactions while depending on volume of transactions, the figure could vary.
- Broadly even revenue of ₹180-190 cr expected with inflation adjustment every 2 years. Overall, the project shall be margin accretive at company level.
- This work order is not a turnkey project but a managed service provider. In terms of fund flows, Citizen shall pay charges to UIDAI which shall then be paid to Protean alongwith any subsidy amount on monthly basis. Thus, capex and working capital requirement for Protean shall be limited which is comforting.
- ASK facilities would be exclusively set up and not alongwith existing Protean's distribution network. The focus of UIDAI is to have one-stop shop for all Aadhar related updation activity and such other services.

**Exhibit 1: Revenue mix business segment wise**

Business segments	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Tax Services Proportion	53.6%	53.0%	58.5%	55.1%	50.4%	43.0%	36.2%
Growth YoY	-	13.2%	18.6%	12.0%	-12.9%	1.8%	1.5%
Pension services	32.7%	29.5%	29.8%	28.7%	33.7%	32.2%	30.1%
Growth YoY	-	3.6%	8.3%	14.5%	12.0%	13.7%	12.9%
Identity services	12.1%	15.8%	9.2%	12.6%	11.9%	10.6%	10.1%
Growth YoY	-	49.3%	-37.6%	63.2%	-9.8%	5.8%	15.2%
New Businesses	1.7%	1.7%	2.6%	3.6%	4.0%	14.2%	23.6%
Growth YoY	-	17.8%	61.3%	66.7%	5.3%	322.7%	100.3%

Source: Company, ICICI Direct Research

## Financial Summary

## Exhibit 2: Profit and loss statement

₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E
Revenue	882.0	840.7	1,001.8	1,209.0
% Growth	18.8	(4.7)	19.2	20.7
Other income	67.6	68.3	74.4	79.6
<b>Total Revenue</b>	<b>949.6</b>	<b>908.9</b>	<b>1,076.2</b>	<b>1,288.6</b>
Employee Expenses	175.1	188.6	252.7	290.6
Other expenses	195.9	244.7	249.6	292.1
Total Operating Expenditure	792.6	760.3	891.5	1,041.5
<b>Operating Profit (EBITDA)</b>	<b>89.4</b>	<b>80.4</b>	<b>110.4</b>	<b>167.5</b>
% Growth	(24.2)	(10.2)	37.3	51.8
Interest	1.7	2.4	4.2	4.2
PBDT	155.3	146.3	180.5	242.9
Depreciation	27.5	27.9	45.1	54.4
PBT before Exceptional Items	127.9	118.4	135.4	188.5
Total Tax	30.6	26.0	32.5	45.2
PAT before MI	97.3	92.4	102.9	143.2
<b>PAT</b>	<b>97.3</b>	<b>92.4</b>	<b>102.9</b>	<b>143.2</b>
% Growth	(9.1)	(5.0)	11.4	39.1
<b>EPS</b>	<b>24.0</b>	<b>22.8</b>	<b>25.4</b>	<b>35.3</b>

Source: Company, ICICI Direct Research

## Exhibit 3: Cash flow statement

₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E
Profit after Tax	97.3	92.4	102.9	143.2
Depreciation	27.5	27.9	45.1	54.4
Interest	1.7	2.4	4.2	4.2
Cash Flow before WC changes	126.4	122.6	152.2	201.9
Changes in inventory	-	-	-	-
Changes in debtors	19.6	45.2	(35.8)	(42.6)
Other current assets	(26.7)	55.6	(5.0)	(6.4)
Net Increase in Current Assets	(16.0)	(48.8)	(73.5)	(88.2)
Changes in creditors	(12.0)	(16.6)	17.6	23.9
Other current liabilities	3.3	19.0	20.5	26.6
Net Increase in Current Liabilities	(8.7)	2.5	38.1	50.5
<b>Net CF from Operating activities</b>	<b>101.7</b>	<b>76.3</b>	<b>116.8</b>	<b>164.2</b>
(Purchase)/Sale of Fixed Assets	(39.3)	(20.2)	(30.0)	(30.0)
Others	7.5	(1.3)	3.2	3.7
<b>Net CF from Investing activities</b>	<b>(71.5)</b>	<b>(116.6)</b>	<b>(70.9)</b>	<b>(74.0)</b>
Dividend and Dividend Tax	(40.5)	(19.8)	(44.5)	(49.0)
Others	11.2	45.5	(4.2)	(4.2)
<b>Net CF from Financing Activities</b>	<b>(17.0)</b>	<b>25.7</b>	<b>(48.7)</b>	<b>(53.2)</b>
Net Cash flow	13.2	(14.6)	(2.9)	37.0
Opening Cash/Cash Equivalent	137.5	150.7	136.1	133.3
Closing Cash/ Cash Equivalent	150.7	136.1	133.3	170.2

Source: Company, ICICI Direct Research

## Exhibit 4: Balance sheet

₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E
Equity Capital	40.5	40.6	40.6	40.6
Reserve and Surplus	885.5	958.2	1,016.6	1,110.9
Total Shareholders funds	926.0	998.8	1,057.2	1,151.5
Total Debt	20.8	68.5	68.5	68.5
<b>Total Liabilities</b>	<b>970</b>	<b>1,089</b>	<b>1,151</b>	<b>1,249</b>
Gross Block	287.4	310.1	335.6	365.6
Acc: Depreciation	221.8	249.7	294.8	349.2
Net Block	65.6	60.4	40.9	16.5
Capital WIP	13.1	10.6	15.0	15.0
Total Fixed Assets	78.7	71.0	55.9	31.5
Non Current Assets	42.5	81.3	81.3	81.3
Inventory	-	-	-	-
Debtors	189.3	144.1	179.9	222.4
Other Current Assets	45.8	26.4	31.3	37.4
Cash	150.7	136.2	133.3	170.2
Total Current Assets	436.8	471.0	541.6	666.7
Current Liabilities	119.9	103.3	120.9	144.7
Net Current Assets (Ex Cash)	70.9	117.2	152.7	190.4
<b>Total Assets</b>	<b>970</b>	<b>1,089</b>	<b>1,151</b>	<b>1,249</b>

Source: Company, ICICI Direct Research

## Exhibit 5: Key ratios

(Year-end March)	FY24	FY25	FY26E	FY27E
<b>Per Share Data (₹)</b>				
EPS	24.0	22.8	25.4	35.3
Cash per Share	59.6	73.3	77.4	91.8
BV	228.4	246.4	260.8	284.0
Dividend per share	10.0	4.9	11.0	12.1
Dividend payout ratio(%)	41.6	21.4	43.2	34.2
<b>Operating Ratios (%)</b>				
EBITDA Margin	10.1	9.6	11.0	13.9
PAT Margin	11.0	11.0	10.3	11.8
<b>Return Ratios (%)</b>				
RoE	10.5	9.3	9.7	12.4
RoCE	13.4	11.1	12.1	15.4
<b>Valuation Ratios (x)</b>				
EV / EBITDA	31.9	35.5	25.5	16.3
P/E	36.8	38.7	34.8	25.0
EV / Net Sales	3.0	3.1	2.6	2.1
Sales / Equity	1.0	0.9	1.0	1.1
Market Cap / Sales	3.8	3.9	3.3	2.8
Price to Book Value	3.9	3.6	3.4	3.1
<b>Workin Capital Management Ratios</b>				
Inventory Days	-	-	-	-
Debtors Days	73	58	61	63
Creditors Days	46	41	41	41
Asset turnover	3.3	2.9	3.2	3.5
<b>Solvency Ratios</b>				
Debt / Equity	0.0	0.1	0.1	0.1
Current Ratio	1.3	2.1	2.2	2.3
Quick Ratio	1.3	2.1	2.2	2.3

Source: Company, ICICI Direct Research

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



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