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August 12, 2025

To,

BSE Limited ("BSE")
P.J. Towers, Dalal Street,
Fort, Mumbai – 400001

Scrip Code: 544021

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400051, India
Trading symbol: PROTEAN

Dear Sir/Madam,

Subject: Transcript - Earnings Conference Call on Company's Operational and Financial Performance for Q1FY26

Pursuant to Regulation 30 read with Schedule III and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in continuation to our letter dated August 1, 2025, please find enclosed herewith Transcript of Earnings Conference Call on Company's Operational and Financial Performance for Q1FY26, held on Thursday, August 7, 2025.

This is for your information and records.

Thanking you,

Yours truly,

For Protean eGov Technologies Limited

Maulesh Jagat Kantharia.
Digitally signed by Maulesh Jagat Kantharia.
Date: 2025.08.12 16:37:38 +05'30'

Maulesh Kantharia
Company Secretary & Compliance Officer
FCS 9637

Encl.: As above

"Protean eGov Technologies Limited

Q1 FY'26 Earnings Conference Call"

August 07, 2025

MANAGEMENT: **MR. SURESH SETHI – MANAGING DIRECTOR**

MR. SANDEEP MANTRI – CHIEF FINANCIAL OFFICER

MS. PUSHPA MANI – VICE PRESIDENT, HEAD INVESTOR RELATIONS

Moderator: Ladies and gentlemen, good day, and welcome to the Protean eGov Technologies Limited Q1 FY '26 Earnings Conference Call hosted by Go India Advisors. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Pushpa Mani, Vice President and Head of Investor Relations from Protean. Thank you, and over to you, Ms. Pushpa Mani.

Pushpa Mani: Thanks, Hamshad. Good afternoon, everyone. I welcome you all to the Q1 FY'26 results discussion. You must have received the results and the investor presentation of our company, which is available on BSE and NSE as well as on the company's website. As usual, we will start the forum with the opening remarks by our Managing Director, followed by CFO and then we will open the floor for the question-and-answer session. If any of your questions remain unanswered, you may reach out to us afterwards.

The management on today's call would be represented by Mr. Suresh Sethi, Managing Director; Mr. Sandeep Mantri, CFO; and myself, Ms. Pushpa Mani, Head IR.

Before we begin, I would like to mention that some of the statements in today's discussion may be forward-looking in nature, and we believe that the expectations contained in these statements are reasonable. However, these statements involve a number of risks and uncertainties that may lead to different results.

With this, I invite our MD, Mr. Suresh Sethi to address all of you. Thank you, and over to you, sir.

Suresh Sethi: Thank you, Pushpa. Good afternoon, everyone, and many thanks for joining us today. I am pleased to share that Protean eGov Technologies Limited has started FY'26 on a strong note. We have delivered resilient financial and operational performance in the first quarter. We continue to work closely with the government and the society in building inclusive, mission-critical and citizen scale digital public infrastructure for the welfare of the citizens.

Let me start with the overall financial overview for the quarter. I'm pleased to report that our revenue from operations grew by 7% year-on-year to INR 211 crores, driven primarily by the strong performance of our central recordkeeping services business for NPS, APY and UPS. We had continued gains in market share in our tax services business, and there were strategic mandates that we received during this quarter.

Our EBITDA grew by 31% year-on-year to INR 45 crores, translating into EBITDA margin expansion by 284 basis points to 18.8%. Profit after tax also demonstrated healthy growth of 13% year-on-year to INR 24 crores, resulting in a PAT margin of 10% in Q1 FY'26.

Our financial position remains robust with a strong balance sheet that provides us with significant flexibility to drive future growth. As on 30th June, 2025, we have over INR 800 crores in cash and cash equivalents and a net debt-free status. This gives us agility to invest

strategically in opportunities that align with our growth objectives, while maintaining a prudent approach to capital management.

Coming to key business highlights. I'm delighted to share that Protean continues to strengthen its position as a trusted DPI builder for the nation. We are pleased to share that a significant achievement for the quarter for us was an initiative by IRDAI to create a unified digital marketplace for insurance in India. We secured an INR 100 crore mandate from Bima Sugam India Federation.

This initiative will pave the foundation for a first of its kind insurance digital public infrastructure for the country. We have received the mandate to develop, integrate and maintain the Bima Sugam platform. This win again builds on our legacy of delivering mission-critical national platforms and significantly expands our footprint into the insurance domain.

Protean issued a statement of intent with NITI Aayog on 15th July, 2025 to strengthen financial inclusion by promoting literacy and APY adoption. This again marks the beginning of a key strategic alignment to further strengthen pension penetration, specifically among the marginalized sections of the society. We'll spearhead initiatives to educate shareholders, stakeholders and conduct targeted outreach programs in 64 aspirational districts.

Tax services continued to perform well with a 2% year-on-year revenue growth. We gained approximately 80 basis points in market share, increasing from 58.2% in Q4 FY'25 to 59% in Q1 FY'26. During the quarter, we issued 1 crore PAN cards, with 54% issuances being paperless.

We continue to build our leadership in the CRA business with a 16% year-on-year revenue growth in quarter 1. Importantly, we added 32.4 lakh new subscribers, capturing 98% share in new additions and also onboarded 753 corporates, further expanding our reach. Our leadership position remains robust with a dominant 97% market share across NPS and APY, reinforcing our position as a trusted CRA partner.

In line with our proven ability to deliver at scale, we successfully developed and deployed the unified pension scheme platform for the central government in record time. Launched on April 1, 2025, UPS offers an assured pension option under NPS. And as the primary CRA, we've been managing its end-to-end implementation. As of June 30th, we've onboarded 19,000 accounts, demonstrating our ability to deliver large-scale projects efficiently and effectively.

Our Identity Services segment saw robust volume growth across most products, driven by increasing demand for digital identity solutions. However, revenue was impacted by slab-based pricing and competitive pricing pressures at the foundational level. Despite this, we are encouraged by the growing traction of our value-added offerings, such as eSignPro and RISE with Protean, which are well positioned to benefit from the next phase of Digital India. These innovative solutions are designed to meet the evolving needs of our customers.

We are also pleased to report that our RFP-led business pipeline is gaining significant traction with our current order book exceeding INR 300 crores. This order book constitutes of CERSAI CKYCRR 2.0, Bima Sugam and other mandates in ID services and other businesses.

We are also thrilled to have received industry recognition for our branding and communication initiatives, winning 2 awards at the ET Brand Disruption Awards 2025. These accolades position us as a leader in the DPI space, reflecting our commitment to excellence in branding and communication.

In conclusion, I'd like to state that Protean has a strong positioning across core citizen services and emerging digital public infrastructure. We continue to contribute strongly at a foundational level, at the identity level, across KYC. And this, combined with our robust balance sheet, strong cash position, growing RFP pipeline and strong execution capabilities, position us well to drive future growth and create long-term value for our stakeholders. I'd like to thank our team for their dedication and our investors for their continued support.

With this, I would like to hand over to Sandeep Mantri, our CFO, to share the financials with you.

Sandeep Mantri: Thank you, Suresh, and good evening, everyone. As I begin, I would like to take a moment to highlight the broader trend shaping the digital infrastructure landscape in India. The government continued focus on digitization with Digital India initiative, Atmanirbhar Bharat and the rapid adoption of digital public infrastructure, coupled with significant investment in emerging technologies is driving demand for mission-critical digital services.

This macro backdrop presents a favorable environment for companies like Protean with expertise in delivering population scale e-governance projects and building digital public infrastructure for India.

I'm pleased to share that our quarter 1 performance aligned with this trend with growth across our key businesses. We have maintained healthy margin and delivered consistent profitability, driven by the sustained strength in our CRA and tax business and initial contribution from our strategic win in new businesses.

Let me now take you through the financial performance for Q1 FY'26. Revenue from operations stood at INR 211 crores, which is an increase of 7% year-on-year compared to INR 197 crores in Q1FY'25, which is last year.

EBITDA for this quarter stood at INR 45 crores, which is 31% growth on a Y-o-Y basis and from INR 34 crores in Q1FY '25 and up 30% Q-o-Q from INR 34 crores in Q4 FY '25. EBITDA margin stood at 18.8% in Q1 FY'26. When we talk about profit after tax, profit after tax stood at INR 24 crores in Q1 FY'26, which is an increase of 13.1% on a Y-o-Y basis, with PAT margin of 10%.

Moving to business performance. Tech services revenue stood at INR 100 crores, which is 2% growth on a Y-o-Y basis, while we gained 80 basis point market share from 58.2% in Q4FY '25 to 59% in Q1FY'26. I would also like to highlight that on a Y-o-Y basis, the market share gain has been a whopping 5% from 54% in last year to 59% in this quarter. Around 1 crore PAN cards were issued during the quarter.

When we talk about CRA business, the revenue increased by 16% on a Y-o-Y basis from INR 66 crores in Q1 FY'25 to INR 76 crores in Q1FY'26. As mentioned by Suresh, we added 32.4 lakh new subscribers during the quarter, capturing more than 98% market share in the new subscriber and our cumulative market share is also more or less equal to the same number.

When we talk about identity services, we recorded revenue of INR 24 crores, which is down 14% on a Y-o-Y basis and flat on a sequential basis. However, the number of transactions saw a robust growth across most of the ID products. The decline in revenue was primarily due to slab-based pricing and pricing pressure to some extent at the foundational level.

If we talk about new businesses, the revenue stood at INR 11 crores, which is up from INR 6 crores in Q1FY'25. We have started booking revenue from some of the key RFP we won in the last year. As mentioned by Suresh, a key development this quarter was our strategic INR 100 crore RFP mandate from Bima Sugam India Federation to build a first of its kind digital public infrastructure in the insurance sector.

These RFP mandates are a significant milestone in our journey, and our order book from such mandate stood at about INR 300 crores. The RFP gives us healthy forward visibility and will begin contributing meaningfully to revenues in the coming quarter. Additionally, we have a healthy pipeline of these RFPs in the DPI space.

From a financial position standpoint, we are extremely strong. We have asset-light business model with a strong cash flow, and we have cash and cash equivalent of more than INR 800 crores as on 30th June, 2025. We continue to operate with 0 debt, no debt on our balance sheet, which gives us the flexibility to invest in emerging opportunities, while maintaining the financial stability.

With that, I conclude my remarks, and we would be happy to take your question. Thank you very much. Over to operator.

Moderator: The first question is from the line of Prakash Kapadia from Kapadia Financial Services.

Prakash Kapadia: A couple of questions from my end. If I were to look at revenues, they are up 7%. Suresh despite the low base of last year, and if I were to look at the last year base, the rest of the year also had very muted revenue growth. So for FY'26, can we expect this revenue momentum to continue and revenue growth? Some color, if you could give, should be high double-digit, it could be very high double-digit? What kind of revenue growth looks possible for this year?

And secondly, employee expenses are up 40% this quarter. So what is leading to this increase? Is it just the number addition for the employees? Is it annual hikes? If you could give some insight, that would be helpful. Those are my 2 questions.

Sandeep Mantri: Sure. Prakash, thank you for your question. Your first question on revenue, what kind of growth we are looking at for the year. So, while we don't give guidance, but we see a healthy revenue growth in quarters to come mainly due to RFP-based revenue, where we have INR 300 crore order book which we won this year, is yet to play in the revenues. This will deliver significant growth to our revenue book.

And another thing is that even in CRA, which is a more annuity-based revenue, if the subscriber base grows, the revenue start kicking in, and it is an annuity revenue which will remain for the foreseeable future. So as far as revenue is concerned, we are pretty confident that we will deliver a good growth in this year for sure.

And, to answer your second question on employees, see, there are 2-3 reasons, which is basically resulting growth in employee expenses. One is the project-based hiring, which is basically for these RFP-led businesses, which is the revenue for those businesses which are yet to kick in, but we have started hiring to deliver those projects. And therefore, there is some increase in employee expenses to some extent because of that.

Second thing is because of increment, which we delivered in this quarter. Therefore, you will see some increase because of increment. And third is, last year we started strengthening our leadership team for the company. And now we have a very robust, stable leadership team. And because last year it was partial, this year it will be full cost for some of those leaders. So these are the 3 primary reasons for increase in employee expenses.

Having said that, I think the level will remain more or less same, except the RFP project-based hiring, which we continue to do so, depending on winning various projects, as we are in various stages of discussion for many of the pipelines, as we talked about. I hope this answers your questions.

Moderator: The next question is from the line of Kamlesh Bagmar from Lotus Asset Managers.

Kamlesh Bagmar: Sir, one question on the part of your, like, reporting. Like if I see last year your presentation, then you were like, say, the EBITDA numbers were INR35-odd crores -- INR45-odd crores and this time around it is INR35 crores. I know that you have took for that ECL provisioning.

But if I adjust for that, then your EBITDA without other income is down 37% year-over-year and your margins are 7.8% if I exclude the other income. And on the net cash side, this net cash, or like cash, that has been there for the last 3 years. So even 3 years back, it was INR800-odd crores.

So entire of the EBITDA, the reported EBITDA based on your presentation, is driven by the other income. But if I see net of other income, your margins are 7.8% vis-a-vis 13.3% last year.

Sandeep Mantri: No, so I kind of agree with you that our margins are a bit low as compared to whatever we see. But if you see last year, it is not 13.3%. Ultimately, whatever ECL provisioning we are doing is also part of business. And I would not exclude that when I'm computing EBITDA. So more or less, I think our EBITDA remained in the range of between 7.5% to 8% for last year quarter and last quarter, and also this quarter.

So, while we are putting lot of measures to bring growth in the EBITDA percentage, and that will start delivering the results maybe in 1 or 2 quarters. There are many automation efforts which are going on in the company. And you would see some sort of increase in EBITDA percentage going forward, probably from Q3 or Q4.

Kamlesh Bagmar: I'm just referring to your presentation, last year presentation. Your last year presentation clearly mentioned that adjusted EBITDA is INR 45 crores. And this quarter, you are showing the same EBITDA at INR35 crores. So there should be consistency on the recovery side?

Sandeep Mantri: So we will be consistent with this approach now. We will not be changing any calculation as far as EBITDA is concerned. I think this is the calculations you are going to see going forward.

Moderator: The next question is from the line of Rohan M. from Equirus Securities.

Rohan Mandora: Sir, I just want to understand on the international business, we had won a couple of projects earlier. So, any further updates on the project wins there? And how should one look at the revenues in this year from the international business?

Suresh Sethi: So Rohan, we had indicated earlier that we had started executing in education, DPI in Morocco. So we are doing part of the execution and the revenues which are accruing from that project are getting sort of accrued and they are showing in the numbers and they will continue to show in the next quarter also.

The second project for us was Ethiopia. Again, the project is under implementation and revenue recognition will be coming through. As Sandeep mentioned, just like domestic, some of the international businesses will also start reflecting the numbers in the coming quarter and onward.

Other than that, we are at a stage where we have around 3 or 4 projects in which we have been shortlisted and are at the final stages. We should be able to give you more visibility on the same by next quarter.

Rohan Mandora: Sure. And in terms of the new business initiatives that we have and INR 300 crores of pipeline at least that is there, so what is the realistic revenues that we can book in FY '26 and '27 out of these?

Sandeep Mantri: So out of INR 300 crore pipeline, which is more a turnkey project pipeline, so I'm just keeping aside the new businesses. I'm just talking about the order book, which is pertaining to turnkey project. Out of INR 300 crores, I guess, about 1/3 of that revenue should be booked in this, which is current order book. If we win more orders in future, then it will be added to the revenue pool.

Rohan Mandora: Sure. And thirdly, sir, on the processing charges, how should one look at it incrementally? Like PAN business clearly contributes a good amount of the processing charges. But with the new businesses coming in, what proportion of the processing charges will flow from new businesses? What kind of metrics should we compare it with? Would it be fair to have a certain ratio of total revenues? Or only certain businesses will have a contribution of -- contribution to processing charges? Some clarity around that would be helpful.

Sandeep Mantri: It will be varying business to business. Maybe when you do modeling, you can have a one-on-one talk with our IR team and they can give a better guidance, but it will be varying from business to business.

On an overall basis, you should assume more or less about the same kind of processing direct expenses to revenue. It is about 36%-37% of revenues. You should assume more or less same if you are doing a modeling on an overall basis. But if you are doing modeling for individual businesses, then you should get in touch with IR team.

Rohan Mandora: Sure. And sir, with the PAN 2.0 project allocated already, the announcement is there in the media, any further clarity we have on the role that Protean can play?

Sandeep Mantri: I think we have stated enough in the past also. And the clarity which we gave earlier, remains the same, we are where we were earlier also. So I think it will be more or less same. PAN 2.0, we have talked a lot in the past also. I think it is the same situation right now. We are not in ...

Rohan Mandora: So on the distribution leg of it, we are still awaiting further details?

Suresh Sethi: No, no. Rohan, we are there. We continue to run the business, as we said earlier. The mandate given by us to ITD remains as is. So no change. And the distribution business and today, the issuance business as is -- continues to be run as is. There is no change to it.

Rohan Mandora: Right. And not in the current setting, but I was more asking from the point of view, once the PAN 2.0 goes live, what happens then?

Sandeep Mantri: So, as we stated earlier also, it will depend a lot on citizens' behaviour and how distribution plays in. So, that is the visibility we had in past. We have the same visibility. Having said that, as we stated, we are bidding for a lot of DPI-related projects, which can be far bigger than many other DPIs. So I think we are looking more on a forward basis and focusing more on businesses which can lead us to next level.

Moderator: The next question is from the line of Shubham from SiMPL.

Shubham: Yes. My first question was, so the order we received for Bima Sugam and CERSAI, and the whole order book that we have. So just kind of mandates, when will they start commercializing and have we already booked some revenue in this quarter? Will we start booking the revenue in this financial year?

And what kind of margins can we expect from these mandates? Will the margins be like high singl- digit, mid-teens? What kind of margins can we see there? And similarly, what are the other areas or the mandates that we are actively pursuing right now to drive growth? That is my first question.

Sandeep Mantri: Okay. So, to answer your question, in this quarter, there no significant revenue from these large projects. I think from Q2 and fully from Q3 onwards, we should start booking revenues in this project, and therefore, you will see uptick in revenue on account of that.

To answer your question on margin, I think these are government projects and margin will be mid-teen type -- mid-teen digit, which is what we are expecting.

Suresh Sethi: And to your last question, Shubham, naturally, we continue to look out and participate in large-scale DPI projects, as I mentioned earlier. So our core focus naturally has been at the foundational level.

So, anything to do with identity, which is where we are seeing the play we have today with CERSAI because which effectively is the central KYC pool for all the 4 BFSI regulators. So it's a very foundational construct and a foundational stack that we are working on. Bima Sugam is a big foray into the insurance industry, again, in the BFSI space.

Other than that, we are naturally doing work and looking at allied work in the space of data sharing, which is whether it is the business we run as a B2B business under account aggregator or some of the work we've done while building the agri DPI for the Government of India, where we build the entire consent and the data sharing framework and architecture. So these are areas we continue to remain focused on and looking for future growth.

Shubham: Okay. Okay. Got it. My next question was that historically, we used to earn operational margins like around 20%. And if we see like year-on-year gradually since FY '18, it has just been decreasing and like it has dropped to almost 8% to 10%.

So my question was that what has changed in the last 5 to 10 years that our margins have significantly dropped? Is it just mainly because we are not able to achieve scale and revenue growth? Or are there other factors as well that has eroded our margins over these years?

Sandeep Mantri: So, I think, Shubham, the margin story is basically as you are aware, we are building a lot of new products. And there is a lot of investment which is going into these new products. And that is one of the primary reasons, because the revenue is yet to kick in, and we have spent good amount in developing some of those IPs. Once the revenues start kicking in, then you will see that the margins also start improving.

Shubham: Okay. But like apart from, let's say, our identity services business where we are facing pricing pressures, our other businesses also -- is it like in the last 5, 10 years...

Sandeep Mantri: We are in a competitive industry. So pricing pressure is going to remain. Having said that, that maybe one of the reasons...

Shubham: Yes, that is for -- I mean to ask for our other businesses also in 5 to 10 years, is it like price like realizations have gone down or even like some pricing pressure has been there...

Sandeep Mantri: I don't think -- the primary reason is because we are putting a lot of these technology expenses in these new initiatives or new products. Therefore, for a short run, you will see some contraction in margin. But on a long-term basis, once the revenues from even a couple of these products start kicking in, you will see immediate uptick in margins.

Shubham: These products...

Suresh Sethi: I will also further add to it that when you look at the product lines that we've chosen, which are very closely working on the app layer above the DPI, so which is basically providing consumer and corporate enterprise solutions for consumption of various governance services.

Most of these, including in the ID space, are going to be very SaaS-driven businesses. So they will have an annuity component to it, and there'll be recurring revenues, and they are not like turnkey projects.

So if you see the company is like working on 2 fronts. On one side, we will keep looking for large-scale national projects, which will come under RFPs where you'll have turnkey revenues coming in. And the other side is building the strong muscle of creating product-based solutions, which are equally important because one leads to the other.

As you get capability and competence in building the national infrastructure, your ability to then expose APIs and build solutions on top is further strengthened. And that is where we are investing in technology and people. And as Sandeep rightly said, it's more ahead of the curve investment, which will lead to a very well-defined SaaS-based revenues for the company going forward.

Shubham: Okay. Just a follow-up on this, if I can ask. So as you mentioned, like we have been investing. So we have been also making a lot of investments in the open digital ecosystem that we have been building. So I just wanted to ask, so like I think maybe 1 year or so ago, we were very optimistic about ONDC itself.

But then after that, we have no news when the fees will start on ONDC and we would get additional revenue or, let's say, recurring revenue from there as well. So how confident you are that in all these different open digital ecosystems where we are putting forward investments, like maybe in the next 3 years, 5 years, like can it become a significant part of our revenue stream? Like how confident you are of that? Like what is our thought process around it?

Sandeep Mantri: Yes. I think, Rohan, if we put 10 products on the block, not all the products will go on the same path. But we are very confident, and we were saying this again and again that our new businesses out of which products will deliver what, as of now, it is very premature to say. But again, we are reiterating that our new businesses will contribute at least 25% to 30% in next 3 years' time line. We are committed to that.

Shubham: Yes. So I mean to ask about only the digital ecosystem because those have not really been started monetizing, like apart from the fee that we get, like the platform fee or the main monetization part has still not started for any system yet. So I was asking per se that, like what do you think about that?

Suresh Sethi: No, no, I think, if you look at it, we'll have to take both a macro and a micro view over here. Initiatives like ONDC are national initiatives. We've seen the success of UPI as a payments DPI for the country, and it has its own cycle. So I'm not comparing cycles also. But at times, you might find that the growth to create a national adoption and consumer behavior change will take some time.

But we do still believe that whatever journey India is taking in building strong DPIs across multiple sectors will have significant opportunity of unlocking the digital economy. And today, we clearly know that our digital economy is growing at twice the rate of our regular economy.

So these are large bets. Wherever we are working on a turnkey basis, yes, we are getting the turnkey RFP revenues kicking in as we deploy the solutions. But when you look at adoption and actual use of these digital rails by enterprise and consumers, that is something on which the ecosystem will have to play. And that is a slightly longer term game, where as you rightly said, it will be a time line of 2 to 3 years where you see the scaling up.

Moderator: The next question is from the line of Vineet from Share Giant.

Vineet: First of all, I would like to congratulate the management for the delivering a very steady and a strong set of performance in a challenging environment. And in this regards, I would like to ask a question.

Like my first question is that you have won some RFPs like milestone RFP like eKYC 2.0 and Bima Sugam, which seems to me to be a very like pathbreaking kind of a step. So if you can elaborate the kind of potential these initiatives can bring to the company maybe 5 year's time, 10 years down the line because these are new areas of growth, that would be very good for me, if you can give some light on this?

Suresh Sethi: Sure, Vineet. Vineet, as I earlier said that these are, again, very foundational DPIs that have been built for the country. CKYC clearly is a big intervention, which was done a few years back by the 4 regulators coming together.

And the intent at this stage is to revamp the entire tech stack for creating a much more seamless central KYC database and the best of technology in terms of data matching, data de-duplication, face authentication and other areas is being put in place, which will create a very, very huge economy for the entire economy and efficiency for the entire BFSI sector.

So we see this very foundational. It's a turnkey project for us at this stage, where we are revamping, designing and putting it across the new stack. But it will unlock a lot of value because you will be seeing that the way financial institutions do KYC and onboard customers, this will give it a significant uptick. And that is another area we will see as an allied and related areas in which we can then build enterprise solutions to leverage the central KYC stack.

Bima Sugam clearly is, I think, the first large-scale foray into building a digital public infrastructure to support the entire insurance industry, right from insurers, insured and the entire ecosystem coming together on one strong digital race. And we know there are multiple insurance products which are out there.

So creating that transparency, bringing the entire ability to put it together, digitization of policies and the ability to link the entire insurance DPI into an open network where you are also supported by other foundational DPIs of identity, of health, because all these will become input parameters into an open network to provide better and more customized and personalized insurance. So ultimately, the consumer will be a huge winner based on that.

So again, once these rails are in place, we will naturally see a plethora of enterprise products and services coming into play, which will leverage the central stack to be able to provide a better insurance experience and better insurance computation in terms of whatever premiums you are paying, they will be far more personalized and customized going forward.

So we see a huge opportunity at an ecosystem level. So these are not products or stacks that are created just as an RFP, but they actually unlock an entire ecosystem, and that is where we are wanting to play in both the infrastructure level and the app level for the country.

Vineet: And sir for the clarity, just an add-on question on this. So if you can help me also to understand the kind of the pipeline, which is there in the RFP stage and how well Protean is placed to capture that set where we are very strongly placed and we are confident and what stage of those RFP we are at, either bidding stage or we have already won? So if you can give this color to that, it would be very useful for us to map it out.

Suresh Sethi: Vineet, if we have an RFP in hand, we would be able to confirm to you, but anything which we are bidding for or in the stage, difficult to put that information out there. But as we've earlier said, focus for us is always in the space of foundational DPIs. So domestically, when we look at it, we are focused on any identity-related RFPs, anything to do with taxation, social security.

These are areas we are going after. Today, a lot of work which is happening in the digital space, whether it is in terms of eKYC, eSign, which is primarily the stack which gets build on the foundational identity stack and enables payments and transfers. So there are multiple state-level RFPs, which come into it.

So we are actively participating in all of these, and that is where we are talking about the fact that overall, we have almost INR300 crore order book, as Sandeep earlier mentioned. And that is really where we are seeing the trajectory.

Globally, if you see, we have been very consistent in maintaining that our focus from a geographic perspective today is in Africa, Southeast Asia and Middle East. These are countries which are looking at identity, social security and taxation-related infrastructure getting created over there, and that is what we are bidding for. So that in a construct is the RFP scenario for us. And we are actively participating in multiple RFPs as we speak.

Moderator: The next question is from the line of Siddhartha Prakash from Avendus Spark.

Siddhartha Prakash: I just want to ask one question. With the PAN 2.0 project consolidating all PAN and PAN services into a single unified platform managed by LTIMindtree, what is the anticipated impact on Protean's existing revenue streams and long-term role as an intermediary?

Suresh Sethi: So as I earlier mentioned, this new project is primarily looking at the tech stack, which is currently run by the IT department for issuance of the PAN number after they do the deduplication of data within the database. And therefore, this is different from the mandate we currently run, which is for largely collating the citizen information, doing the KYC and securely sharing the data with IT. And subsequently, once the PAN number is issued, then we go ahead and do the issuance of the card and delivering it to the citizens.

While we see the process flow us providing the capabilities of collection of data processing and issuance, the tech stack is where today IT works, and that is what has been mandated out under this PAN 2.0 RFP. As far as impact is concerned, we don't see any immediate impact because this RFP clearly talks about 2 years plus of deployment time line.

The other question which clearly comes is that what mode or mechanism will the citizens be choosing going forward while applying for an identity like PAN. And that is where we see that today, 70% of the citizens in the country go through an assisted mode of application, which is where our nationwide network of 400,000 agents comes into play.

And clearly, taking a sort of view going forward, the assisted behavior is very, very sort of dominant in our ecosystem. We see it being played out even in the other DPIs we are building because end of the day, the attempt is that no citizen should be left behind.

So while you provide them direct to service portals, you also make sure that the people living in rural India, people who are not that digitally savvy are equally able to access the digital platforms and the digital rails of the nation. So it's a difficult one to predict that 2 years down the line, how will the citizen be consuming services of identity issuance and application. So that is where we are currently. So no immediate impact to our business.

Siddhartha Prakash: Okay. Yes. Just one more question. What's the plan to offset tax services volatility? Are CRA or identity services scalable to become major contributors here?

Suresh Sethi: Absolutely. Because see, one is when you look at the DPI space, so I will take a couple of approaches to this which we are doing. One is we continue to remain focused on DPI-based businesses. And these are most of the time central and state government project-led turnkey businesses. And as you know, that we are providing naturally, when I look at the central recordkeeping agency business we run with a dominant market share of 97%, that is, in effect, the social security DPI.

And pension penetration being at a mere 6% in the country, there's a significant headroom over there to continue to grow it. The pension regulator is clearly very committed to expanding this penetration. If you look at the weaker section pension product, which is the Atal Pension Yojana, we are talking about in our country, around 8 crore plus subscribers, whereas the number of people having Jan Dhan accounts, which are again very relevant for the weaker section of the society, stand at almost 55 crores plus.

So we see significant headrooms in the pension space with the government putting a lot of trust by launching programs like NPS Vatsalya, which is pension for minors, which is launching programs like UPS, which is assured pension sort of design, product design for the central government employees. So there's a huge upside over there. Other areas like Bima Sugam and all open a completely new sort of part of the economy to us, like the insurance sector.

Identity continues to grow very strongly in the country because as we are saying that all these DPIs and rails coming together are unlocking immense value for people to consume these services digitally.

So identity becomes a core factor when you are looking at doing KYC with any regulated entity. You are looking at things like digital signing, which means you are removing paper-based documents out of the ecosystem. So these are, again, core foundational products that we are offering.

And more importantly, as we offer these products, again, I would reiterate, we are also building the app layer. So we are today not just, for example, a certified entity for providing e-sign authentication based on Aadhaar.

We are also building applications where we are building end-to-end digitization workflow suites for companies, which we can offer to enterprises for providing them efficiency in paper management and workflow within the organization. So these are very aligned areas, but definitely, it's a growing space and clearly getting unlocked in more and more different sectors as we go forward.

Sandeep Mantri: And further to add to Suresh, we are expanding all these DPI to international market as well, which will also give some sort of mitigation to the revenue risk which may arise because of online behaviour.

Moderator: The next question is from the line of Kunal Bhatia from Dalal & Broacha Stock Broking Limited.

Kunal Bhatia: Sir, I just had a question on the PAN services business. So this time around, on a Y-o-Y basis, we have gained 500 basis point market share. There is a 2% growth in there. But if we look at it in terms of volume, the volume has remained almost the same, which was INR1 crore last year. Even this year, we are at the same INR1 crore. So a, what was the reason of this 2% rise? Was it a better realization? And secondly, how do we see this trajectory going forward now that we have a higher market share?

Suresh Sethi: So there are 2 parts to it. One, see, the growth clearly comes because, as I mentioned, distribution plays a very strong role. And secondly, the journeys that you are providing both at the agent level and at the direct level. So for example, if an agent today is enabling a PAN application journey, we have today also created provisions where the agents can actually enter into a completely paperless journey. So you're able to create an assisted digital journey.

So all these investments into technology, into creating a very secure pipe for submission of data to the IT department and creating a better agent experience once creates a better and sharper distribution out there. And other than that, naturally, we look at from a distribution perspective, getting the maximum reach and therefore, working towards increasing our market share in this space.

As I earlier mentioned, 70% of applications still are coming in the assisted mode, but still the 30%, which get catered to on online channels, again, we are taking measures to ensure that our online journeys don't get dropped. We are able to give the right nudges and information to the person looking for a PAN card issuance to be able to complete the journey.

So these are some of the investments which go more from a technology and agent enablement perspective. And that is how we see the growth in market share coming for us and goes without

saying the trust that the company's name carries as a provider for the last 2 decades plus is itself a strong endorsement for us to be taken as a preferred partner.

In terms of overall numbers, on one front, clearly, as we've been saying and if you look at the Aadhaar PAN linkage data, PAN penetration in the country is still there about 40%. And we do see continued PAN application and issuance. And as we've been earlier maintaining that PAN clearly is being used for more and more purposes today.

The PAN has an identity, whether it is government schemes, some of them have mandated that the person should have a PAN card. Your bank account opening with the PMLA guidelines is now a mandatory requirement to have a PAN card or submit a Form 60 & 61.

So PAN usage is increasing. PAN usage at both Tier 1, Tier 2 and then 3, 4 and 5 is increasing because of things like DBT. And therefore, this will continue to be a consistent requirement year-on-year. And what we are generally seeing that there is a normal around INR 6 crore to INR 7 crore new PAN card issuance every year. There have been years where the numbers have spiked due to certain events like the Aadhaar-PAN linkage and the deadline that was provided. Similarly, if there is incremental government schemes getting issued and people in bulk go for PAN card issuance to be able to subscribe to them.

So there are events which at times have spiked it. But on the average, this is the number which is there. And for us, it's important that, one, we have a continued stream of new issuances happening. And second is to improve our market share, which we are focused on.

Kunal Bhatia: Okay. And sir, basically, in this quarter in specific, the volume is the same, but despite that the 2% growth, what was the reason for that?

Sandeep Mantri: So this tax services business consist of some allied services as well, which is TIN services. So there is some increase in the TIN transactions, and that has resulted into 2% growth. While you are right that number of PAN issuance is more or less same. So how come 2.2% increase in revenue, this is because of the allied services we provide you know tech services. It is not a significant portion, but a small portion.

Kunal Bhatia: Got it. And in terms of -- just if you could give us some sense on how has the eSignPro business gaining traction? How have we seen the ramp-up, say, on a month-on-month or a Q-o-Q basis? And where do you see this run rate ending in the current year?

Suresh Sethi: I think there should be healthy contribution from the business this year definitely, because as we speak, we have a pretty deep pipeline and it's not just the pipeline. When I look at the funnel, we have secured mandates. And as I mentioned earlier, it's a SaaS business.

So once the revenue starts peaking, it will be running on a SaaS basis. And the time line which is taken, clearly, we have not shown very sort of big numbers or large numbers in the first quarter. There is an integration time line, but we definitely see these upticks coming in the second quarter and onwards from there.

Moderator: The next question is from the line of Prem Luniya from Astute Investment Management.

Prem Luniya: So sir, I had a question about the new businesses growth as we have been talking about a few businesses like the ONDC business or the agri stack business in the past, but it seems like they have not turned out as we thought of. I just wanted to understand that this view of having 25% to 30% of the business coming from the new businesses, which would be the major things which you see as of now who can contribute to, let's say, become a INR50 crores or INR100 crores business because that is the scale they will have to reach to contribute around INR25 crores, INR30 crores to the overall top line?

And also, sir, this is on the background of that we have grown our employee expense from around INR75 crores to now around a run rate of -- from this quarter, if we take a run rate of around INR200 crores plus. So how is this contributing to the top line is the view to understand?

Suresh Sethi: I think there are 2 aspects to it. If I look at the new business and the diversification that we are seeking, so as I said, one focus has clearly been to continue to strengthen from a digital public infrastructure contribution perspective. And we are clearly keeping our sights on large national projects.

And we've seen -- that is where we talked about them, and I'll just repeat very quickly, whether it's CKYC or insurance DPI or further strengthening of the pension DPI by schemes like UPS and all. So that one focus remains, and that is for us looking at multiple state and central level DPIs.

Some of the turnkey projects, which we have also carried out in sectors outside BFSI, is projects like the agristack. Now these have all been turnkey projects. What we are parallelly building as a business line outside the turnkey projects, adjacencies and the digital unlock which happens because as you build a digital public infrastructure and you build the ability for information sharing digitally, to provide or consume services, you need to build applications, which could be enterprise applications for enabling B2B journeys or it could be a B2B2C journey where consumers use applications to share data and then receive services, be it a loan, and advisory, health insurance, so on and so forth.

So that is where we are investing on the other side in building our entire data and analytics stack. And along with the products like eSignPro, API RISE, which we are talking about an API marketplace, these are areas which we are investing in the app space.

So these are for us the 2 streams of business. One is clearly project-led RFP business, which is turnkey and definitely requires investment in people for building on these projects. And as Sandeep mentioned, some of the numbers as we see this quarter also is coming from these teams which are getting created to service the large-scale RFPs.

The other side is an ongoing product capability where again, we've extended our technical and product and domain specialist teams to build technology in the spaces that we are choosing, which are aligned with the digital public infrastructure we are building. So that is where the investment is going on the other side.

Prem Luniya: Sure, sir. So just a follow-up on the product businesses like Protean RISE and eSignPro. Can you see like in next 1 or 2 years, this can contribute around INR 1,500 crores? Do they have that opportunity? And do you think that adoption will happen on the customer side?

Sandeep Mantri: So I'll not put a number per se, but the opportunity size is very large as far as the eSignPro type of product is concerned. The opportunity size is like running into billions of dollars. I guess we are at a very strong position. And in next 3 years, we should see strong revenues coming out of a couple of these products.

Prem Luniya: Sure, sir. And will it be margin accretive for us? Or will it be largely on the same line?

Sandeep Mantri: No, no, of course. These are product or SaaS businesses which will definitely be margin accretive for the company.

Moderator: The next question is from the line of Sumangal Pugalia from RaRe Enterprise.

Sumangal Pugalia: I have a follow-up on the previous question. How many customers do we have for eSignPro and RISE With Protean? And if you can share some trends, recent trends on client additions?

Sandeep Mantri: So number of customers keeps growing every now and then. I don't think it will be appropriate for now because the product is still at initial stage. Maybe if you want specific details on number of customers in each segment, we could get one-on-one and we can provide you some details publicly under SEBI guidelines.

Sumangal Pugalia: Sure. But...

Sandeep Mantri: I can say that we have a healthy pipeline of customers and the pipeline is growing with each passing day. So we should see very good revenue or strong revenue coming out of these products in time to come.

Moderator: Ladies and gentlemen, due to time constraints, this would be our last question for today. I would now like to hand the conference over to the management for closing comments.

Suresh Sethi: So, thank you very much again for all the support and the questions, which also help us to think through our strategy and become more and more clear about it. We are happy with the stage we are at currently, and we clearly see a good trajectory for the company, both on the project-led businesses and the product-led businesses and looking forward to keeping engaged with this community. Thank you very much.

Moderator: Thank you. On behalf of Go India Advisors, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.