

Ref: Protean/Secretarial/2025-26/80

November 10, 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 Q2&H1FY26**

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 November 3, 2025, please find enclosed herewith Transcript of Earnings Conference Call on Company’s Operational and Financial Performance for Q2&H1FY26, held on Friday, November 7, 2025.

This is for your information and records.

Thanking you,

Yours truly,

For Protean eGov Technologies Limited

Maulesh Kantharia
Company Secretary & Compliance Officer
FCS 9637

Encl.: As above



“Protean eGov Technologies Limited
Q2 & H1FY26 Earnings Conference Call”

November 07, 2025



**MANAGEMENT: MR. SURESH SETHI – MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER**

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 Q2 and H1 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 touch-tone phone.

I now hand the conference over to Ms. Pushpa Mani from Protean eGov Technologies Limited. Thank you, and over to you, Ms. Pushpa Mani.

Pushpa Mani: Thanks, Iqra. Good evening, everyone. I welcome you all to the Q2 & H1FY26 results discussion. You must have received the results and the investor presentation of the 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 and 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 and CEO; Mr. Sandeep Mantri, Chief Financial Officer; and Ms. Pushpa Mani, myself, Head, Investor Relations.

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 evening, everyone, and thanks for joining us today. Just a sort of a quick update on our business and where we are this quarter. As we've seen as we continue to navigate the complexities of the global economy, the IT industry clearly shows that how innovation and collaboration can shape a smarter and more connected future.

I'm very proud to share that Protean remains at the forefront of India's digital transformation, need for driving inclusion or innovating and creating impact at scale. With that purpose guiding us, I'm glad to share our robust performance for Q2FY26.

Our revenue from operations grew 19% quarter-on-quarter and 14% year-on-year. This was largely driven by our CRA services and also the rising contribution from our new lines of business. Our EBITDA stood at INR 44 crores, reflecting a margin of 16.6%, while PAT was at INR 24 crores with a PAT margin of 9%.

Our balance sheet continues to be strong with 0 debt and over INR 800 crores in cash and cash equivalents, including marketable securities. This financial strength clearly enables us to invest confidently in new opportunities. In our Tax Services business, Protean continues to lead the market with over 58% share. We issued more than 1 crore PAN cards during this quarter, which

is a testament to the trust citizens place in our systems, the reliability of our processes and our deep expertise in delivering at a national and population scale.

The CRA services business again delivered a very strong double-digit growth. We onboarded 41 lakh new subscribers and over the past year, India has seen more than 12% increase in pension subscribers, yet the total coverage remains below 6% compared to nearly 70% in OECD nations. Therefore, there's a massive opportunity and headroom in this business. I'm further proud to add that Protean continues to hold a dominant market share of 98% of the total pension subscriber base and an equally strong share in new subscriber onboarding.

Our third vertical, Identity Services, continues to be a cornerstone of our business. We are the only company in the country, which is offering all 4 facets of Digital Identity. With focused execution, we continue to leverage on the capacity and scale we've built, and we are focused on getting incremental market share and growth in this business. Again, happy to report that on overall basis, the Identity business grew at a market level, and it's really a clear reflection on the Digital India growth.

Our new businesses are now beginning to make a meaningful impact. We are very happy to report that the new businesses for the first time contributed in double digits to our operating revenue. For this first half of the year, we had a 12% contribution in operating revenues from the new businesses versus 4% last year for the same period. We have expanded across multiple open digital ecosystems, and that has been a strong contributor in this contribution.

And now as you are aware, we are operating across insurance, health, agriculture, education, sustainability, digital commerce and mobility. This diversification has been very critical in this significant contribution coming from new businesses. We also currently, as mentioned earlier, have an order book, which is almost twice our annual revenue at INR 1,600 crores, which is again coming from projects which are largely in the space of ID and BFSI services.

We would further like to share that this quarter, we achieved a major milestone by securing INR 1,370 crores mandate from UIDAI to set up and operate district-level Aadhaar Seva Kendra's across 188 districts in the country.

With this mandate, Protean became the only organization to manage and scale both foundational IDs, be it Aadhaar or PAN, which are clearly an anchor for our digital nation. Beyond the business impact, this win also underscores our commitment to advance India's digital transformation and improve access to secure, efficient Aadhaar services nationwide. Very important to highlight that once fully operational, this initiative is expected to generate INR 200 crores of annual recurring revenue for us.

Further, this quarter was also critical for the fintech industry with the Global Fintech Fest, which is one of the largest fintech festivals across the globe now, having taken probably a position from a point of participation and span of coverage across multiple countries.

At GFF 2025, Protean also unveiled 2 pioneering innovations, which were clearly a testimonial to our work in emerging technologies. One was in the space of quantum-safe data vault and second was for showcasing an AI-in-a-box solution. Both are powered by Protean Cloud. As we

all know that with the growing sophistication of cyber threats, data security has become mission-critical for financial institutions, government agencies and health care organizations.

Our quantum-safe data vault offers the next frontier in cybersecurity, protecting sensitive data through encryption that remains resilient even against future quantum attacks. We are currently engaged with RBI to conduct a POC on this protocol, and our white paper is currently under evaluation. Naturally, this will open up significant opportunities in the BFSI sector and wherever there is requirement to safeguard citizen and national data for governments.

The second innovation, AI-in-a-box again, empowers organizations to harness the power of AI with complete control over their data models and infrastructure and again, I think it is important for us, both for internal and external transformations to leverage this capability. Alongside these, we showcased a few other critical journeys. One was in the space of eNPS, which is one of our dominant channels for building our subscriber base in the pension ecosystem. We actually unveiled an express onboarding journey that enables new subscribers to join in a matter of 90 seconds.

Other than that, this year is our 30th year as a company. Celebrating that, we also released the state of digital public infrastructure in India, a report highlighting how DPI is transforming the economy, deepening inclusion and powering India's \$8 trillion economic vision. This was launched in partnership with Indian Institute of Management, Bangalore.

To conclude, Protean is poised for sustained growth. We again clearly believe that our work in the area of strengthening DPIs, working in the app layer and powering enterprise infrastructure will remain our continued focus areas. As we look ahead, we remain steadfast in our commitment to advancing inclusive growth, strengthening India and the globe's digital infrastructure and creating long-term sustainable value for our stakeholders. Thank you for your continued trust and partnership as we build the future of India's digital economy.

And I will now hand over to Sandeep to take us through the financials in further detail.

Sandeep Mantri:

Thank you, Suresh. Good afternoon, everyone, and thank you for joining us today. India's digital public infrastructure continues to be the backbone of inclusive growth, innovation and governance efficiency, built on India's stack spanning digital identity, payment and data empowerment. The DPI network today covers a substantial portion of India's population, firmly positioning the country as a global leader in digital transformation.

India's DPI model is now being viewed globally as a template for inclusive digital transformation, inspiring similar digital public infrastructure initiative across Asia, Africa and Latin America under the G20 DPI Task Force and India Stack Global Program.

With this backdrop, Protean delivered another resilient quarter, continuing the momentum built in Q1 and reinforcing its position as a trusted execution partner within India's expanding DPI landscape.

In Q2FY26, revenue from operations stood at INR 251 crores, reflecting a robust growth of 19% on quarter-on-quarter and 14% on a Year-on-Year basis.

This performance was primarily driven by strong momentum in our CRA services and continued traction across our new businesses as well as on a quarterly basis, there was a spike in tax revenues as well.

For the quarter, our EBITDA stood at INR 44 crores, translating to an EBITDA margin of 16.6%, which reflects a year-on-year decline of about 280 basis points. Profit after tax came in at INR 24 crores with a margin of 9.1%. This moderation in margin was primarily driven by investment in RFP-related businesses, setting up our new offices at one international centre and setting our international offices in Dubai as part of our effort to strengthen our international presence.

While these initiatives have had a short-term impact on profitability, we believe that this will position us well for sustainable growth in the quarters to come. Our balance sheet continues to remain strong, supported by a healthy cash and marketable securities balance of INR 800 crores plus and a completely debt-free status.

Now breaking down the segment-wise performance or business-wise performance. During the quarter, tax Services contributed INR 107 crores to revenue, growing 8% sequentially after a soft Q1. The segment continued to benefit from rising PAN-linked compliances and use cases across 200-plus financial and government services.

Coming to CRA business, we reported revenue of INR 78 crores in this quarter, which is 3% sequential growth and a 12% Year-on-Year growth. This performance was driven by our continued expansion across the National Pension Scheme, Atal Pension Yojana and Unified Pension Scheme. With the government's strong focus on enhancing pension penetration, we are well positioned to benefit from the widening pension coverage in times to come.

Coming to Identity services. Revenue for the quarter stood at INR 22 crores, which is a 6% decline on a quarter-on-quarter as well as year-on-year basis. This is due to slab-based pricing and price rationalization at the foundational level. Although we continue to be the market leader and volume continues to grow across most of our identity products, our value-added products like eSign Pro and RISE with Protean continue to gain momentum, which will support future revenue growth.

Turning to our new businesses. Revenue for this quarter is at INR 43 crores contributing 17% to our operating revenue, which was just 4% in last year. The growth was primarily driven by the execution of recently awarded RFP-led mandate and the steady ramp-up of our new digital infrastructure project.

As India's digital public infrastructure continues to evolve into open digital ecosystem across sectors such as insurance, health, education, ecommerce and mobility, Protean is leveraging its deep technology and compliance capabilities to play a pivotal role in enabling these next-generation platforms.

A key strategic highlight for this quarter was the award of INR1,370 crores mandate from UIDAI to establish and operate district level Aadhaar Seva Kendra's across 188 districts in the country. With this order, our RFP-led order book now exceeds INR 1,600 crores as of September 30, 2025, providing strong visibility for growth.

The Aadhaar Seva Kendra's project alone is expected to deliver annual revenue of about INR 200 crores once fully rolled out. Implementation is progressing as planned with commissioning set to begin in Q3FY26 and fully scaled in FY27.

I would conclude by saying Q2 reflects balanced growth, disciplined operation and diversifying revenue streams. Around one third of our revenue now comes from annuity-linked scheme like CRA and cloud services, which carry high operating lever. This gives Protean a stable cash flow and strong earnings visibility. As our new businesses mature, we expect a gradual margin expansion over the next few years.

With this, thank you so much for patiently hearing us. I will now pass on the call to operator for question-and-answer session. Thank you.

Moderator: Thank you very much. The first question is from the line of Het Shah from Dalal & Broacha Stock Broking Private Limited. Please go ahead.

Het Shah: So, the processing charges for this quarter were at about 33%, so I mean, is this a one-off or do we -- can we expect a similar trend to continue? Or was it on account of a higher share of online PAN issued? That's my first question. Secondly, system support and maintenance expenses have risen about 96% Y-o-Y. So, what is the reason behind that?

Thirdly, any international RFPs that we have won, particularly this quarter? And lastly, the new business, I mean, the increment, is it on account of Bima Sugam and CERSAI orders that have been grouped over there? Or what's it? These are the 4 questions from my side.

Sandeep Mantri: Yes. So let me answer your question one by one. With respect to processing charges, I guess these are at 32% or 33% which is, I think, same in line with the previous quarter as well, which is Q2FY25 or Q1FY26, more or less it is same. System support and maintenance charges, we have given a note also that it has increased because of the cost we accounted for the RFP-led revenues.

These are accounted under that and therefore, you will see an increase or spike in system support and maintenance charges. With reference to RFP, I mean, the new businesses, what it consists, it is basically CERSAI and Bima Sugam RFP plus other new businesses like data stack business, which are basically part of this new business stream. CERSAI project is a data stack led project and Bima Sugam is also marketplace led project, so therefore, it will be categorized into new businesses.

Het Shah: And sir, any international RFPs that we have won?

Sandeep Mantri: We are still in advanced stage of negotiation for a few RFPs. Still, we have not received any major wins apart from the ones announced earlier.

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

- Rohan M:** I wanted to understand the ECL expense, like why has it come in this quarter? Because I think the PAN and the tax services related ECL was already taken out earlier. So, what led to this ECL?
- Sandeep Mantri:** So ECL, if you see it is a very insignificant expense like INR 65 lakhs, and it is based on accounting practices, which we follow based on expected credit collection. We follow our model and therefore, it is not pertaining to any specific business. But overall, when you see debtors and their expected collection trajectory, based on that, modelling is done, and we have to provide as per this model.
- Rohan M:** Because other than the tax businesses where we had the receivables from the government, for most other businesses are B2C...
- Sandeep Mantri:** There are other B2B also, there are B2G also like in pension, you have many state governments or central government as part of our customer base. So, I mean, it is not a major expense. It is hardly INR 65 lakhs, I guess. But we have to provide as per accounting norms as accounting norms clearly specify that you have to have an expected credit loss model built in, into your receivable mechanism and therefore, whatever comes out of that model, we have to provide.
- Rohan M:** Sure, sir. Sir, secondly, in the RFP linked business revenue that we are seeing in Q2 would also be going into second half, should we expect a similar quarterly run rate, or will there be a further increase on the quarterly run rate on the revenues?
- Sandeep Mantri:** Yes. So right now, we have 3 actively running major RFPs. One is Bima Sugam, the second one is CERSAI and third one is Aadhaar Seva Kendra which is UIDAI. So, I think we should see some increase in Q3 and a significant increase in Q4.
- Rohan M:** Next, sir, on the identity services, we've seen a Quarter-on-Quarter decline in this quarter, again, and it's been flattish in the earlier quarters. So, I just want to understand like how should one think on this business going ahead? Will this remain at a similar run rate in terms of absolute revenues? Or when will this start showing growth?
- Suresh Sethi:** I think there are 2 parts to it. One would be look at this from the foundational perspective. The volumes are growing. So, I think one healthy indicator is that overall, from a Digital India perspective, month-on-month or quarter-on-quarter, the volume shows an uptick, which means more people are using the foundational rail of digital authentication or signature.
- Protean today have built significant capacity to be able to play in this and increase market share. So, our focus is on increasing market share. At times with large deals and also with government, there are RFPs, which also come for this business, in which case, naturally some of the price compression happens. We do see this steady to growing business going forward.
- But for us, the other critical aspect as we've been calling out is to then build on top of the foundational rails and introduce our products like eSign Pro, which have an element of E-Stamping and eSign both and other value-added products, which come on top of the digital rail, they will basically provide us the revenue stability and the growth and if we look at it, all these would fall under our identity sector in that case.

- Rohan M:** But sir, from eSign Pro and RISE with Protean, when can we expect the revenue streams to start coming in?
- Suresh Sethi:** So, we already have revenues ticking from these businesses. Currently, naturally, I would say they are still like early stage. As we explained last time in detail, both these businesses have healthy pipeline, but there is a period of integration in products like both RISE and eSign Pro, it also then is linked to how much the organization starts using the digital journeys.
- For example, if I'm giving an enterprise solution for eSign, the entire organization needs to start adopting and moving away from paper-based signing. So that adoption curve is also there where you need awareness, where you need training, where you need process re-mapping. So, there is always a little bit of journey over there, but we are glad to report that we have a healthy pipeline on both the businesses and revenues have started coming in already. These naturally all flow into our new business vertical as well.
- Rohan M:** Sure, and lastly, the new initiatives, which we have unveiled at the Global Fintech Festival, GFF, like what is the timeline that one should look at for them to go live? And what kind of revenue potential do you expect over the next 2 years?
- Suresh Sethi:** I would say these are at early stage because some of them will naturally become our extended differentiators or competitive offerings. For example, on one side where we talked about the Quantum Vault. We are clearly looking at embedding it as part of our Infosec business. So, these will be incremental capabilities and competencies that you build within your overall practice that we are showing over here. We will be guided more by the overall projections we are putting on these businesses, but these will definitely give us the edge and also open new markets for us.
- So currently, no numbers at this stage. But definitely, this is an investment for the future and will also give us the differentiators. 'AI in a box' is very clearly, it will leverage or enhance our Protean Cloud capability because we are building further models on top of our core infrastructure service and adding value. So that, again, will be focused on both enterprises and large projects where we can add that capability.
- So, most of these are distinct or differentiated offerings, which will ultimately assimilate into our existing lines of business and further enhance our competitive edge. So, we have not done any specific I mean, a very focused sort of additional market competition against them, but they are largely aligned with what businesses we are already running and what targets we are achieving over there.
- Rohan M:** Sure, sir. And lastly on data keeping question, what's the market share in identity services?
- Sandeep Mantri:** So, in identity services we are in top 5 in each of the category. Very difficult to give a market share for various products.
- Moderator:** The next question is from the line of Tanmay Jhaveri from Finterest Capital.

- Tanmay Jhaveri:** Sir, my question is there has been significant increase in the trade receivables during this half year and which might have led to a sharp rise in the cash conversion cycle, so can you just throw some light on that whether it's structural or temporary in nature?
- Sandeep Mantri:** There are 2 types of receivables. One is receivable which is not built yet as part of RFP businesses. And second is the normal receivable, which is built, but have not collected. I think both are temporary. In some, there were certain discussions with the customer and in others there are certain process changes with a few major customers and that has led to delayed collection. But I guess by December or by March, we should be in line with our annual receivable guidance.
- Tanmay Jhaveri:** So, we'll also be CFO positive by the end of this financial year?
- Sandeep Mantri:** Yes.
- Tanmay Jhaveri:** And my next question is, I see a noticeable change in other financial assets, so if you can elaborate what exactly this includes and why there has been sharp movement in these other financial assets?
- Sandeep Mantri:** Other financial assets, there was a reclassification from, I guess, long term to short term because for RFP-led business, whatever guarantee we give, we have to keep that as a security. Therefore, there is a reclassification only not a real -- it's not movement.
- Tanmay Jhaveri:** Okay. My last question is on the new age business. If you could just outline what exactly we will be focusing on like what kind of revenues or growth are we looking forward in this line? And what are the kind of margins that we can expect from the core operations of new age business?
- Sandeep Mantri:** You are talking about new businesses?
- Tanmay Jhaveri:** Yes.
- Sandeep Mantri:** So new businesses, we have classified as data stack-led businesses, cloud and ODE-led businesses. These are the 3 categories in which new businesses will come. Any business, any win which is affiliated to this business will be classified as a new business. Like the CERSAI will be part of your data stack and Bima Sugam will be part of ODE and so on and so forth.
- So therefore, whenever we win any order, we will classify in a relevant category and put that in respective business. Regarding the question on margin, I think we have to see long run. In short run, because these are RFP-led businesses and we have just started, so short run, you see some increase in cost, but in long run, we should continue growing healthy margin.
- Tanmay Jhaveri:** If you can quantify that in number terms?
- Sandeep Mantri:** I will not give any guidance or quantify the margin, but the only thing which I can say is that margins are going to improve.
- Moderator:** The next question is from the line of Rishi Maheshwari from AKSA Capital.

Rishi Maheshwari: There are a couple of questions that I wish to understand one from a strategic level. A couple of quarters, until about a couple of quarters ago, we've been speaking largely on the digital public infrastructure that you've been building. One on the insurance side, the ONDC, Agri stack, health and education.

For the last couple of quarters, we've not spoken about it. I wish to understand that what is your vision over there. I believe these are government-led initiatives, and therefore, this is large stack building opportunity that you perhaps would have been involved with. And if there is something over there, which is actively being pursued, if you can throw some light on it, it will be helpful.

Suresh Sethi: Yes, sure. So agri stack, as we mentioned earlier, this was a project we received from the Ministry of Agriculture at the centre level. The entire idea was to basically build an architecture for centre-state data exchange and the entire consent layer for sharing of data.

And the whole idea was that you build a standardized central stack against which then various service providers can plug in and services like loans, insurance advisory can then flow it in a standardized manner to each state, being a state subject, the actual data or the actual user will actually be sitting at a state level.

So that was the project, it was a turnkey project. We were awarded the mandate for the first phase, and then we subsequently won the mandate for the second phase also, and we are in the process of delivering against that. More importantly for us naturally is that as we unlock value in these ecosystems, it also opens up opportunities to then build in the app layer, which means creating interfaces for institutions, providing credit services or insurance services and so on.

So, we clearly are looking at further opportunities, which are more than enterprise or B2B led. But from a government perspective, these are turnkey projects. In Agri stack, we are in the process of delivering on the Phase 2. With regard to health, again, as we had shared earlier, we have built some assets, which are in the form of HMIS systems and there's a PHR app, patient health record application.

And we had received a mandate from the government of Maharashtra to roll it out, and that is an ongoing project, and we are doing the same. These actually in the second case, it's more transactional in nature, the revenue. It's not a turnkey project, but actually an on-ground execution and then you are getting some sort of revenue streams more on an opex model over there.

Rishi Maheshwari: So, all put together, what is the contribution from these initiatives on to our total revenues?

Sandeep Mantri: So, we are not giving specific revenue contribution, but what you are saying is our contribution from these new streams is about 12% to the total revenue in H1FY26.

Rishi Maheshwari: It's a very vast scope of work, which also includes some cloud work, which will also include some data analytics, and therefore, there will be multiple users of the same. What I was more interested to understand is that from what we recollect out of the last couple of years of conversation or the last 1.5 years of conversation, there's a significant time that you have tried

explaining in terms of your strategic initiative and your digital prowess towards these initiatives, which can grow in scale, just like how Aadhaar and PAN -- Aadhaar centres have grown.

So, I'm trying to understand from that perspective, are we looking at this large scale or have we already got meaningful introductions? If this is already within the 12%, which means that this will be a marginally lower proportion of that 12% itself, which means that it's a single digit. So, are we looking at scaling up this in a manner to say that at some point in time, this can become 20% of revenue?

Sandeep Mantri:

That is what we are saying, so in the next 2 to 3 years, our aim is to get this total of 12% to 25% and most of it will be basically contributed by data stack-and ODE related projects, which is what we talked about education, health, insurance, e-commerce etc.

Suresh Sethi:

So, just to add over there also, see, the point is that the new business, we've always been indicating we want to diversify and have more lines of business contributing. So actually, this is the quarter, or this is the half year where we are saying the new business has started contributing in a meaningful manner.

So, to your first question to say, as this becomes substantial, we will then give some level of more detailing on the vertical-wise information. The second is from a materiality and from a visibility point of view, as I said earlier, currently, we have an order book, which is almost twice our annual revenue, which is already, in a way, signed and sitting with us and in the process of delivery. So, we see some consistent revenues getting added quarter-on-quarter coming out of these flows.

Aadhaar project, for example, as we said, on full deployment, that will be INR 200 crores of incremental revenue coming annually. So, these are the things which will go into this cohort, and we will start giving more detailed information on it once it becomes substantial within the overall picture.

Rishi Maheshwari:

Sir, is Aadhaar part of the new deal of UIDAI that is being awarded to you? Is this a part of the order book?

Suresh Sethi:

Yes, yes, that's the one I was mentioning. That's right.

Rishi Maheshwari:

I see. So, what is the executable period of this order book? Then in that case, this is multiyear executable period of the order book because Aadhaar itself is about INR 1,370 crores of order book, right?

Sandeep Mantri:

Yes, so this Aadhaar will be a 6-year project, which will be delivered on a yearly basis. Some Aadhaar projects are like turnkey projects, wherein the major portion of revenue comes in year 1 or year 2 when you deliver the project and then there is a maintenance phase of 5 to 6 years.

Rishi Maheshwari:

In the remarks to another participant, you mentioned that margins is going to improve from here on. When we're speaking of margins this quarter, you've done about 12% margin. Do you believe that it can improve from 12% that we've registered in this quarter going forward?

- Sandeep Mantri:** Yes, that is what we are saying. Margins are going to improve once the Aadhaar revenues start kicking in, then you have at least on a contribution level, you are contributing to absolute value more and more and therefore, the overhead absorption capacity becomes richer.
- Rishi Maheshwari:** So, my rough estimate suggests about 15% revenue growth is how I should build in for at least a conservative perspective and at that, above 12% margin is how we should think about from a growth financial perspective. Am I right on this?
- Sandeep Mantri:** No, I would hesitate to give any indication on revenue growth, whether it will be 15%. But what we said, and we are again reiterating this that our new businesses will be about 25% in next 3 years and the core businesses continue to grow at 8% to 10%.
- Moderator:** The next question is from the line of Prem Luniya from Astute Investment Management.
- Prem Luniya:** Sir, I specifically had questions on the Aadhaar project, which we have won. So, the other player which has won a significantly larger portion of the same project has mentioned that this can be a 20% EBITDA margin business once it scales once the centres are open. What would you like to say on this number? And do you think it is achievable or is it a high guidance?
- Sandeep Mantri:** I think what our competition says that it is 20%. I think it is achievable. The only thing is that this is a volume-linked project. So, we have to see how the volumes rise in this business and depending on these volumes, margins will be determined. So, while we have a rough estimate, which indicates more or less same level, but ultimately, it all depends on the volume it kicks in.
- Prem Luniya:** And sir, I wanted to understand how this business will work? Will it be on transaction basis? And if it will be on transaction basis, can you give us a number is there any fixed amount, which will give a receipt out of every transaction?
- Sandeep Mantri:** So yes, so this will be a transaction business where we will get revenue per transaction. Some of the revenue we will get directly from the ultimate consumer and some of the revenue we will get from Government of India. But we are under a confidentiality clause, and we can't disclose how much we will get from both parts.
- Prem Luniya:** But is there any minimum number of transactions, which are in a way assured by the Aadhaar UIDAI?
- Sandeep Mantri:** There are certain minimum number of transactions which are assured, but the market is far bigger than that.
- Prem Luniya:** And sir, I wanted to understand the large part of the new business growth, which we have seen this quarter has coming from the new orders which we have got and not from the in-house capabilities, which we have developed. And you have been saying this that 25% would be the revenue.
- And I guess in the AGM, you have mentioned that out of that 25%, 10% would be from the order book and 15% would be from the new businesses, which we have developed. So, can you say that this 15% at what stage will that actually contribute? Because I believe it has not grown

as much in the last few years, and your employee expense has been growing quite well to grow these businesses.

Suresh Sethi:

So, see, end of the day, this is a continuum. As we've always maintained, as we even build on projects, there are ancillary and parallel revenue streams get unlocked, right? So, if we are doing some work in Bima Sugam and we enable the digital infrastructure of the insurance marketplace, it gives us likewise ability to play the role in the app layer as a TSP and create SaaS products.

I don't think we are distinguishing a 10% and 15%. I don't recollect having made that distinction. For us, the whole idea is that new streams of business, whether we are contributing to the infrastructure digital infrastructure at a foundational level or we are doing productization or we are expanding to international markets, we are putting that cohort together.

As I said earlier, when it becomes substantial, then we will start giving more inputs in terms of what is coming from which stream, but otherwise, these are very closely linked because the whole idea over here is you want to expand across the value chain. Otherwise, you restrict yourself to doing a turnkey project and you're not able to play the value-added services play beyond that.

And that is where we've sharpened our capability to be able to do both. Now as far as teams are concerned, our investment into people and whatever tech competence capability we've built, be it in emerging technologies, be it in our own development and full stack engineering teams.

Those play an equally important role in winning turnkey projects. So, it's not just about developing products, it applies both sides. So, creating core competence and knowledge and IP of open-source technologies is pretty much as a baseline. And then you can either have a project win or a product win coming against it.

Moderator:

The next question is from the line of Prakash Kapadia from Kapadia Financial Services.

Prakash Kapadia:

A couple of questions from my end. On the PAN services, you issued around 1 crore PAN cards during the quarter and revenues from the segment are down, I think, we've issued around 1 crore PAN cards during the year and still revenues are down 10%. So, can you explain this decline better? And what kind of revenue growth can we estimate in the next few quarters from the PAN services?

Sandeep Mantri:

PAN services, if you see sequentially, we have grown about 8% compared to last quarter. But if we compare last year, so there was a little bit a greater number of PAN card issued in last year same quarter. Therefore, the revenue is a little bit high, which is 10% compared to last year the same quarter.

So that's the reasoning I can give. It is more a transaction-based revenue and if PAN card while we have improved our market share from 53%, 54% to now 58% in this first half of the year, which is so while industry have degrown a little bit more, but we have continued to capture more and more market and therefore, arresting the degrowth basically.

- Prakash Kapadia:** But incremental PAN cards issued shouldn't lead to this decline, right? Sandeep from a year-on-year perspective also...
- Sandeep Mantri:** So, you issue one PAN card, you get fixed revenue per transaction. I mean there is no revenue for past issued PAN cards. Whatever number you issue for the particular period; you get revenue correspond to that.
- Prakash Kapadia:** We'll take it offline and on the CRA services, obviously, we have the leadership and that is doing well. So, from a potential perspective, is the registered EPFO users a good benchmark to identify the potential? And on the UPS, how large can that become?
- I think it is around 65 lakh state and central government employees. So, is that the kind of potential, which can lead to further growth in that segment? And similarly, on the Atal Pension Yojana, what is driving this? And what kind of revenues can we expect?
- Suresh Sethi:** Yes. So, Prakash, basically, in the pension space, as we said, at an overall level, pension penetration in India is just 6% while if you look at most of the OECD countries, they are sitting at some 70% penetration. So, there's a huge headroom and today, if we look at even sheer numbers, let me start backwards.
- First, if you look at APY, we are talking about basically around 5 to 6 crores APY subscribers. APY scheme came pretty much in conjunction when the Jan Dhan program was launched. Today, the Jan Dhan accounts are sitting at around 55 crores plus. So, you see almost a 10x headroom even if you are assuming that the Jan Dhan account holders are from a similar profile where they would benefit from Atal Pension Yojana equivalent sort of product.
- So, there is significant headroom over there. Now if we come to the other fact, since you mentioned EPFO, today, the pension regulator, as you are aware, there have been a lot of new initiatives being taken. There's clear trust to say how can we further expand the private sector pension penetration. And therefore, a lot of initiatives like the multi-scheme framework.
- Similarly, ease of onboarding, various things are today being called out. And that is where the ambition is really to grow it up to 30 crores subscribers in the matter of next 3 to 5 years. So, there is a strong trust in that business. Currently, naturally, we have a very dominating market share, but we are likewise being agile in looking at our products, concepts and technology, and we will definitely be focused on this particular line of business going forward.
- Prakash Kapadia:** And lastly, if you can share some kind of metrics, we need to build in for the Aadhaar Seva Kendra project as we scale maybe in the coming quarter, that will help us understand the dynamics of that business. What kind of a capex is done? What is the opex, what kind of margins are possible, if you could highlight now or maybe next quarter, that will be helpful?
- Suresh Sethi:** Sure.
- Moderator:** The next question is from the line of Divij Punjabi from Banyan Tree Advisors.

- Divij Punjabi:** My question was regarding the other businesses or the new businesses. So, you mentioned that the CERSAI and Bima Sugam business have accrued in this quarter. And going ahead, the Aadhaar Seva Kendra also will start accruing. So, the system support and maintenance cost that is there, will that continue to increase sequentially? Or is this the figure that we should expect going ahead and the onetime expense is already done?
- Sandeep Mantri:** No, so this will be in line with the revenue recognized, right? So, because these are project-based revenue and the cost incurred to deliver this project would be part of the P&L. The more revenue earned, I think the more cost also will be sitting in one of these heads.
- Divij Punjabi:** And the office setup of this will be onetime or will that also increase going ahead?
- Sandeep Mantri:** No, I think that will be more onetime than increase every quarter because there are certain one-timers and there are certain costs, which will be recurring.
- Divij Punjabi:** And is it possible to give any indication of the cost breakup of the system support and maintenance?
- Sandeep Mantri:** What kind of breakup you need?
- Divij Punjabi:** The onetime versus the variable.
- Sandeep Mantri:** I think in systems support and maintenance, it is more variable in line. There is no onetime per se in systems support and maintenance. It will be more variable in line with -- if you are increasing your revenue, then the cost also will shift in one of these.
- Moderator:** The next question is from the line of Pratap Maliwal from Mount Intra Finance Private Limited.
- Pratap Maliwal:** So, just wanted a clarification. There were some news articles during the rounds that there's been a change regarding the Aadhaar Seva Kendra. So, what facility will be provided offline in the Seva Kendra and then what will be done online in terms of demographic changes and things like that as well as there might have been a change in the pricing structure for related transactions. So, can you give any clarity if you got any read on this front?
- Sandeep Mantri:** I don't think there is any change in pricing structure of the services, which will be provided by Aadhaar Seva Kendra. It remains as it is.
- Pratap Maliwal:** And secondly, I believe that there's been a new deadline issued by the government regarding Aadhaar PAN linkage. I think that is to be done by Jan 1. So, are you seeing any uptick in terms of that?
- Sandeep Mantri:** Sorry, could you repeat your question?
- Pratap Maliwal:** I believe that there's been a new deadline issued by the government in terms of linking PAN with Aadhaar, so does that kind of benefit you in any way?

- Sandeep Mantri:** Yes. If there is a deadline, it will definitely benefit me in terms of, if there is a linkage of Aadhaar and PAN and if people are not having Aadhaar, then definitely compulsory need to get Aadhaar. So, definitely, this kind of initiative will help in increasing the volumes.
- Pratap Maliwal:** Have you seen any of that benefit coming through? Because I believe the deadline is...
- Sandeep Mantri:** We are yet to start Aadhaar operations. It is not yet started. We are in the process of setting up the Aadhaar Seva Kendras.
- Moderator:** Ladies and gentlemen, this is the last question for today. I now hand the conference over to Mr. Suresh Sethi for closing comments. Thank you, and over to you, sir.
- Suresh Sethi:** Thank you very much. We continue to remain confident about our contribution to the digital public infrastructure, especially the Digital India Trust and equally important, India's role on the global platform to provide DPI-related knowledge and knowledge transfer. These are areas we are looking forward to building our own strength.
- I would like to thank everyone on the call for your support all along, and we will catch up later. Thank you very much.
- Moderator:** Thank you very much, sir. On behalf of Protean eGov Technologies Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.