

# Protean eGov Technologies (PROEGO)

CMP: ₹ 2020

Target: ₹ 2510 (+24%)

Target Period: 12 months

December 23, 2024

BUY

## A unique play on digital public infrastructure...

**About the stock:** Protean eGov Technologies Ltd. (Protean), erstwhile known as NSDL e-Governance focuses on developing / modernising digital public infrastructure (DPI) and e-governance initiatives for various governmental bodies in India. Protean is a professionally managed company backed by several large financial institutions. Recently, NSE has sold its 20.31% stake, making Protean eligible to list on NSE.

- The company has 3 core verticals including i) Tax services (PAN, TIN, eTDS), ii) social security & welfare (Central record keeping agency i.e. CRA for NPS & APY) and iii) identity authentication (PAN verification, Aadhaar authentication, e-KYC & e-Sign). Further, it has ventured in new age businesses including Open Digital Ecosystem (ODE): ONDC play, along with data-stacks for students, farmers and health department), Cloud & Infosec.
- Strong distribution network as it operates over 4.42 lakhs PAN/TIN facilitation centres and strategic network entities covering 18,000 locations across 36 states and Union territories in India.

### Investment Rationale

- Dominant market share in its core verticals:** Protean is the largest issuer of India's digital tax identity i.e. Permanent Account Number (PAN) with cumulative market share of ~64% (74.7 cr total PAN cards as on FY24). It's a 3 players market with UTI-Infrastructure Technology & Services Ltd. (UTI-ITSL), and Income Tax Department being the other two participants. Besides, Company is the CRA for National Pension scheme (NPS) and Atal Pension Yojana (APY) wherein it commands a combined market share of ~97%. Only 6% of private sector employees in India have pension coverage currently, presenting structural growth roadmap. In identity services segment, Protean is one of the forerunners of digital identity verification, being the only company that offers all 4 facets of digital identity verification.
- Exploration of New age businesses to aid growth:** Protean has ventured into Open Digital Ecosystem and is one of the pioneering members of ONDC, an open market network for digital commerce solutions. With ecommerce rising at a brisk pace, it is well-positioned to capture the same. Besides, data stacks in field of agriculture, education, healthcare are select segments wherein protean aims to contribute to respective industry dynamics.

### Rating and Target Price

- Legacy core businesses provide stability alongwith modest growth while the new age businesses open up plethora of opportunities. Majority of investments have been done while the benefits are yet to accrue.
- We estimate revenue CAGR of ~11.9% over FY24-27E while EBITDA & PAT CAGR of 31.0% & 26.2% respectively over the same period. We assign **BUY rating** on the stock with a target price at ₹ 2510 (valued at 52x P/E on FY27E)



**protean**  
Change is growth

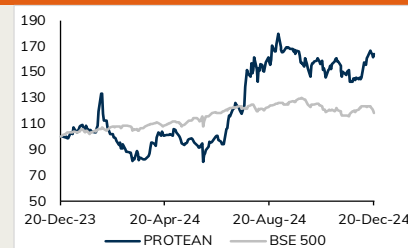
### Particulars

Particular	Amount
Market Capitalisation (Rs Crore)	8,189
FY24 Debt (Rs Crore)	21
FY24 Cash (Rs Crore)	676
EV (Rs Crore)	7,534
52 Week H/L (Rs)	2225 / 930
Equity Capital (Rs Crore)	40.5
Face Value	10

### Shareholding pattern

	Dec-23	Mar-24	Jun-24	Sep-24
Promoter	-	-	-	-
FII	10.6	9.7	8.6	6.7
DII	51.0	41.0	30.1	28.9
Others	38.3	49.3	61.3	64.4

### Price Chart



### Key risks

Key Risk: i) Dependency on projects awarded by government entities and agencies ii) Technology break-down / Cyber security risk iii) Competition capable to challenge Protean

### Research Analyst

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### Key Financial Summary

(₹ crore)	FY21	FY22	FY23	FY24	3 year CAGR (FY21-24)	FY25E	FY26E	FY27E	3 year CAGR (FY24-27E)
Revenue	603	691	742	882	13.5	912	1,062	1,235	11.9
EBITDA	85	124	118	89	1.8	108	159	201	31.0
EBITDA Margin (%)	14.1	17.9	15.9	10.1		11.8	15.0	16.3	
Net Profit	92	144	107	97	1.8	115	159	196	26.2
Diluted EPS (Rs)	22.8	35.5	26.4	24.0		28.4	39.2	48.2	
P/E (x)	88.7	57.0	76.5	84.2		71.2	51.6	41.9	
EV/EBITDA (x)	94.7	64.0	67.7	89.1		73.2	49.4	39.0	
RoCE (%)	16.8	22.8	16.1	13.4		14.7	18.3	20.1	
RoE (%)	13.8	18.2	12.5	10.5		11.5	14.3	15.7	

Source: Company, ICICI Direct Research

## Company Background

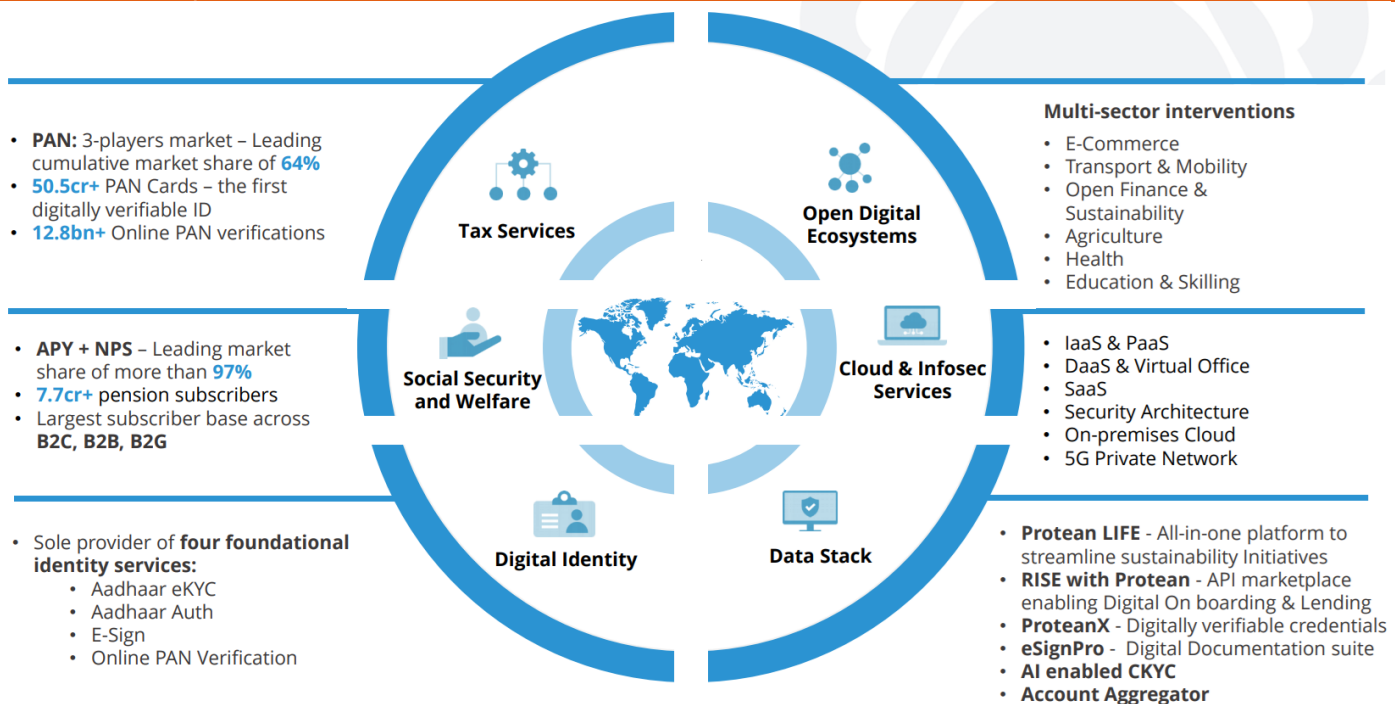
Incorporated in 1995, Protean previously known as NSDL e-Governance Infrastructure Ltd, is engaged in the business of developing citizen-centric and population-scale e-governance solutions.

Initially, it was set up as a depository in 1995. Subsequently, in 2004, the company launched initiatives such as the Tax Information Network (TIN), Pan Card Issuance, and Online Tax Accounting System (OLTAS). Further, in 2008, the company was appointed by the Pension Fund Regulatory and Development Authority (PFRDA) as the CRA for the NPS of the Government of India. Further, in 2011, the Unique Identification Authority of India (UIDAI) appointed the company as a Registrar for the implementation of the UID mission in India, and in 2013, it launched e-KYC services.

In 2012, NSDL transferred its depository business, including services under the Depositories Act, to its former subsidiary, NSDL Depository Limited. Later that year, in December, NSDL rebranded as NSDL e-Governance Infrastructure Limited as part of this business restructuring. The company was subsequently rebranded again as Protean eGov Technologies Limited in 2021 to reflect its broader focus on IT services and expansion into new areas.

## Current Business Offerings

Exhibit 1: Diverse product basket



Source: Company Q2FY25 investor presentation, ICICI Direct Research

Exhibit 2: Revenue mix business segment wise

Business segments	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Tax Services Proportion	53.6%	53.0%	58.5%	55.1%	49.4%	44.1%	39.2%
Growth YoY	-	13.2%	18.6%	12.0%	-7.2%	3.8%	3.4%
Pension services	32.7%	29.5%	29.8%	28.7%	31.9%	32.0%	32.0%
Growth YoY	-	3.6%	8.3%	14.5%	15.0%	16.8%	16.2%
Identity services	12.1%	15.8%	9.2%	12.6%	12.9%	13.8%	14.5%
Growth YoY	-	49.3%	-37.6%	63.2%	6.0%	24.1%	22.5%
New Businesses	1.7%	1.7%	2.6%	3.6%	5.7%	10.1%	14.3%
Growth YoY	-	17.8%	61.3%	66.7%	63.4%	105.7%	64.1%

Source: Company, ICICI Direct Research

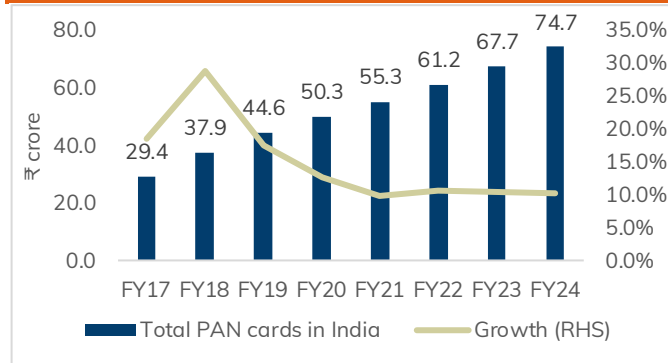
## Investment Rationale

### Dominant market share in its core verticals

#### a) Tax services:

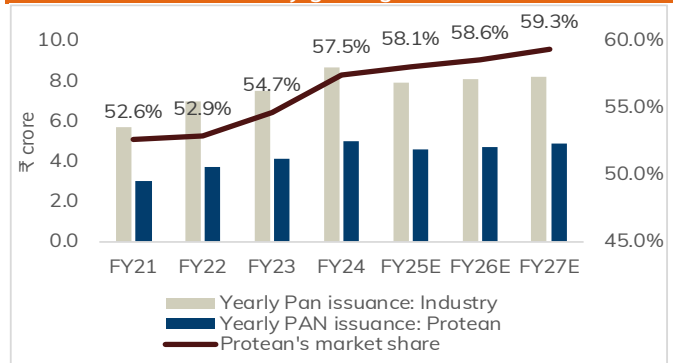
On cumulative basis 74.7 cr PAN cards have been issued as on FY24 wherein Protean commands ~64% market share. Nearly 97-98% of PAN holders are individuals indicating about half of the India's population have got PAN. Going ahead, the steady growth rate of PAN card issuance expected as financial inclusion deepens with respect to filing Income tax returns, opening bank account, demat account, fixed deposit above ₹ 50k, high value purchases like Real estate and Gold transaction. Rough average annual run-rate of 7-8 cr new cards being issued across India of which ~₹ 5 cr new cards are issued by Protean. This annual run-rate includes ~25-30% updating of PAN data & duplicate issuances.

Exhibit 3: Total PAN cards issued in India



Source: Company Prospectus, ICICI Direct Research

Exhibit 4: Protean steadily gaining market share



Source: Company Q2FY25 investor presentation, ICICI Direct Research

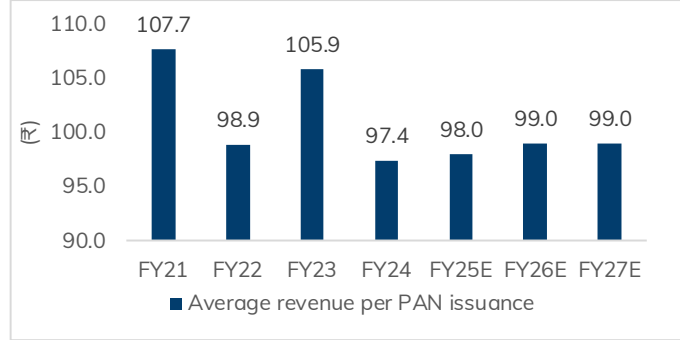
As depicted in Exhibit 4, Protean is steadily gaining market share which is noteworthy. It is effectively an oligopoly market as balance share almost entirely belongs to UTI-ITSL.

Exhibit 5: PAN application charges

Particulars	Location	Application mode	Fees (Exclusive of taxes)	Fees (Inclusive of taxes)
Physical Pan card required	India	Physical mode i.e. documents forwarded	91	107
Physical Pan card required	India	Online mode (e-KYC & e-Sign type)	86	101
Digital Pan card required / Physical not required	India	Physical mode i.e. documents forwarded	61	72
Digital Pan card required / Physical not required	India	Online mode (e-KYC & e-Sign type)	56	66
Physical Pan card required	Outside India	Physical mode i.e. documents forwarded	862	1017
Physical Pan card required	Outside India	Online mode (e-KYC & e-Sign type)	857	1011
Reprint of PAN card - Physical	India		42	50

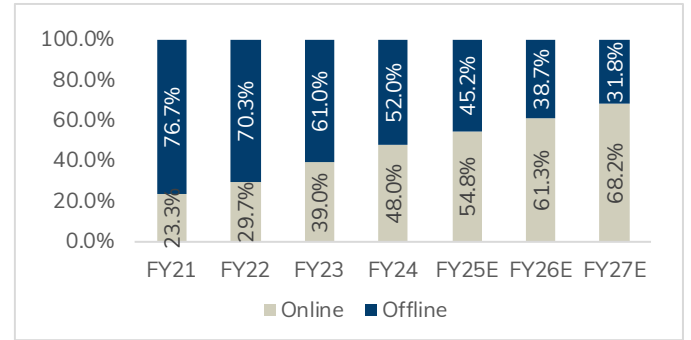
Source: Company, ICICI Direct Research

Exhibit 6: Average revenue per PAN issuance



Source: Company, ICICI Direct Research

Exhibit 7: More profitable online issuance proportion rising



Source: Company, ICICI Direct Research

The proportion of online PAN issuance has increased from 23.3% in FY21 to 48.0% in FY24. The online issuance is relatively more profitable as the company has to pay commissions / service charge to franchise / facilitation centre in offline mode for the services received. Thus, with increasing online issuance, the margins shall improve going ahead.

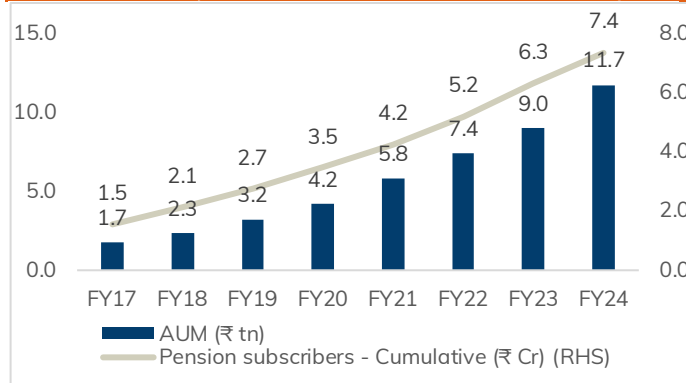
Recently, government has announced a new PAN project named PAN 2.0 which shall entail features including QR code integration, unified digital platform, enhanced cyber security, Mandatory Aadhar linkage, Real-time validation, etc. This makes government’s intention clear about making PAN a common identifier number for various purposes. Today a business entity maintains many registrations, e.g. PAN, TAN, TIN, GSTIN, CIN, EPFO number, etc. Here, PAN 2.0 could act as a master access key and shall aid the ease of doing business. PAN 2.0 is expected to have seamless integration with government and private platforms for verification and compliance. Government has budgeted ₹ 1435 crore for this project and is likely to go forward with a tender-based approach. More details on the same are awaited.

Overall, this segment shall provide stability to the business while scope for margin improvement shall aid moderate profit growth.

**b) Pension services:**

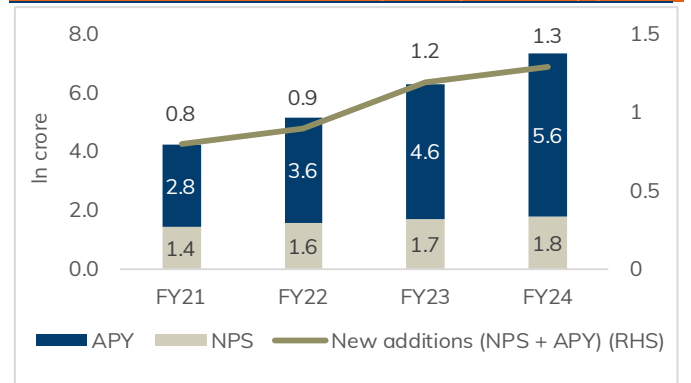
Protean plays a pivotal role in strengthening the social security infrastructure for citizens in India as the Central Recordkeeping Agency. It has built India’s first Digital Pension Infrastructure and dominates the market with a combined market share of 97% in NPS and APY. This segment caters to customers including businesses (pension plans for private sector employees – B2B), retail customers (B2C) as well as government employees (B2G). The segment earns both Annuity and Transactional revenue streams.

Exhibit 8: Industry Pension subscribers, AUM base in uptrend



Source: National Pension System Trust Annual Reports, ICICI Direct Research

Exhibit 9: Annual new additions growing at healthy pace



Source: National Pension System Trust Annual Reports, ICICI Direct Research

Pension subscribers have been growing at steady pace. Only 6% of private sector employees in India have pension coverage currently vs 70% in US. Similarly, India's pension assets to GDP stands at ~16.5% vs 100% in developed countries and 82% in OECD nations. Such stark under-penetration, rising per capita income, changing demographic patterns and increasing need for independent retirement income shall eventually result in structural industry growth. Recent government measures indicate

their intention to increase the penetration of NPS. In the latest budget, NPS Vatsalya was introduced for minors from 0-18 years of age group which will significantly widen the NPS and promote it as a lifecycle savings instrument. Additionally, the threshold for NPS contribution by employer for private sector employees has been increased from 10% to 14%.

Exhibit 10: Charges for NPS accounts

Charges for NPS accounts	Protean	Kfintech	CAMS
Account opening charges	40.0	39.4	40.0
Maintenance cost / account / year	69.0	57.6	65.0
Charge per transaction	3.8	3.4	3.5

Source: NPS Trust website, ICICI Direct Research

Exhibit 11: Charges for APY accounts

Charges for APY accounts	Protean	Kfintech	CAMS
Account opening charges	15.0	15.0	15.0
Maintenance cost / account / year	20.0	14.4	16.3
Charge per transaction	0.0	0.0	0.0

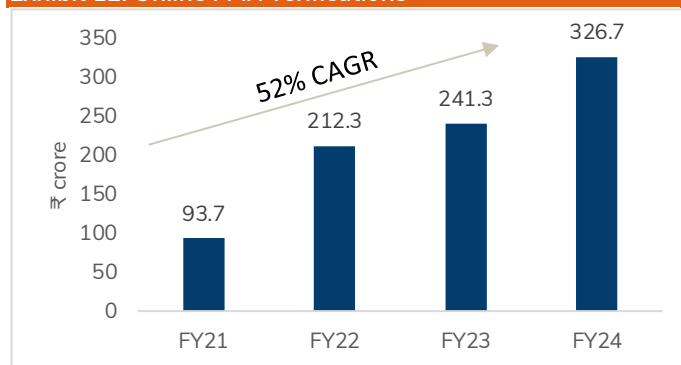
Till 2018, Protean was the only CRA for NPS post which the other two players i.e. KFin Technologies and CAMS have entered the space. Thus, Protean may lose market share to certain extent going ahead but considering the longevity of industry growth outlook, it shall be one of the key beneficiaries.

### c) Identity services:

Protean is one of the forerunners of digital identity verification, being the only company that offers all 4 facets of digital identity verification. This segment operates mainly on B2B structure. With 75 cr+ India's population having internet access and strengthening digital infra of economy, the identity services segment of protean is poised for strong structural growth. Increasing digital payments, growth of fintech industry, government tailwinds with several of its schemes requiring active pan card wherein verification & authentication becomes important. With just 1-2% of population categorised as power users / regular transactors of digital commerce, this space shall foresee decent opportunity and evolve e-commerce ecosystem wherein digital identification need shall increase with broader adoption of digital payment.

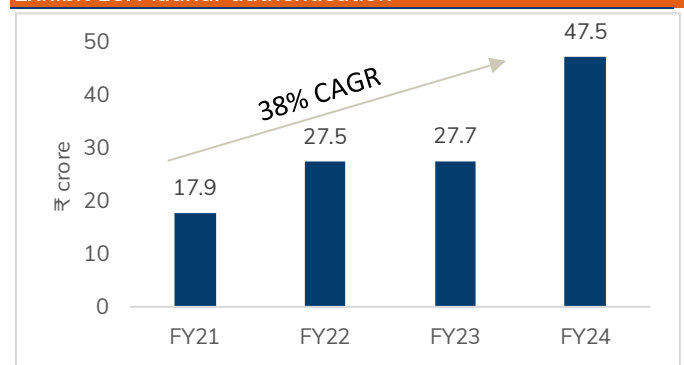
As depicted in charts below, all 4 facets of this segment are witnessing brisk growth which is likely to trend for multi-years going ahead. Here, Protean is amongst the leading players in all these segments.

Exhibit 12: Online PAN verifications



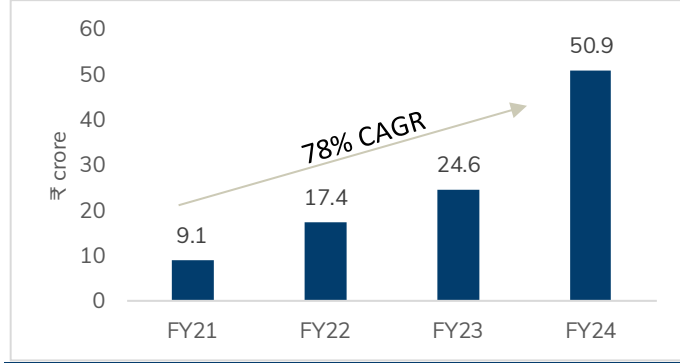
Source: Company Q2FY25 investor presentation, ICICI Direct Research

Exhibit 13: Aadhar authentication



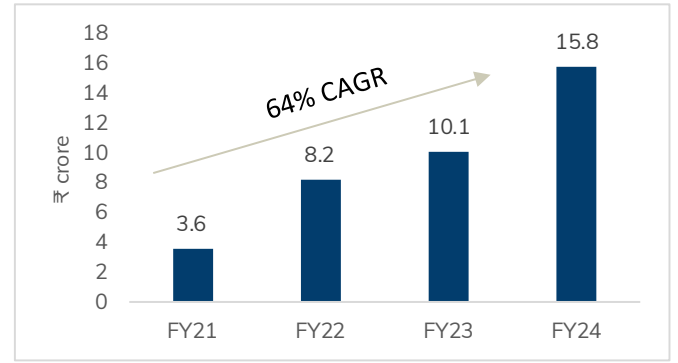
Source: Company Q2FY25 investor presentation, ICICI Direct Research

Exhibit 14: e-KYC transactions



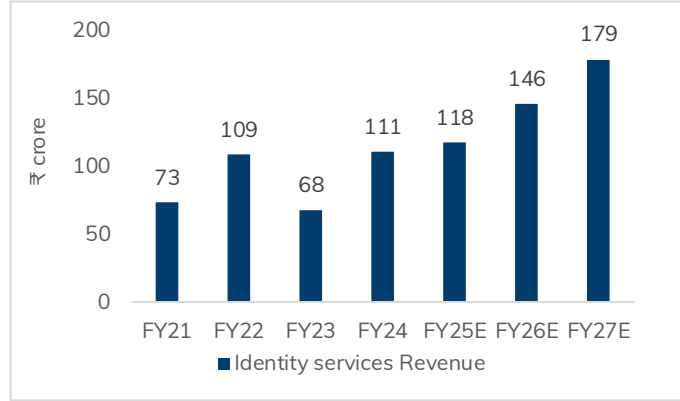
Source: Company Q2FY25 investor presentation, ICICI Direct Research

Exhibit 15: E-Sign transactions



Source: Company Q2FY25 investor presentation, ICICI Direct Research

Exhibit 16: Identity services revenue growth trend



Source: Company, ICICI Direct Research

As discussed earlier about the tailwind of growth, expect identity services segment's revenue to grow at 18.4% CAGR over FY24-27E, 25.1% CAGR over FY25-27E.

Here, FY25 growth is expected to be modest on the back of high base of FY24 largely attributable to the high volumes driven by the Aadhaar-PAN linkage deadline.

**New business verticals:**

These new verticals are still at a very nascent and contributes low single digit % to total revenue. Management has guided these new business segments shall contribute 20-25% to total revenue in next 2-3 years. We have factored 14.3% contribution from these new verticals by FY27E.

**d) Open Digital Ecosystems (ODE)**



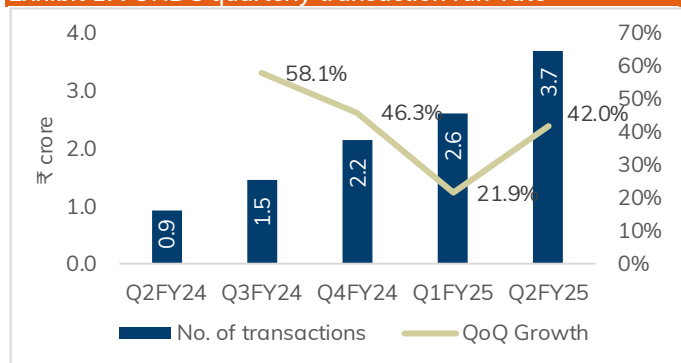
**Protean: Backbone of ONDC; A Mammoth task to revolutionise e-commerce industry**

ONDC (Open Network for Digital Commerce), a digital initiative taken by government, is a network-based open protocol in a quest to transform the domestic ecommerce space as it connects all buyers to all sellers on the network. It works on interoperable protocol, which unbundles the ecommerce value chain. ONDC had its alpha rollout in April 2022 in 5 cities and is still at a nascent stage wherein its success remains key from Protean’s perspective.

Protean is one of the founding members of ONDC and holds ~3.85% stake in the company for its cumulative investment of ₹ 25 crore. It is the first & only Gateway service provider for ONDC powering all Network Participants with Open Gateway Solutions. In terms of revenue, the company is compensated by ONDC currently for providing digital public infrastructure but could eventually become a market participant compensated model. Then revenue from SaaS-based offerings for providing buyer and seller technology shall contribute. Over here, there’s an AMC model and then there’s a SaaS model which plays with it. Besides, revenue from extension services like reconciliation & settlement modules, issuance & grievance modules, etc. could add up.

Management expects revenue potential of 0.5% to 3-5% on a typical transaction GMV over long term. ONDC’s share in total ecommerce GMV is projected to increase to 30% by 2030. The Indian economic survey projects Indian e-commerce industry is likely to surpass the \$350 billion-mark by 2030. Our back of the envelope calculation with certain assumptions suggests this segment has potential to generate revenue of ~₹ 1000 cr if it achieves 20% share of total e-commerce market by FY30 at 0.5% of GMV.

**Exhibit 17: ONDC quarterly transaction run-rate**



Source: Company Q2FY25 investor presentation, ICICI Direct Research

Current monthly run-rate of number on transactions on ONDC platform is now at ~1.4 crore. Recently, ONDC has announced it shall levy charge of ₹ 1.5 per transaction for orders above INR 250 starting January 1, 2025 to sustain its operations and make further investments in network infrastructure.

There are 7+ lakh sellers on the platform. In terms of network participants, there are 26 buyer apps and 80 seller apps.

#### e) Cloud & Infosec

**i) Protean Cloud:** A MeitY certified cloud provider mainly operates across 5 sectors including E-commerce, Aggregators, SaaS Vendors, Manufacturing, Public Sector. It operates 2 data centres, one at Pune i.e. owned and another in Mysore, managed in collaboration with a partner.

**ii) Protean Infosec Services:** It provides consulting and advisory services focused on key aspects of cybersecurity governance and operations. The segment shall witness strong structural growth owing to increased online data & transactions, cyber-attacks, increasing regulatory norms.

#### f) Data Stack

A data stack is a collection of technologies and tools used to collect, store, and process, analyse and visualize data. Protean is working to develop a data-rich economy by incorporating technology such as artificial intelligence (AI), customizable data visualization, API integration and digital authentication to facilitate smarter lending policy and an API marketplace to allow the public, lending institutions and enterprises to upscale their offerings using analytics. This business is aimed to complement and strengthen company's identity business. Major solutions offered are i) Protean LIFE: All-in-one platform to streamline sustainability Initiatives, ii) RISE with Protean: API marketplace enabling Digital On boarding & Lending, iii) ProteanX - Digitally verifiable credentials, iv) eSignPro v) AI enabled CKYC vi) Account Aggregator.

#### Global expansion

Besides, Protean is in process of foraying into international market by taking India's Digital public infrastructure model global, especially in Africa and Southeast Asia. The company is actively engaged with over 14 countries to replicate India's success with DPI.



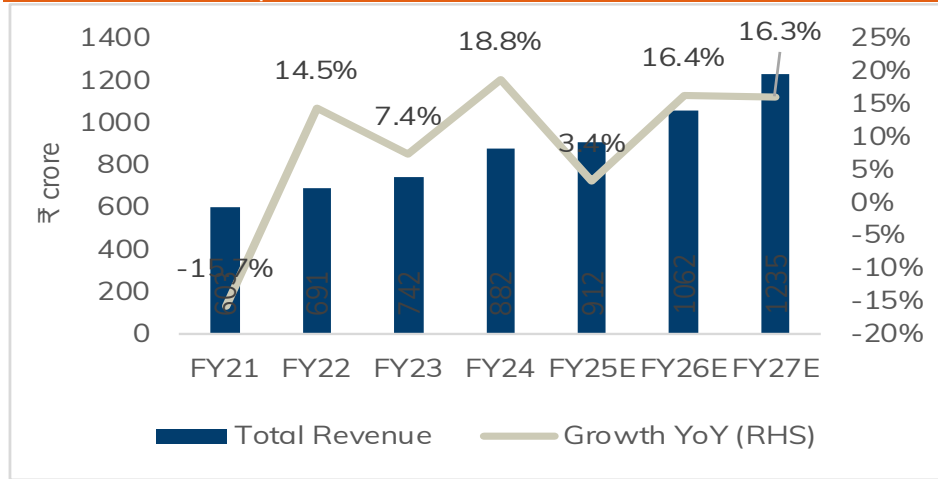
## Key Financial Summary

### Revenue expected to grow ~14% CAGR over FY24-27E

In recent history, Protean's total consolidated revenue has grown at 13.5% CAGR over FY21-24 to ₹ 882 crore. During this period, the steady growth was witnessed across segments and was primarily led by tax services segment which grew 14.6% CAGR to ₹ 486 cr, constituting 55.1% of total revenue mix.

Going forward, the growth rate in tax services segment is expected to be flattish while it provides strong stability to overall business. On the other hand, the new age businesses, pension services and identity services segment are expected to be meaningful contributors the revenue growth. Management has guided for new aged businesses to contribute 20-25% to total revenue in next 2-3 years vs 3.6% in FY24, ~5.7% in FY25E.

Exhibit 18: Trend in Topline



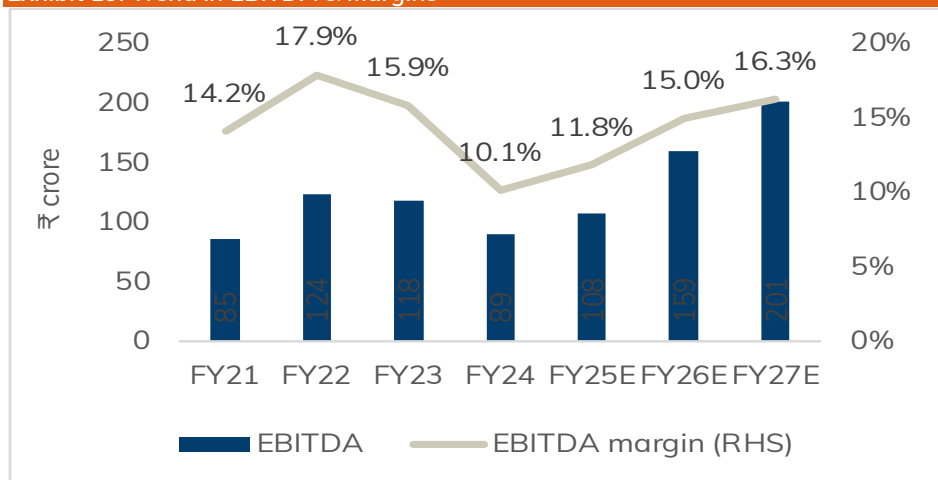
Source: Company, ICICI Direct Research

### EBITDA expected to grow ~32% CAGR over FY24-27E albeit on a subdued base

FY21-24 had mediocre low single digit EBITDA CAGR mainly marred by i) conservative debtors provisioning as government funds come with a lag, investment phase of new aged business. This phase is expected to reverse going ahead and operating leverage in new aged businesses shall start accruing. Further, these businesses are expected to earn better margins vs traditional core verticals. Even in tax services segment, the online issuance proportion is increasing which is more margin accretive. Similarly, pension segment growth is picking pace wherein scale benefit shall get reflected. Overall, the benefits of investments done shall reflect in forthcoming years.

Going ahead, we estimate EBITDA margin to improve to 16.5% in FY27 vs 10.1% in FY24. Historically, the company has managed to earn 14-15% EBITDA margin in normalised scenario.

Exhibit 19: Trend in EBITDA & Margins

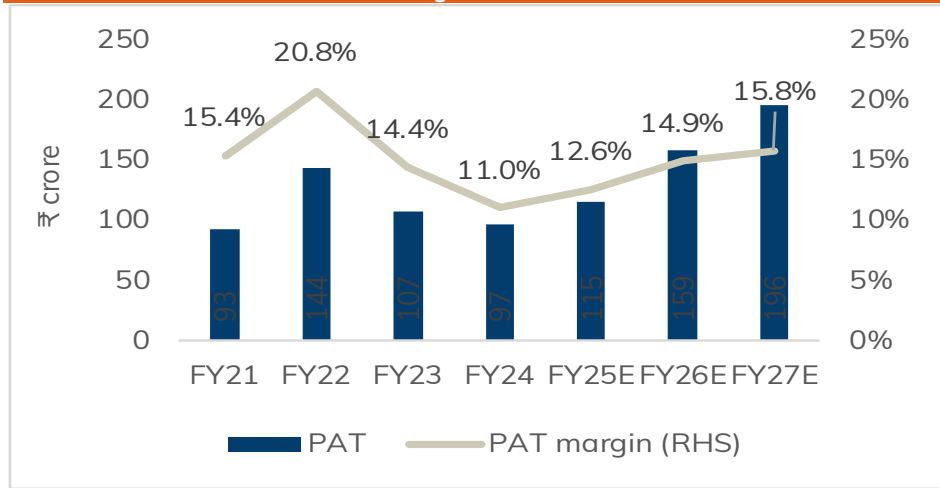


Source: Company, ICICI Direct Research

**PAT expected to grow ~37% CAGR over FY24-26E**

With healthy growth in EBITDA, expect PAT to grow at a CAGR of ~30% over FY24-27E from ₹ 97 crore in FY24 to ₹ 193 crore by FY27E.

**Exhibit 20: Trend in PAT and PAT Margin**



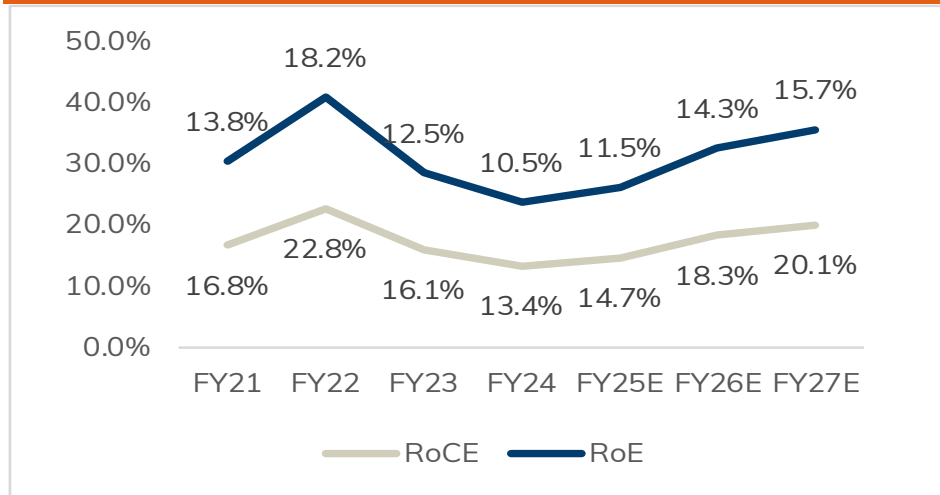
Source: Company, ICICI Direct Research

**Healthy return ratios, asset light & unique business nature to keep valuations rich**

Return ratios were modest during FY24, as select one-offs and investment phase kept profitability muted. Going ahead, RoE is expected to improve from 10.5% in FY24 to 15.7% in FY27E as profitability improves. Further, the balance sheet has considerable cash of ₹ 750 cr as on Q2FY25 which makes RoE optically subdued.

Overall, traditional core verticals provide stability while new aged business shall support growth. This combination alongwith asset light business model and a unique play on digital public infrastructure shall keep valuations on premium side.

**Exhibit 21: Trend in Return Ratios**



Source: Company, ICICI Direct Research

## Risk and Concerns

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### **Dependency on projects awarded by government entities and agencies**

The business is currently substantially dependent on e-governance and other projects awarded by government establishments, including central, state and local authorities and agencies and public sector undertakings. Any changes in government policies or regulations or any such change to the tax and pension schemes would impact the company's business materially.

Similarly, in new aged businesses, in case of ONDC for instance, its success depends on government's focus and execution capabilities while Protean plays the role of providing necessary infra.

### **Technology break-down / Cyber security risk**

The company's business is technology driven, and quality of service relies heavily on information technology and telecommunications systems and networks and related infrastructure. Similarly, cyber threats, data breaches & technological failures could disrupt operations and damage company's reputation.

### **Competition capable to challenge Protean**

Specifically, in pension services and identity services segment, emerging competition in form of Kfin technologies, CAMS, CDSL, NSDL could adversely impact Protean's market share and margin. These companies have showcased strong technological abilities in their respective domain and pose significant threat to Protean's growth opportunities.

## Financial Summary

## Exhibit 22: Profit and loss statement

₹ crore

(Year-end March)	FY24	FY25E	FY26E	FY27E
Revenue	882.0	911.9	1,061.9	1,234.6
% Growth	18.8	3.4	16.4	16.3
Other income	67.6	77.7	89.4	102.8
<b>Total Revenue</b>	<b>949.6</b>	<b>989.6</b>	<b>1,151.2</b>	<b>1,337.4</b>
Employee Expenses	175.1	197.8	229.5	266.2
Other expenses	195.9	235.1	282.1	338.6
Total Operating Expenditure	792.6	803.8	902.4	1,033.7
<b>Operating Profit (EBITDA)</b>	<b>89.4</b>	<b>108.0</b>	<b>159.4</b>	<b>201.0</b>
% Growth	(24.2)	20.8	47.6	26.1
Interest	1.7	2.4	2.8	3.2
PBDT	155.3	183.3	246.0	300.6
Depreciation	27.5	31.9	37.2	43.2
PBT before Exceptional Items	127.9	151.4	208.9	257.4
Total Tax	30.6	36.3	50.1	61.8
PAT before MI	97.3	115.1	158.7	195.6
<b>PAT</b>	<b>97.3</b>	<b>115.1</b>	<b>158.7</b>	<b>195.6</b>
% Growth	(9.1)	18.3	37.9	23.2
<b>EPS</b>	<b>24.0</b>	<b>28.4</b>	<b>39.2</b>	<b>48.2</b>

Source: Company, ICICI Direct Research

## Exhibit 23: Cash flow statement

₹ crore

(Year-end March)	FY24	FY25E	FY26E	FY27E
Profit after Tax	97.3	115.1	158.7	195.6
Depreciation	27.5	31.9	37.2	43.2
Interest	1.7	2.4	2.8	3.2
Cash Flow before WC changes	126.4	149.4	198.7	242.0
Changes in inventory	-	-	-	-
Changes in debtors	19.6	(27.6)	(35.4)	(40.8)
Other current assets	(26.7)	2.9	(14.0)	(16.4)
Net Increase in Current Assets	(16.0)	(27.5)	(52.8)	(61.2)
Changes in creditors	(12.0)	15.7	22.1	25.5
Other current liabilities	3.3	42.7	22.2	19.9
Net Increase in Current Liabilities	(8.7)	58.4	44.3	45.4
<b>Net CF from Operating activities</b>	<b>101.7</b>	<b>180.3</b>	<b>190.2</b>	<b>226.2</b>
(Purchase)/Sale of Fixed Assets	(39.3)	(53.0)	(60.0)	(70.0)
Others	7.5	(0.3)	3.5	4.0
<b>Net CF from Investing activities</b>	<b>(71.5)</b>	<b>(81.3)</b>	<b>(124.6)</b>	<b>(141.6)</b>
Dividend and Dividend Tax	(40.5)	(40.5)	(48.6)	(58.3)
Others	11.2	(2.5)	(2.8)	(3.2)
<b>Net CF from Financing Activities</b>	<b>(17.0)</b>	<b>(42.9)</b>	<b>(51.3)</b>	<b>(61.4)</b>
Net Cash flow	13.2	56.0	14.3	23.2
Opening Cash/Cash Equivalent	137.5	150.7	206.8	221.1
Closing Cash/ Cash Equivalent	150.7	206.8	221.1	244.3

Source: Company, ICICI Direct Research

## Exhibit 24: Balance sheet

₹ crore

(Year-end March)	FY24	FY25E	FY26E	FY27E
Equity Capital	40.5	40.5	40.5	40.5
Reserve and Surplus	885.5	960.2	1,070.4	1,207.7
Total Shareholders funds	926.0	1,000.6	1,110.8	1,248.1
Total Debt	20.8	20.7	20.7	20.7
<b>Total Liabilities</b>	<b>970</b>	<b>1,044</b>	<b>1,158</b>	<b>1,299</b>
Gross Block	287.4	339.5	398.5	468.5
Acc. Depreciation	221.8	253.7	290.9	334.1
Net Block	65.6	85.7	107.6	134.4
Capital WIP	13.1	14.0	15.0	15.0
Total Fixed Assets	78.7	99.7	122.6	149.4
Non Current Assets	42.5	40.4	40.4	40.4
Inventory	-	-	-	-
Debtors	189.3	216.9	252.3	293.1
Other Current Assets	45.8	53.9	62.7	72.9
Cash	150.7	206.8	221.1	244.3
Total Current Assets	436.8	520.3	587.4	671.8
Current Liabilities	119.9	135.6	157.7	183.2
Net Current Assets (Ex Cash)	70.9	40.0	48.4	64.2
<b>Total Assets</b>	<b>970</b>	<b>1,044</b>	<b>1,158</b>	<b>1,299</b>

Source: Company, ICICI Direct Research

## Exhibit 25: Key ratios

(Year-end March)	FY24	FY25E	FY26E	FY27E
<b>Per Share Data</b>				
EPS	24.0	28.4	39.2	48.2
Cash per Share	59.6	74.6	81.6	91.4
BV	228.4	246.8	274.0	307.9
Dividend per share	10.0	10.0	12.0	14.4
Dividend payout ratio	42%	35%	31%	30%
<b>Operating Ratios</b>				
EBITDA Margin	10.1	11.8	15.0	16.3
PAT Margin	11.0	12.6	14.9	15.8
<b>Return Ratios</b>				
RoE	10.5	11.5	14.3	15.7
RoCE	13.4	14.7	18.3	20.1
<b>Valuation Ratios</b>				
EV / EBITDA	89.1	73.2	49.4	39.0
P/E	84.2	71.2	51.6	41.9
EV / Net Sales	8.4	8.0	6.8	5.9
Sales / Equity	1.0	1.0	1.0	1.1
Market Cap / Sales	8.6	8.3	7.1	6.1
Price to Book Value	8.8	8.2	7.4	6.6
<b>Workin Capital Management Ratios</b>				
Inventory Days	-	-	-	-
Debtors Days	73	80	80	80
Creditors Days	46	50	50	50
Asset turnover	3.3	2.9	2.9	2.9
<b>Solvency Ratios</b>				
Debt / Equity	0.0	0.0	0.0	0.0
Current Ratio	1.3	1.1	1.1	1.1
Quick Ratio	1.3	1.1	1.1	1.1

Source: Company, ICICI Direct Research

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Reduce: -15% to -5%;

Sell: <-15%



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