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Initial Public Offer of equity shares on the main board of the BSE Limited in compliance with Chapter II of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").



protean
Change is growth

PROTEAN eGOV TECHNOLOGIES LIMITED

(FORMERLY KNOWN AS NSDL e-GOVERNANCE INFRASTRUCTURE LIMITED)

Our Company was originally incorporated as 'National Securities Depository Limited' on December 27, 1995 as a public limited company under the Companies Act, 1956, and was granted the certificate of incorporation by the Registrar of Companies, Maharashtra at Mumbai ("RoC"). Our Company was issued a certificate for commencement of business dated February 8, 1996 by the RoC. Pursuant to the scheme of arrangement between our Company and NSDL Depository Limited under Section 391 to 394 of Companies Act, 1956 ("Scheme of Arrangement"), the name of our Company was changed from 'National Securities Depository Limited' to 'NSDL e-Governance Infrastructure Limited' and a fresh certificate of incorporation was issued on December 19, 2012 by the RoC. The name of our Company was changed from 'NSDL e-Governance Infrastructure Limited' to 'Protean eGov Technologies Limited' pursuant to a shareholders' resolution dated October 28, 2021, to represent the full gamut of products and service offerings of the Company in the space of information technology solutions and extension into new markets, sectors and geographies, and a fresh certificate of incorporation was granted by the RoC on December 8, 2021. For further details in relation to the Scheme of Arrangement, see "History and Certain Corporate Matters - Scheme of Arrangement between NSDL Depository Limited and our Company" beginning on page 167 of the Red Herring Prospectus dated October 30, 2023 filed with the RoC ("RHP"). For further details in relation to the changes in the name and registered office of our Company, see "History and Certain Corporate Matters" beginning on page 165 of the RHP.

Registered and Corporate Office: Times Tower, 1st Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, Maharashtra;
Telephone: +91 22 4090 4242; Contact Person: Maulesh Kantharia, Company Secretary and Compliance Officer; E-mail: cs@proteantech.in; Website: www.proteantech.in; Corporate Identity Number: U72900MH1995PLC095642



(Please scan this QR code to view the Red Herring Prospectus and the abridged prospectus)

OUR COMPANY IS A PROFESSIONALLY MANAGED COMPANY AND DOES NOT HAVE AN IDENTIFIABLE PROMOTER

INITIAL PUBLIC OFFER OF UP TO 6,191,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF PROTEAN eGOV TECHNOLOGIES LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE ("OFFER PRICE") AGGREGATING UP TO ₹[●] MILLION (THE "OFFER") THROUGH AN OFFER FOR SALE OF UP TO 459,617 EQUITY SHARES BY 360 ONE SPECIAL OPPORTUNITIES FUND (FORMERLY KNOWN AS IIFL SPECIAL OPPORTUNITIES FUND) AGGREGATING UP TO ₹[●] MILLION, UP TO 320,177 EQUITY SHARES BY 360 ONE SPECIAL OPPORTUNITIES FUND - SERIES 2 (FORMERLY KNOWN AS IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2) AGGREGATING UP TO ₹[●] MILLION, UP TO 148,197 EQUITY SHARES BY 360 ONE SPECIAL OPPORTUNITIES FUND - SERIES 3 (FORMERLY KNOWN AS IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3) AGGREGATING UP TO ₹[●] MILLION, UP TO 396,843 EQUITY SHARES BY 360 ONE SPECIAL OPPORTUNITIES FUND - SERIES 4 (FORMERLY KNOWN AS IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4) AGGREGATING UP TO ₹[●] MILLION, UP TO 309,225 EQUITY SHARES BY 360 ONE SPECIAL OPPORTUNITIES FUND - SERIES 5 (FORMERLY KNOWN AS IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5) AGGREGATING UP TO ₹[●] MILLION, UP TO 243,175 EQUITY SHARES BY ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA AGGREGATING UP TO ₹[●] MILLION, UP TO 1,783,395 EQUITY SHARES BY NSE INVESTMENTS LIMITED AGGREGATING UP TO ₹[●] MILLION, UP TO 705,674 EQUITY SHARES BY HDFC BANK LIMITED AGGREGATING UP TO ₹[●] MILLION, UP TO 712,077 EQUITY SHARES BY AXIS BANK LIMITED AGGREGATING UP TO ₹[●] MILLION, UP TO 712,077 EQUITY SHARES BY DEUTSCHE BANK A.G. AGGREGATING UP TO ₹[●] MILLION, UP TO 400,543 EQUITY SHARES BY UNION BANK OF INDIA AGGREGATING UP TO ₹[●] MILLION (THE "SELLING SHAREHOLDERS") AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE ("OFFERED SHARES").

THE OFFER INCLUDES A RESERVATION OF UP TO 150,000 EQUITY SHARES, AGGREGATING UP TO ₹[●] MILLION CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION"). OUR COMPANY AND SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, MAY OFFER A DISCOUNT OF UP TO [●]% (EQUIVALENT OF ₹75 PER EQUITY SHARE) TO THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING UNDER THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HERINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]% RESPECTIVELY OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND WEIGHTED AVERAGE COST OF ACQUISITION

Name of Selling Shareholders	TYPE	Number of Equity Shares offered	Weighted average cost of acquisition per Equity Share (In ₹) ⁽¹⁾
360 One Special Opportunities Fund (formerly known as IIFL Special Opportunities Fund)	Selling Shareholder	459,617 Equity Shares aggregating to ₹[●] million	950.10
360 One Special Opportunities Fund - Series 2 (formerly known as IIFL Special Opportunities Fund - Series 2)	Selling Shareholder	320,177 Equity Shares aggregating to ₹[●] million	950.10
360 One Special Opportunities Fund - Series 3 (formerly known as IIFL Special Opportunities Fund - Series 3)	Selling Shareholder	148,197 Equity Shares aggregating to ₹[●] million	950.10
360 One Special Opportunities Fund - Series 4 (formerly known as IIFL Special Opportunities Fund - Series 4)	Selling Shareholder	396,843 Equity Shares aggregating to ₹[●] million	950.10
360 One Special Opportunities Fund - Series 5 (formerly known as IIFL Special Opportunities Fund - Series 5)	Selling Shareholder	309,225 Equity Shares aggregating to ₹[●] million	950.10
NSE Investments Limited	Selling Shareholder	1,783,395 Equity Shares aggregating to ₹[●] million	55.00
Administrator of the Specified Undertaking of the Unit Trust of India	Selling Shareholder	243,175 Equity Shares aggregating to ₹[●] million	10.00
HDFC Bank Limited	Selling Shareholder	705,674 Equity Shares aggregating to ₹[●] million	49.50 [†]
Axis Bank Limited	Selling Shareholder	712,077 Equity Shares aggregating to ₹[●] million	112.00 [†]
Deutsche Bank A.G.*	Selling Shareholder	712,077 Equity Shares aggregating to ₹[●] million	49.50 [†]
Union Bank of India	Selling Shareholder	400,543 Equity Shares aggregating to ₹[●] million	26.00 [†]

* It is hereby clarified that the Mumbai branch office of Deutsche Bank A. G. is the shareholder in the Company and is acting as a Selling Shareholder.

[†] Calculated based on the equity shares held by the Selling Shareholder prior to giving effect to the Scheme of Arrangement.

⁽¹⁾ As certified by M/s S D T & Co., Chartered Accountants by way of their certificate dated October 30, 2023.

We are one of the key IT-enabled solutions companies in India (Source: CRISIL Report) engaged in conceptualizing, developing and executing nationally critical and population scale greenfield technology solutions.

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations

QIB Portion: Not more than 50% of the Net Offer | Non-Institutional Portion: Not less than 15% of the Net Offer

Retail Portion: Not less than 35% of the Net Offer

Employee Reservation Portion: Up to 150,000 Equity Shares aggregating up to ₹ [●] Million

PRICE BAND: ₹ 752 TO ₹ 792 PER EQUITY SHARE OF FACE VALUE OF ₹10 EACH.

THE FLOOR PRICE IS 75.20 TIMES AND THE CAP PRICE IS 79.20 TIMES THE FACE VALUE OF THE EQUITY SHARES.

THE PRICE/EARNINGS RATIO BASED ON DILUTED EPS FOR FINANCIAL YEAR 2023 FOR THE COMPANY AT THE

HIGHER END OF THE PRICE BAND IS AS HIGH AS 29.91 TIMES AND AT THE LOWER END OF THE PRICE BAND IS 28.40 TIMES.

BIDS CAN BE MADE FOR A MINIMUM OF 18 EQUITY SHARES AND IN MULTIPLES OF 18 EQUITY SHARES THEREAFTER.

A DISCOUNT OF ₹ 75 PER EQUITY SHARE IS BEING OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION

In accordance with the recommendation of Independent Directors of our Company, pursuant to their resolution dated October 31, 2023, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for the Offer Price' section of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), disclosed in 'Basis for the Offer Price' section on pages 92 to 96 of the RHP

In making an investment decision, potential investors must rely on the information included in the RHP and the terms of the Offer, including the risks involved and not rely on any other external sources of information about the Offer available in any manner.

RISKS TO INVESTORS

- We are substantially dependent on projects awarded by government entities and agencies. In Fiscals 2021, 2022 and 2023 and in the three months ended June 30, 2022 and June 30, 2023, revenue from contracts and licences sourced from government clients/ bodies were ₹ 4,364.75 million, ₹ 4,822.85 million, ₹ 5,381.58 million, ₹ 1,152.82 million and ₹ 1,651.62 million representing 72.37%, 69.80%, 72.51%, 73.55% and 74.94% of our revenue from operations, respectively. Our relationship with Gov entities exposes us to risks inherent in doing business with them, which may adversely affect our business, results of operations and financial condition.
- We may not be able to provide business solutions that meet our clients' requirements, which could lead to clients discontinuing their work with us, which in turn could harm our business. In Fiscals 2021, 2022 and 2023 and in the three months ended June 30, 2022 and June 30, 2023, revenue from IT enabled e-governance services were ₹ 6,031.32 million, ₹ 6,909.09 million, ₹ 7,422.06 million, ₹ 1,567.48 million and ₹ 2,204.03 million each representing 100% of our revenue from operations, respectively.
- We rely on telecommunications and information technology systems, networks and third party infrastructure to operate our business and any interruption or breakdown in such systems, networks or infrastructure of the third parties we rely on or our technical systems could impair our ability to effectively deliver our products and services.
- Our client contracts can typically be terminated without cause, which could negatively impact our revenues and profitability.
- In Fiscals 2021, 2022 and 2023 and in the three months ended June 30, 2022 and June 30, 2023, amount of trade receivables were ₹ 2,075.60 million, ₹ 2,003.98 million, ₹ 2,088.62 million, ₹ 1,968.54 million and ₹ 2,195.66 million representing 34.41%, 29.00%, 28.14%, 125.59% and 99.62%, respectively, of our revenue from operation. Any delay in the collection of our dues and receivables from our clients may have a material and adverse effect on our results of operations and cash flows.
- Our Company is neither associated with nor related to National Securities Depository Limited. Further, the business of our Company is not similar to that of National Securities Depository Limited.

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7. We may not meet the selection criteria set for high value contracts by the Government. In Fiscal 2023 and in the three months ended June 30, 2023, we have not been awarded any contracts or tenders.
8. We will not receive any proceeds from the Offer for Sale. The Selling Shareholders will receive the net proceeds from the Offer for Sale.
9. The Offer Price, market capitalization to total revenue multiple and price to earnings ratio based on the Offer Price of our Company, may not be indicative of the market price of the Equity Shares on listing.

Particulars	Ratio vis-à-vis Floor price (i.e. ₹ 752)	Ratio vis-à-vis Cap price (i.e. ₹ 792)
	(In multiples, unless otherwise specified)	
Price to Earnings Ratio based on Diluted EPS for year ended March 31, 2023	28.40	29.91
Price to Revenue from Operations	4.10	4.32
Market Capitalization to Revenue from Operations	4.10	4.32
Price to Earnings Ratio of Nifty 50 index as on October 27, 2023	20.63	

10. Weighted Average Return on Net Worth for Fiscal 2023, 2022 and 2021 is 14.64%

11. The weighted average cost of acquisition for all Equity Shares acquired in one year, 18 months and three years preceding the date of the Red Herring Prospectus is set forth below:

Period	Weighted average cost of acquisition per Equity Share (in ₹)*	Cap Price is 'x' times the weighted average cost of acquisition*	Range of acquisition price per Equity Share (Lowest price –Highest price) (in ₹)*
Last one year preceding the date of the RHP	Nil	Nil	Nil
Last 18 months preceding the date of the RHP	Nil	Nil	Nil

Period	Weighted average cost of acquisition per Equity Share (in ₹)*	Cap Price is 'x' times the weighted average cost of acquisition*	Range of acquisition price per Equity Share (Lowest price –Highest price) (in ₹)*
Last three years preceding the date of the RHP	Nil	Nil	Nil

*The above includes Equity Shares transacted by Selling Shareholders & shareholders with special rights

12. Weighted average cost of acquisition, floor price and cap price

Past Transactions	Weighted average cost of acquisition (in ₹)	Floor Price in ₹ 752	Cap Price in ₹ 792
WACA of Primary Issuances	NA*	NA	NA
WACA of Secondary Issuances	NA*	NA	NA

Notes:

*As there are no transactions to be reported under primary and secondary issuances, computation of weighted average price is not required here

13. Average cost of acquisition of Equity Shares held by the Selling Shareholders ranges from ₹ 10.00 to ₹ 950.10 per Equity Share and Offer Price at upper end of the Price Band is ₹ 792 per Equity Share.

14. The four BRLMs associated with the Offer have handled 74 Public Issues in the past three financial years, out of which 26 Issues closed below the offer price on listing date.

Name of the BRLMs	Total Public Issues	Issues closed below IPO Price on listing date
ICICI Securities Limited*	20	5
Equirus Capital Private Limited*	6	1
IIFL Securities Limited*	19	6
Nomura Financial Advisory and Securities (India) Private Limited*	3	1
Common issues handled by the BRLMs	26	13
Total	74	26

*Issues handled where there were no common BRLMs

BID/OFFER PROGRAMME

ANCHOR INVESTOR BIDDING DATE : FRIDAY, NOVEMBER 3, 2023*

BID/OFFER OPENS ON : MONDAY, NOVEMBER 6, 2023

BID/OFFER CLOSES ON : WEDNESDAY, NOVEMBER 8, 2023^

*Our Company and the Selling Shareholders may, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI/ICDR Regulations.
^UPI mandate end time and date shall be 5:00 p.m. on the Bid/Offer Closing Date.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is [x] times the face value at the lower end of the Price Band and [y] times the face value at the higher end of the Price Band. Bidders should read "Our Business", "Risk Factors", "Restated Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 135, 24, 195 and 267, respectively, of the RHP to have an informed view before making an investment decision.

Qualitative Factors: We believe that some of the qualitative factors which form the basis for computing the Offer Price are as follows:

Qualitative Factor	Explanation
Pioneer and market leader in universal, citizen centric and population scale e-governance solutions	We have demonstrable experience in implementing and managing population scale critical solutions, and since inception and as of June 30, 2023, we have developed and implemented 19 projects across seven ministries across India. We continue to be a market leader in provision of e-governance services such as management of the TIN, PAN processing, NPS and Atal Pension Yojana (Source: CRISIL Report).
Secure, scalable and advanced technology infrastructure	We have developed scalable platforms by adopting a differentiated technology-centric approach focusing on increasing security and risk mitigation to help drive growth. Our platforms require limited capital expenditure to scale when we add new offerings or when volumes increase allowing us to offer seamless and efficient services to users. We deploy techniques like multi-tasking, multi-threading, caching and use advanced automation tools, monitoring tools, backup methodologies and relational database management system. We have also adopted secure protocols that include multi-zone and three-tier architecture, 128-bit encryption, dual firewalls for core and perimeter and an intrusion prevention system.
Large physical infrastructure with pan-India network and scale resulting in inclusion	We have developed a pan-India service delivery network across India for various public and other services provided by us. Our service network has grown over the years and grew from 33,041 centres, as of March 31, 2021 to 53,948 centres, as of March 31, 2022, 74,435 centres as of March 31, 2023 and further to 79,374 centres, as of June 30, 2023. We believe that this large physical infrastructure assists in completing the digital journey of individuals who have limited or no access to technology infrastructure and helps us achieve certain of our sustainable development goals through greater inclusivity.
Diversified, granular and annuity based service offerings	Our diversified service offerings are spread across sectors such as tax administration, pension record keeping solutions, national identity and identity authentication solutions, education and skill financing solutions. A significant portion of our revenue generated from our offerings are based on per-transaction basis leading to substantial granularity and consequent stability in revenues.
Track record of healthy financial performance	We have established a track-record of strong and consistent financial performance. Our profit for the year/period was ₹ 921.87 million, ₹ 1,439.37 million, ₹ 1,070.42 million, ₹ 212.71 million and ₹ 322.11 million in Fiscal 2021, 2022 and 2023 and in the three months ended June 30, 2022 and June 30, 2023, respectively. Our operations have been funded entirely by internal accruals since Fiscal 1998 and we are a debt-free company. Our business model has been profitable since Fiscal 1999 and have consistently declared and paid dividend since Fiscal 2001.
Experienced senior management team backed by strong corporate governance standards and supported by marquee investors	Our experienced senior management team has been instrumental in the growth of our operations over the years with many of them being associated with our Company for over two decades. Their collective industry experience has enabled us to anticipate and capitalize on changing market trends, manage and grow our operations and leverage and deepen client relationships.

For further details, see "Our Business – Strengths" beginning on page 138 of the RHP.

Quantitative Factors: Certain information presented below relating to our Company is derived from the Restated Consolidated Financial Information. For details, see "Restated Consolidated Financial Information" beginning on page 195 of the RHP.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

A. Basic and Diluted Earnings Per Share ("EPS"), as adjusted for changes in capital:

As derived from the Restated Consolidated Financial Information:

Fiscal	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2023	26.50	26.48	3
March 31, 2022	35.78	35.75	2
March 31, 2021	23.02	23.00	1
Weighted Average	29.01	28.99	-
For three months period ended June 30, 2023*	7.97	7.96	-
For three months period ended June 30, 2022*	5.27	5.26	-

*Not annualized

B. Price/Earning ("P/E") ratio in relation to Price Band of ₹752 to ₹ 792 per Equity Share:

Particulars	P/E at the lower end of Price Band (no. of times)	P/E at the higher end of Price Band (no. of times)
Based on Basic EPS for Financial Year ended March 31, 2023	28.38	29.89
Based on Diluted EPS for Financial Year ended March 31, 2023	28.40	29.91

C. Industry Peer Group P/E ratio

Not applicable as there are no listed companies in India that engage in a business similar to that of our Company.

D. Return on Net Worth ("RoNW")

As derived from the Restated Consolidated Financial Information of our Company:

Fiscal	RoNW %	Weight
March 31, 2023	12.49	3
March 31, 2022	18.27	2
March 31, 2021	13.81	1
Weighted Average	14.64	-
For three months period ended June 30, 2023*	2.40	-
For three months period ended June 30, 2022*	3.97	-

*Not annualized

As the Offer consists only of an offer for sale by the Selling Shareholders, there will be no change in the Net Worth post completion of the Offer.

E. Net Asset Value per Equity Share of face value of ₹ 10 each

Net Asset Value per Equity Share	(₹)
As on March 31, 2023	212.00
As on June 30, 2023	219.71
After the Offer	At floor price: 219.71
	At cap price: 219.71
Offer Price*	■

*To be populated in the Prospectus

As the Offer consists only of an offer for sale by the Selling Shareholders, there will be no change in the NAV post completion of the Offer.

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