Operator: Good day and welcome to the Protean e-Gov Technologies earnings conference call hosted by Go India Advisors. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal the operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Pushpa Mani, Head of Investor Relations, Protean e-Gov Technologies. Thank you, and over to you, ma'am.

Pushpa Mani – Head Investor Relations: Thank you, Tanya. Good evening, everyone. I welcome you all to the Q1 FY27 results discussion. You must have received the results press release and the investor presentation of the company, which are available on the BSE, NSE, as well as on the company's website. As usual, we will start the forum with the opening remarks by our MD and CEO, followed by the 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 will be represented by Mr. Suresh Sethi, Managing Director and CEO; Mr. V. Ishwaran, Whole-time Director and COO; Mr. Rakesh Joshi, Chief Business Officer; Mr. Sandeep Mantri, Chief Financial Officer; and myself, Head of 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 Managing Director, Mr. Suresh Sethi. Thank you, and over to you, sir.

Suresh Sethi – MD & CEO: Thank you, Pushpa. Good evening, everyone, and thank you for joining us for our Q1 FY27 earnings call. Within two months of joining the organization, it is a privilege for me to be here for my first interaction with you as the MD and CEO of Protean.

For those who do not know me, I have spent over three decades in banking, including more than 21 years with Deutsche Bank, a large global bank, and close to 9 years with Yes Bank, one of India's most digitally savvy banks. Most of my experience has been spent building and scaling businesses and, at one point, as you are all aware, rebuilding one. I was part of the management team that helped drive Yes Bank through the 2020 crisis, rebuilding the franchise and, most importantly, rebuilding trust with customers, regulators and investors.

That experience taught me two things that are directly relevant to the role I have taken over at Protean. First, institutions are ultimately valued for the trust they hold. Second, an innovative mindset with the right product solutioning, disciplined execution, smart capital allocation and a relentless focus on profitability is what helps build a strong franchise.

Few organizations have had the privilege of contributing to platforms that touch the lives of millions of citizens while simultaneously supporting economic growth and institutional transformation. For over three decades, Protean has been that quiet custodian of India's digital trust, having built digital public infrastructure at population scale for the country and now taken steps towards globalizing

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these capabilities in line with India's vision of becoming a global exporter of DPI.

To put some tangibility to this statement, let me share some numbers. Protean has issued more than 58 crore PAN cards to date, opened more than 9 crore pension accounts across NPS and Atal Pension Yojana, completed over 1,500 crore online PAN validations, 250 crore e-KYC transactions, 400 crore Aadhaar authentications and 70 crore e-signs to date. This proves that the real infrastructure is not always the servers or the APIs. It is the trust earned transaction by transaction, and that trust is Protean's moat, which we have earned over 30 years.

Coming to the agenda of this call, I would like to use this opportunity not only to share the Q1 financial updates but, given that this is my first investor call, to also share with you the future we intend to create. Protean possesses something truly special: a talented and committed team with deep institutional knowledge and a legacy of building innovative, population-scale DPI over three decades. At the same time, I also see that the organization is at an important inflection point. The opportunities before us are immense, but so are the expectations of our customers, regulators, shareholders and ecosystem partners.

The next phase of our journey will require us to combine our legacy strengths with newer ideas, sharper and more agile execution, stakeholder centricity and a focus on outcomes. Let me start by sharing with you some immediate strategic priorities that I have set for myself.

First is deepening the core franchise with sharpened execution. We are continuously reviewing our portfolio and will allocate capital and bandwidth towards businesses where returns are the strongest. Our focus will be on high-margin businesses and product profitability by building adjacencies around our core strength, which is DPI.

Second, we are closely reviewing our cost structures and using AI to drive efficiency across the organization, while also embedding AI to make our product solutioning more intelligent and intuitive.

Third, we are sharpening our approach towards international expansion through a very focused, partnership-led model in a defined set of geographies with sharply identified solutions. In order to do all this, we will also pursue inorganic growth opportunities that create long-term strategic value, strengthen our capabilities and contribute meaningfully to our top line and, more importantly, our bottom line.

The earlier chapter of India's DPI story was about building the foundational rails. We saw solutions around identity, payments and data, and as you are aware, Protean helped build all of—several of them. The country is now stepping into the second chapter, which is all about value-added sectoral services and AI-driven intelligence that ride on these rails. I am deliberately placing emphasis on AI here, since DPI and AI together can create something that is profoundly different: a living public infrastructure that is predictive, personalized, preventive and, more importantly, citizen-first.

AI can enable services to find citizens based on their preferences and consent, instead of today's citizens having to search and wait for services to be rendered. That is the future that Protean is building and will continue to build.

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I will now spend some time on our Q1 FY27 performance. Before I get into the details of Protean's near-term, medium-term and long-term strategy, which I am sure is something that each one of you would like to hear, given that this is the first call, let me discuss the quarter.

In Q1, we followed a very strong Q4, but Q1 has been a mixed quarter for Protean. We reported a resilient and steady operating performance in terms of revenue from operations, which grew 19% year-on-year to 251 crores. EBITDA stood at 28 crores in Q1, compared to 45 crores in the similar quarter in FY26. This reflects a decline of 38% year-on-year and an EBITDA margin of 11%.

The margin for this quarter was primarily impacted by some upfront investments worth around {? 15 crores ?}, which we incurred towards the implementation of some of our prestigious RFP-led mandates. In addition, we also saw margins being affected by cost inflation driven by ongoing geopolitical tensions, which resulted in higher procurement costs for technology hardware, white goods and the key inputs required for some of these projects.

Since these mandates are currently in the deployment phase and have not yet reached steady-state revenue generation, the associated costs were incurred ahead of revenue realization, temporarily impacting profitability. On a normalized basis, however, excluding these investments, EBITDA for the quarter would have been approximately 46 crores, which would have translated into an EBITDA margin of around 17.2%.

The company remains confident that these investments will begin contributing meaningfully to revenue in the coming quarter, which will result in improved operating leverage and margin recovery.

Moreover, our balance sheet continues to remain strong, with zero debt and more than 800 crores of cash and marketable securities. This gives us the flexibility to absorb these costs and also invest in strategic opportunities that will help us boost our product capabilities and resulting revenue and profitability.

A few more details on the way our businesses have delivered. Our tax services, which are a source of transactional revenue for us, remained largely stable year-on-year despite the industry-wide decline in PAN issuances. This temporary decline in industry volume can be attributed to certain changes in income tax rules, which required applicants to submit additional documents as proof of date of birth, since Aadhaar was no longer accepted for this purpose following the Honorable Supreme Court judgment.

This change led to a non-digital flow, thereby causing a 12% decline in overall PAN issuances in the country. Despite this, Protean showed resilience in its distribution capabilities and gained 275 basis points in market share, moving from 59% in FY26 to 62% in Q1 FY27, while we issued over 1 crore PAN cards.

Our CRA services, which generate both annuity and transactional revenue, continue to present a significant long-term opportunity. We onboarded around 3.9 million new subscribers during the quarter. We captured 95% of incremental subscriber additions. I am also proud to share that we onboarded more than 1,000 new corporates, the highest ever in a single quarter since inception. We continue to hold a dominant 97% share across NPS, APY and UPS and are the primary CRA for

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the Unified Pension Scheme.

Another encouraging development has been NPS Vatsalya, which gained strong traction following revised guidelines offering greater withdrawal flexibility. While the total scheme subscriber base itself crossed 2 lakhs, 78,000 of those subscribers were added by Protean during the last quarter itself.

While maintaining full focus on retaining and growing our government segment, where we hold a dominant position, we will accelerate our growth in the non-government segment, where overall market penetration is low but the annuity opportunity is the largest. Our highest-ever corporate onboarding in a single quarter is an early proof of that focus.

More importantly, the retirement registry as a service is a business where we will leverage our two decades of dominant experience and double down internationally, enabling governments across the world to modernize their retirement systems using India's and Protean's proven experience.

Third is our identity services, which are a strong source of transactional revenue. We delivered 16% revenue growth year-on-year, supported by 20% combined volume growth. We remain the only company in the country that offers all four foundational identity services, and we are well-positioned to remain and grow as a preferred partner for the BFSI ecosystem, which is primarily driving these volumes.

I want to call out here that businesses like e-Sign and, more importantly, e-Sign Pro, which is the complete digital documentation workflow solution covering workflow, stamping and signing, represent a unique moat for Protean and a massively scalable and very profitable opportunity, both domestically and internationally. BFSI, especially, as well as every government enterprise and institution, has the opportunity and need to digitize this documentation workflow. I remain very confident that we will be able to monetize e-Sign Pro very well in the future.

I am also encouraged by our new initiatives, which continue to deliver robust outcomes. These contributed 17% of our quarterly revenues, compared to 10% in FY26. This is in line with our stated objective to diversify our businesses and revenue lines, and this will continue to remain a key focus area.

Some of the drivers here will be strategic mandates such as CERSAI, C-KYC, Bima Sugam, Aadhaar Seva Kendra and the AgriStack. These are not only core DPI implementations; more importantly, each of them significantly opens up adjacent value-added opportunities for us, where we can monetize on top of some of these initiatives.

A quick update on the Aadhaar mandate: we have rolled out 75 ASKs across 24 states and union territories as of July 24. We expect to complete the implementation by Q3. Revenue from these centers has already commenced, and this gives us visibility into a recurring, transaction-based revenue stream.

These are some of the performance highlights in terms of the quarterly numbers. Sandeep will provide more details, but I would like to spend some time now discussing our forward strategy.

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As I think about our present and future, I see Protean's business through three important pillars. Pillar number one would be scaling our DPI proposition through DPI...

Abhijit: ...2.0, which is about strengthening the trusted platforms that have defined Protean's legacy and accelerating the new foundational digital rails across sectors such as financial services, insurance, agriculture, health, education and commerce. The focus of DPI 2.0 will be more sectoral.

The second pillar for us would be monetizing our core capabilities through solutioning for the enterprise digital ecosystem. We will do this by building value-added, AI-driven intelligence layers on top of those foundational rails, delivered through a bundled, solution-led approach that solves meaningful problems for governments, institutions and enterprises.

The third strategic pillar would be our global expansion, which involves taking India's and Protean's DPI capabilities to global markets. Each of these pillars, as you would realize, presents significant opportunities, and we will ensure that we innovate responsibly and, more importantly, deliver consistently and execute with speed, all while maintaining financial discipline.

Let me spend a few minutes on what we will do differently now. In terms of our core strength, which is DPI, we will apply, both domestically and internationally, a concept of a "DPI in a box" approach. This will be the most scalable expression of the solutioning approach that I spoke about earlier.

What does this approach mean? It will provide modular digital building blocks that a government can adapt for its own needs. For three decades, as you would realize, Protean has built nearly most of these blocks, whether it is digital identity, master registries for citizens, consent-based data sharing across frameworks, real-time verification services, secure data exchange, pension systems, tax administration platforms or compliance by design. Protean has had a role to play in all of these.

When you look at the DPI-in-a-box approach, we package these now as a modular, interoperable, configurable and scalable stack. The objective is to take the benefit of a bundled citizen-service proposition, accelerate implementation while retaining flexibility and ownership, rather than commissioning DPI built from scratch.

We will deploy this approach both in India and in international markets. This will be a very differentiated but more comprehensive approach, where the intent will be to provide a ready-to-deploy digital foundation rather than spending time on a multiyear integration program.

In terms of our approach to monetizing DPI and creating value for the ecosystem, we will also move from a product-selling approach to a solution-led approach. The future of DPI, I believe, will be defined by how effectively we convert the access that we are creating into outcomes. Success will be measured by how effectively our platforms improve lives and expand opportunities for citizens and businesses.

The rails that we have built carry enormous volumes, and I alluded to some of those volumes at the start of my session, but volume on its own is not value. If we simply chase more transactions of the same kind, we will grow revenue, but margins will not grow. I am sure many of you have thoughts on that. That is exactly what I am planning to address through this approach. We want to build a business where the margins are profitable.

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Let me make this entire approach real with two examples. Today, if you look at a bank—and banks and financial institutions represent a very large and significant opportunity for us, which is where fintechs are building a lot of solutions—the opportunity is clear.

Today, when you look at a bank, it operates in terms of onboarding customers digitally. For that, it may take e-KYC from one partner, document verification and execution from another partner, fraud and AML screening from a third partner, bank statement analysis from a fourth partner, e-signing and stamping of documents from a fifth partner, and C-KYC reporting from a sixth partner. The bank then builds and maintains the plumbing between all of them.

That fragmentation is expensive and fragile for the bank, and it accumulates technical debt. Every handoff between systems becomes a target for customer drop-off. I have seen for 30 years, from the other side, that this is a real-life situation with which every financial institution in the country grapples today.

This is where Protean, with its dominance in some of these foundational products, will adopt a client-centric approach by bundling the right combination of our platforms, APIs and, more importantly, delivery capability to deliver an end-to-end solution.

When you look at what I spoke about earlier, all the underlying components—whether identity, verification, consent, signing or registries—are configured differently for each customer. This changes the conversation from selling a product to owning an outcome.

By bringing together all this technology, domain expertise and execution capability into an integrated solution, we not only achieve scalability of our offering, we deepen our customer relationship, create greater stickiness and, most importantly, build a sustainable, profitable, high-margin business.

Another example is retail lending, where banks, NBFCs and others see maximum volumes. When a customer applies for a personal loan on a lender's app, our C-KYC solution with Aadhaar authentication can help establish the identity in seconds. Then, with the customer's consent, Protean's Account Aggregator can pull a bank statement, which our analyzer can convert into an income and cash-flow view for the underwriter.

Through our e-sign flow, the sanction letters and loan agreement can be generated from a template, stamped with the relevant state e-stamp and then e-signed with Aadhaar, making the lender ready for disbursement.

This is where Protean, through a consented and intelligent framework with one journey, one contract and one integration, can help eliminate the friction that exists today across every financial journey. What used to be a multivendor, multimonth integration program can become a very seamless, one-step integration. That is the whole point. The building blocks do not change, but the configuration does.

How does this impact our margins? We are moving from being priced per API call to being priced per journey and per outcome, which becomes a fundamentally different conversation based on value and leads to better margin improvement. Our mix shifts towards higher-margin value-added

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services and away from merely pass-through volumes, which is currently the case. More importantly, client stickiness improves, and our product penetration within the ecosystem also improves.

In summary, we intend to move from volume and growth to value creation, better margins, better profitability, deeper and longer-lasting customer relationships. Everything that we build in this layer will be distributed through a multisector API services platform, which we will deliver in a sandbox-enabled, ready-to-consume workflow.

Why do I believe that Protean is uniquely placed to create this digital ecosystem on top of the foundational DPI rails? We own or operate almost every component required end-to-end under the relevant regulatory license. For the rest, we can have a partnership approach, where we bring in the right partner and, in due course, perhaps the right acquisition to bring it in-house.

The third pillar will be our international strategy. We will be deliberately focused and prioritize a smaller number of geographies where the need is real, funding is identifiable and our reference credentials add value for Protean.

More importantly, we will enter through a light-touch model that is partnership-led and capital-light. We will work with multilateral institutions and local system integrators in those locations.

The more important part is the entire DPI-in-a-box approach that I detailed above. I see a significant opportunity for us to contribute to global digital transformation initiatives from Protean's perspective. The export of India's model of digital democracy will be a generational opportunity in my mind. Positioned as India's national trust architect, Protean will be one of the most natural carriers of this model to the globe.

Another area to which I would like to draw everyone's attention is the C-KYC mandate that we are building for them. I believe this will be a game-changing mandate. Today, a citizen must prove who they are again and again to a bank, insurer, mutual fund or every other financial institution. It is the same documents, the same friction and the same cost every time.

The vision of C-KYC is simple: prove it once and, with consent, carry that trust everywhere. Build trust once and reuse it a billion times. This is what Protean is building under the CERSAI mandate: maintaining the next-generation Central KYC Record Registry, which is API-first and cloud-native overall, and migrating more than a billion records backed by all four financial regulators.

But that is only one side of the equation, which is the sovereign record of financial identity. The equally or more valuable side is the other side, because once the registry is modernized, every regulated entity in the country will need to connect to it to search, download, report, build onboarding journeys on top of it and digitize its own processes.

We have built that side as well—not only the C-KYC APIs, but also by bundling them with our broader API stack to provide a comprehensive proposition to our BFSI customers, who are going to be the biggest users of these services.

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We are not only building the database; we are building the on-ramps onto it. While the registry was a fee mandate, the on-ramps will be a mix of recurring opportunities across thousands of regulated entities and service-based mandates.

Operating the trust registry and monetizing the access layer is what we intend to replicate across all our infrastructure assets. This will be the approach for every DPI mandate that Protean is running today.

On the cost and capital allocation side, I also want to assure everyone, and I may be preempting some of the questions that will come up, that we are reviewing our portfolio through a clear capital-allocation lens.

Some of our businesses will depend on the pace at which the wider ecosystem matures. While we may decide to stay passively invested, we will calibrate our incremental energy towards initiatives where we see maximum immediate revenue maximization.

Cloud and Account Aggregator are, as of today, small businesses for now but remain strategically relevant assets for us, and we are actively sharpening the commercial model for both of them.

Our MeitY-certified sovereign cloud, in particular, is genuinely differentiated for mission-critical and regulated workloads, and it is an important enabler of the "sovereign by design" proposition that we take to our government customers.

Our approach here will be to look at strategic partnerships and investments that will build a clear path to scale and profitability.

To conclude, Protean has spent 30 years quietly and reliably building the foundations of India's digital future. That work has made us India's national trust architect. Our ambition now is to carry that role forward—from building rails to building the intelligence layer above them, from products to solutions, and from India to the world.

My commitment to you is to pair these three decades of trust with sharper execution, stronger profitability and, more importantly, a bolder ambition, and in doing so create durable, long-term value for all our stakeholders.

I would also encourage you to go through our investor presentation, where we have articulated our forward strategy and long-term growth roadmap in more detail. I sincerely thank you for your confidence in Protean, and I will hand over to our CFO, Sandeep Mantri, to take you through additional details on the financials.

Sandeep Mantri - CFO: Thank you, Abhijit. First of all, let me welcome you to Protean and to Protean's first earnings call. It was a very detailed explanation and quite helpful, and my experience over the last two months has been quite enriching in terms of laying down the strategy so clearly for Protean for the next many years.

With this, good evening, everyone, and thank you for joining us today. Before I discuss our financial performance, let me briefly touch upon the industry backdrop. The digital public infrastructure industry in India continues to benefit from strong quality records and increasing digital adoption

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across government and regulated sectors.

We are seeing growing demand for interoperable, API-led platforms that enable identity onboarding, authentication, payments and data exchange at scale. As institutions move from standalone digital initiatives to integrated digital ecosystem approaches, the opportunity for trusted infrastructure providers is expanding.

With our leadership position in tax, pension and identity services, along with investment in next-generation DPI platforms, we believe that Protean is well-positioned to participate in this structural growth opportunity through its solutions-led approach.

Now let me take you through the financial performance for the first quarter ended June 30, 2026. I am pleased to share that our quarter-on-quarter performance aligned with this trend, with healthy volumes across most of the businesses, driven by market-share expansion, growing traction in our value-added offerings and other new initiatives.

Revenue from operations for Q1 FY27 stood at 251 crores, which represents impressive growth of 19% year-on-year compared to 211 crores in the same quarter last year. This was primarily driven by continued momentum across most of our core businesses as well as new initiatives.

EBITDA for the quarter stood at 28 crores, with an EBITDA margin of 11%, compared to 45 crores and a margin of 18.7% in the corresponding quarter last year. The decline in margin was primarily driven by an upfront investment of around 18 crores incurred towards the implementation of multiple Aadhaar Seva Kendra mandates.

In addition, margins were also affected by cost inflation arising from ongoing geopolitical tensions, which resulted in higher procurement costs for technology hardware and software, white goods and other key inputs required for implementing these projects.

It is important to note that these strategic mandates are currently in the development phase and are yet to reach steady-state revenue generation. As a result, a significant portion of the implementation costs has been recognized ahead of the corresponding revenue, creating a temporary impact on profitability.

On a normalized basis, excluding these upfront investments, EBITDA for the quarter would have been 46 crores, translating into an EBITDA margin of around 17.2%, broadly in line with our historical operating performance.

Profit after tax for the quarter stood at 6 crores, with a PAT margin of 2.2%. We delivered earnings per share of 1.44 for Q1 FY27, but as EBITDA was impacted by one-time costs, so was the profit.

We remain confident that as these projects progress towards full-scale deployment and revenue generation over the coming quarters, operating leverage will improve, supporting a recovery in margins while strengthening the company's long-term growth trajectory.

From a cost perspective, we continue to maintain discipline while investing selectively for future growth. Employee benefit expenses increased primarily due to hiring for the Aadhaar Seva Kendra project and incentives, while other expenses reflected investment in infrastructure, technology and

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project execution.

At the same time, we are actively reviewing our cost structure and identifying opportunities to improve efficiency through greater use of technology and AI across the organization, which Ajay also highlighted in his speech.

While these investments have impacted near-term profitability, they are being made against opportunities that we believe can create meaningful revenue streams and recurring revenue streams as these mandates move into steady-state operations.

Our focus, therefore, is to ensure that the growth we pursue translates into sustainable and profitable growth over the medium to long term. An important part of this approach is our shift from pursuing volume growth towards creating better value from our platform and capabilities.

We are increasingly focused on higher-margin, value-added solutions and integrated offerings that can deepen customer relationships, improve revenue quality and strengthen profitability.

Our approach to capital allocation will also remain disciplined. We will continue to evaluate our portfolio and prioritize investment opportunities where we see the strongest potential for revenue growth, margin improvement and long-term value creation for the company.

From a balance-sheet perspective, we remain in a strong financial position. As of June 30, 2026, the company had more than 800 crores in cash, equivalents and marketable securities and remained completely debt-free. This provides us with significant flexibility to invest selectively in technology, innovation, strategic opportunities and growth initiatives while maintaining financial resilience.

To conclude, while the current quarter reflects the near-term impact of investments being made to build the next phase of growth, our focus remains very clear: strengthen execution, improve operational efficiency, enhance the quality of our revenue and drive sustainable profitability.

With our strong balance sheet, increasing contribution from new businesses and a robust pipeline of DPI-led opportunities, we remain confident in our ability to build a stronger and more profitable Protean and deliver sustainable, long-term value for all our stakeholders.

With that, I conclude my remarks and request the moderator to open the floor for questions and answers. Thank you very much.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Rohan M from Equirus Securities. Please go ahead.

Rohan M – Equirus Securities: Good evening, sir, and thank you for the opportunity. Firstly, during your opening remarks, you talked about inorganic growth opportunities. Which segments or areas

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are you exploring for those opportunities?

Management: We are currently looking at all opportunities that meet certain objectives for us, such as improving our processes, reducing our costs, adding directly to our top line or, more importantly, adding to our bottom line.

I am not at liberty to share specific details right now, but as we speak, we are looking at a couple of very strong inorganic opportunities that meet these particular objectives. Right now, we are focusing on something that will either help our top line or bottom line, or reduce our costs through automation.

Rohan M – Equirus Securities: Sure. Secondly, on Aadhaar Seva Kendra, with respect to all the rollouts expected in various districts, are the people costs already reflected in this quarter's numbers, or can we expect employee expenses to increase further? Does the 69 crore number also factor in the wage and salary hikes that the organization would have taken?

Management: For Aadhaar Seva Kendra, people costs have been included for most of the Aadhaar Seva Kendras. However, there are still quite a few Aadhaar Seva Kendras that are yet to become operational in Q3. For those Aadhaar Seva Kendras, the costs will come in Q2 or Q3, depending on the rollout. Hiring is still largely ongoing.

Rohan M – Equirus Securities: What kind of increase can we expect in employee expenses by Q3?

Management: Are you referring to employee expenses on account of Aadhaar?

Rohan M – Equirus Securities: Yes, overall employee expenses by Q3, just to get a sense.

Management: I would not be able to tell you the overall employee expenses right now because there are many Aadhaar Seva Kendras where hiring is still ongoing. There will also be many changes, as Ajay rightly said, in our strategy towards building cost initiatives and achieving more efficient initiatives to reduce the cost of operations.

However, except for the cost of Aadhaar Seva Kendra employees, our costs will remain more or less the same.

Rohan M – Equirus Securities: To put it another way, out of the 69 crores, what would be the current cost of Aadhaar Seva Kendra?

Management: I cannot specifically tell you because we are not disclosing segment results.

Rohan M – Equirus Securities: On the Aadhaar Seva Kendras that have gone live, could you discuss the revenue trends for the centers that have already been operational for more than 1 month? How are the margins shaping up, and are the revenues in line with the original expectations when the contract was awarded to us, vis-à-vis the district mapping of Aadhaar centers?

Management: Rohan, it is very early to say right now because the Aadhaar Seva Kendras have been operational for the last 3-4 months. I think we need to observe the trend for at least 1 more quarter, and then we can provide some visibility on what kind of revenues we can expect. Having said that, the initial estimates are in line with our expectations.

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Management: So far, the numbers seem to be on target and in line with what we had expected. Since you asked specifically about inorganic opportunities, I will give you a little more color on that.

For us, the overall BFSI segment will be one of the most focused segments from an enterprise value-creation perspective. In my entire speech, I also alluded to the intelligence layer that we are creating. A lot of the DPI that we have created in terms of benefits to citizens will eventually have to be delivered through the culmination of financial services for citizens or enterprises.

Very broadly, the acquisitions that we look at will be in this space, so that they accelerate our go-to-market for delivering some of those solutions and enable us to start generating revenue quickly and, more importantly, start generating profitability by providing the capability to deliver some of those solutions to enterprises or the BFSI segment through a very fast go-to-market. That is all I can share right now. To be transparent with you, this is the area that we are looking at.

Rohan M – Equirus Securities: Sure, thanks. Lastly, on PAN 2.0 readiness, would we need to make any changes to our processes or offerings, or perhaps to the people and team structure? Is there something required at our end so that whenever PAN 2.0 goes live, we receive some share of the revenue?

Management: It is very early to say right now. I think PAN 2.0 is still some distance away. As of now, we are not required to make any changes to our platform for PAN 2.0. We will see how things pan out.

Management: From a clarity perspective, I think this was also discussed and shared in earlier calls: a large part of the volumes, in fact, the bulk of the volumes, continues to come through the assisted model.

Even if you look at this quarter, while it was an aberration because of the PAN-related friction, the volumes in the assisted mode, which is essentially our core distribution capability, have increased every quarter. More importantly, even in a quarter when the overall number was declining, which is the case this quarter, Protean's share increased. There was an increase of close to 275 basis points in Protean's share.

While we will look for greater visibility on exactly how PAN 2.0 will pan out, we remain confident that we will remain relevant in this area. Of course, as the date approaches, we will get more clarity around it.

Management: To further answer your question on employee benefit expenses, our endeavor will be to create a scalable organization so that when we grow from here, we do not need to hire additional people to deliver the projects or the revenue.

At the end of the year, I think we will see some cost reduction, although it may be offset by the increments that we give. Otherwise, apart from Aadhaar, I do not see any major increase in employee expenses.

Rohan M – Equirus Securities: Sure. Thanks a lot.

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Operator: Thank you. The next question is from the line of Deepak Agarwal from Param Capital. Please go ahead.

Deepak Agarwal - Param Capital: Good evening, sir. Am I audible, sir?

Management: Yes.

Deepak Agarwal - Param Capital: My question was that investors generally want to see consistency. The fact is that, if we look at the last 5-7 years, we have grown from about {? 800 crore ?} in top line to more than {? 1,000 crores ?} in the last 5-6 years since 2019. Our EBITDA margin profile used to be as high as 23%, which has deteriorated to about 11% now. We would love to hear your thoughts on where you think these margins are sustainable. Obviously, we are investing ahead, as we have mentioned in the press release, for newer projects. In the longer run, Sandeep, where do you see the EBITDA margin for the overall entity stabilizing once these investments are behind us?

Sandeep Mantri - CFO: Deepak, unfortunately, this quarter was affected by one-time costs of about 18 crores. Excluding that, the EBITDA margin was in the range that we had declared and was consistent.

However, we need to make some of these investments to create a better future for the company. Therefore, these costs are front-loaded, while the benefits of these investments or expenditures will come in the future.

I am not very concerned about the result for 1 quarter; I am more excited about the future that we are going to create for the company under Ajay's leadership.

Ajay: Deepak, that is a very valid question from your side. If you look at the entire approach that I discussed in the first 30 minutes, you will find that every approach I spoke about is directed towards ensuring that we move from a product approach to a solution approach.

The primary reason for doing that is that it enables us to onboard more customers because we then have a more curated and customized proposition for the client. More importantly, we move from being a transactional engagement for the client to a more solution-driven, strategic engagement with the customer, which enables margin improvement.

When you sell 1 product versus when you sell a bouquet of multiple products packaged as a solution, your stickiness, your margins and everything else improve. That is what this approach will enable. This is also how, at least in my 3 decades of banking experience, we have worked on doing this, and it is a proven and successful model.

Second is the global business. Supported by some of the inorganic partnerships and acquisitions that I mentioned, it will be aimed at ensuring that we generate higher margins in geographies where there is a better price point for some of these solutions.

As Sandeep very rightly mentioned, we appreciate the fact that margins have been largely consistent or have perhaps deteriorated to some extent over the last few years. However, with this new approach and outlook, what we can definitely look forward to is doubling down on high-margin businesses. Hopefully, once the investment period is over, that should be reflected very soon in

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tangible financial outcomes for the company.

Sandeep Mantri – CFO: As I explained in my earlier calls as well, I see margins improving substantially from here over the next 2-3 years. I think it will be a different margin trajectory.

Ajay: If you look at the investor deck as well, you will find that the growth pillars clearly reflect our approach to how we will grow and build our businesses. The single objective is to ensure that our revenue and profit growth are justified.

Rather than doing too many things, we will focus on a few champion solutions and products that are high-margin, scalable and globally deployable.

Deepak Agarwal – Param Capital: Also, if we look at the Aadhaar Seva Kendras, we have been discussing their rollout for the last 4 months. From an investor perspective, although it is obviously a large-volume business, the perception is that it is generally a substantially lower-margin business, considering that it is quite competitive and far more physical compared to a product and technology stack. What are your thoughts? Can it become really big, and would the margins there be substantially lower?

Sandeep Mantri – CFO: The margin in Aadhaar Seva Kendra would not be substantially low, but as I said, we have to see how the volume picks up in Q3 or Q4, when these centers are stable and operational. Only then can we determine what kind of margin we will earn.

Having said that, as I said earlier, these are not EBITDA-accretive, although they will generate sustainable margins in the business. Another aspect is that we have to create adjacencies out of some of these projects, which will deliver higher and more profitable opportunities for us.

Deepak Agarwal – Param Capital: Thank you. Thank you so much.

Operator: Thank you. The next question is from the line of Vinay Shah from Dalal & Broacha. Please go ahead.

Vinay Shah – Dalal & Broacha: Good evening. Thank you for the opportunity. As we have already mentioned, due to the higher upfront cost investment in Q1, we had some margin impact. Are there any additional costs expected in Q2 and in the balance of FY27 as well?

Sandeep Mantri – CFO: Not to my knowledge. The only thing that will have some temporary impact will be Aadhaar Seva Kendra. Otherwise, I do not see any such one-time costs going forward. I think margins will stabilize from Q2 or Q3.

Vinay Shah – Dalal & Broacha: As you mentioned, we are trying to transition towards a solution-selling organization. Regarding the bouquet of services that we are offering, such as DPI-in-a-box, what is the internal timeline for the product to be ready? When will it be out of the testing phase and ready for commercialization?

Ajay: Most of these are foundational products that we are already delivering. DPI-in-a-box will be a modular approach to positioning or selling these products to state governments, international markets and others.

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In terms of delivery, it is an approach that we will sell, and whenever deployment is required, it will be immediately available for deployment, subject, of course, to implementation timelines. These are products and solutions that we have already built in some shape or form under various mandates that we have executed so far.

Vinay Shah – Dalal & Broacha: Are there any significant orders or customers that have already inquired about this, and are we seeing a good response from customers?

Ajay: Absolutely. Whether internationally or in the discussions we are currently having with various states, including large states, this approach is absolutely in line with what governments expect.

The reason is that every state or government today would like to touch or improve the lives of its citizens in every possible way, whether through a health solution, an agriculture solution or a DBT solution.

When you provide an overall package to someone, there is obviously a high level of interest in looking at that deployment. To your point, yes, there is interest when such an approach is discussed.

However, as with every large implementation, there will always be a lead time from pitch to conversion or from pitch to agreement. It may also go through an RFP process and so on.

At the concept level, this is where we see that, from the government perspective, the company perspective and, more importantly, the citizen perspective, such an approach will become very meaningful and helpful.

Vinay Shah – Dalal & Broacha: Thank you very much, sir, and all the best for the future.

Ajay: One thing: on the enterprise side, where Sandeep also discussed the traction, we are getting very strong traction. The pipeline looks very good and very well-placed.

That is on the enterprise side, where the composable layers have been created to offer a product-solution journey. On the government side, as you know, it is a mandate and RFP process in which we are participating, so we are hopeful of some interesting wins soon.

Vinay Shah – Dalal & Broacha: Thank you, sir.

Operator: Thank you. The next question is from the line of Manan Polodia from MKP Securities. Please go ahead.

Manan Polodia – MKP Securities: Hi, sir. Thank you for the opportunity. I understand that you may not be able to provide the economics or the break-even for the Aadhaar Seva Kendra centers, but my question relates to the return on capital employed, even at the break-even level or slightly above the break-even level. If you could quantify that, and secondly, quantify the amount of working capital we would need to put into that business even at the break-even level, I think that would be really helpful.

Sandeep Mantri – CFO: Are you referring to the Aadhaar Seva Kendra project?

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Manan Polodia – MKP Securities: Yes, the Aadhaar Seva Kendra project.

Sandeep Mantri – CFO: Since this is a managed-operations project, working capital will not be heavy, except for the initial furniture and the offices that we need to set up. Otherwise, this is a monthly recurring revenue model, and all routine expenses, except the capex component, will be funded out of revenue.

Manan Polodia – MKP Securities: Just a quick follow-up on that. Are you saying that billings from the government side are either on a monthly or quarterly basis? I assume that when we process Aadhaar, the upfront costs are ours.

Sandeep Mantri – CFO: We will bill on a monthly basis, based on the volumes for each month.

Manan Polodia – MKP Securities: Thank you, sir.

Sandeep Mantri – CFO: Based on our experience, we are also receiving money from the government on time.

Manan Polodia – MKP Securities: Thank you.

Sandeep Mantri – CFO: Thank you very much.

Operator: Thank you. The next question is from the line of Bhavi Chauhan from Care PMS. Please go ahead.

Bhavi Chauhan – Care PMS: Thank you for the opportunity. I have 2 questions. The first relates to the other business, which witnessed a significant increase in this quarter. Could you provide details on which segments contributed to this?

Sandeep Mantri – CFO: Are you referring to new initiatives?

Bhavi Chauhan – Care PMS: Yes, the other business. I am referring to the new initiatives and the other business, which grew from 11 crores to 44 crores, or 42 crores, in this quarter.

Sandeep Mantri – CFO: This is primarily because of 1 RSC mandate, from which some revenue was recognized. The second is Aadhaar, where we started recognizing revenue. The third is our new products, such as RISE Protean and EquiFlow, where we started gaining some traction and, therefore, generated revenue. These are the key contributors.

Bhavi Chauhan – Care PMS: Could you quantify how much came from each?

Sandeep Mantri – CFO: I cannot provide a quantification or further breakdown of new initiatives because we are not disclosing any subsegment details for these. However, these are the 3 key services within new initiatives that resulted in the 42 crore revenue.

Bhavi Chauhan – Care PMS: The second question relates to the geopolitical issue that impacted margins. If I look at the financials, system implementation and support and maintenance expenses have grown significantly. Is this attributable to geopolitical issues? I am not able to understand how this cost increase is related to that.

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Sandeep Mantri – CFO: A part of this increase is due to geopolitical price increases in various hardware, software and technology products.

Bhavi Chauhan – Care PMS: So that is the only reason, correct?

Sandeep Mantri – CFO: Yes, that is the only reason.

Bhavi Chauhan – Care PMS: Excluding that, you said that 18 crores was impacted on EBITDA.

Sandeep Mantri – CFO: EBITDA was impacted by 18 crores because, as per the accounting rules, we had to recognize these costs upfront. We cannot amortize these costs based on future revenue.

Bhavi Chauhan – Care PMS: Perfect. That is all from my side. Thank you.

Sandeep Mantri – CFO: Thank you very much, Bhavi.

Operator: Thank you. A reminder for all participants: please press star and one to ask questions. Participants who wish to ask a question may press star and one.

As there are no further questions from the participants, I hand the conference over to Ms. Pushpa Mohini for closing comments.

Pushpa Mohini: Thank you, Tanya. On behalf of Protean, I would like to thank you all for taking the time and for your continued trust and support in us. We remain committed to delivering growth and value to our stakeholders. For any additional questions, please reach out to our investor relations team. Thank you, and have a good day.

Management: Please feel free to reach out to us, and we look forward to staying connected. Thank you.

Management: Thank you.

Management: Thank you very much.

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

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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