

## Seshaasai Technologies Ltd

### Company Overview:

**Seshaasai Technologies Ltd. (STL)** is a technology driven multi-location solutions provider focused on offering payments solutions, and communication & fulfilment solutions catering primarily to the BFSI industry. STL's solutions are driven by its proprietary platforms, which allow the company to offer solutions at scale and on a recurring basis. Additionally, STL also offers Internet of Things (IoT) solutions to a wide set of customers across industries.

### Key Highlights:

**1. Leadership position in the Payment Solutions industry:** STL is amongst the top 2 payments card manufacturers in India with a market share of ~31.9% (as of FY25) for credit & debit cards issuance. The company designs and develops payment instruments (debit cards, credit cards, pre-paid cards, mass transit cards and cheques) and securely embeds customer data onto them before sending it to the end customers. Typically credit and debit cards have an expiration date ranging from 3 to 7 years, which ensures steady stream of orders for card manufacturers. During FY25, STL supplied ~91.4 mn payment cards and 1,188.8 mn cheque leaves respectively.

**2. Comprehensive portfolio of solutions offerings:** The company offers a comprehensive portfolio of solutions that are customizable & built for scale, and fulfil the requirements of customers primarily in the BFSI industry and also across other industry segments. Apart from payments solutions, the company offers Communication & Fulfilment Solutions which enables customers to facilitate various communication to end users including policy documents, account updates & statements, etc either in physical or in digital form as per requirements. Further, as part of its IoT Solutions, STL supplies Radio frequency identification (RFID) tags which assist with supply chain visibility, asset tracking, warehouse management, etc.

**3. Advanced manufacturing capabilities:** As of FY25, the company operates 24 manufacturing units domestically with a production capacity of 11.9 mn cards per month and 41.7 mn RFID tags per month. STL is one of the few vendors in India to have approved units for manufacturing of plastic cards, metal cards, sustainable cards, biometric cards, wearables and payment stickers. The company also operates 2 dedicated R&D labs, which has allowed STL to develop various niche innovations like unique QR code, Made in India metal cards and biometric cards.

**Valuation:** Seshaasai Technologies is amongst the top 2 payment card manufacturers in India with a market share of ~31.9% (as of FY25) for credit & debit cards issuance. Going ahead, STL will utilize ~Rs 198 cr from net proceeds for upgrading and expanding the capacity of product manufacturing in the Payments Solutions and IoT Solutions verticals. Additionally, the company is also expected to repay debt of Rs 300 cr using the issue proceeds, which shall aid in savings on interest costs of ~Rs 29 cr and thereby, boost profitability (Debt/Equity: 0.6x in FY25 vs 0.04x post debt repayment). At the upper price band of Rs 423, the company is valued at a P/E multiple of 30.8x based on FY25 earnings on post-issue capital.

### Issue Details

Date of Opening	23 <sup>rd</sup> September 2025
Date of Closing	25 <sup>th</sup> September 2025
Price Band (Rs)	402 – 423
Offer for sale (no. of shares)	78,74,015
Fresh Issue (Rs cr)	480.0
Issue Size (Rs cr)	813.1 @ upper price band
No. of shares	1,92,21,603 @upper price band
Face Value (Rs)	10.0
Post Issue Market Cap (Rs cr)	6,528 – 6,844
BRLMs	IIFL Capital Services Ltd, ICICI Securities Ltd, SBI Capital Markets Ltd
Registrar	MUFG Intime India Pvt Ltd
Bid Lot	35 shares and in multiple thereof
QIB shares	50%
Retail shares	35%
NII shares	15%
Employee Discount	Rs 40 per share

### Objects of Issue

Particulars	Estimated amount from Net Proceeds and the Pre-IPO placement** (Rs cr)
Funding capital expenditure for the expansion of existing manufacturing units	197.9
Repayment and/or prepayment, in part or in full, of certain outstanding borrowings of the company	300.0
General corporate purposes*	-
<b>Net proceeds from the issue</b>	<b>-</b>

\*To be finalised upon determination of Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

\*\*The company raised ~Rs 120 cr via Pre-IPO placement prior to filing of the RHP, of which Rs 70 cr were utilized by the company to repay certain outstanding borrowings. The aggregate proceeds from the Pre-IPO placement and Fresh Issue is Rs 600 cr.

### Shareholding Pattern

Pre-Issue	No. of Shares	%
Promoter & Promoter Group	14,02,35,644	93.2
Public & Others	1,02,17,656	6.8
<b>Total</b>	<b>15,04,53,300</b>	<b>100.0</b>

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	13,23,61,629	81.8
Public & Others	2,94,39,260	18.2
<b>Total</b>	<b>16,18,00,889</b>	<b>100.0</b>

Promoters selling through OFS	No. of shares
Pragnyat Pravin Lalwani	39,37,008
Gautam Sampatraj Jain	39,37,007
<b>Total</b>	<b>78,74,015</b>

Source: RHP, SSL Research

## Key Financials

Particulars (Rs cr)	FY23	FY24	FY25
Revenue from operations	1,146.3	1,558.3	1,463.2
EBITDA	199.9	291.6	359.9
PAT	108.1	169.3	222.3
EBITDA Margin (%)	17.4	18.7	24.6
PAT Margin (%)	9.4	10.9	15.2
RoE (%)	37.3	39.0	34.8
RoCE (%)	30.6	35.4	33.2
P/E (x)*	58.9	37.6	28.6
<b>Total Customers</b>	<b>355</b>	<b>476</b>	<b>702</b>
Existing Customers	279	257	382
New Customers Added	76	219	320

*\*Note: Pre-issue P/E based on upper price band  
FY23 figures are on Standalone basis  
Source: RHP, SSL Research*

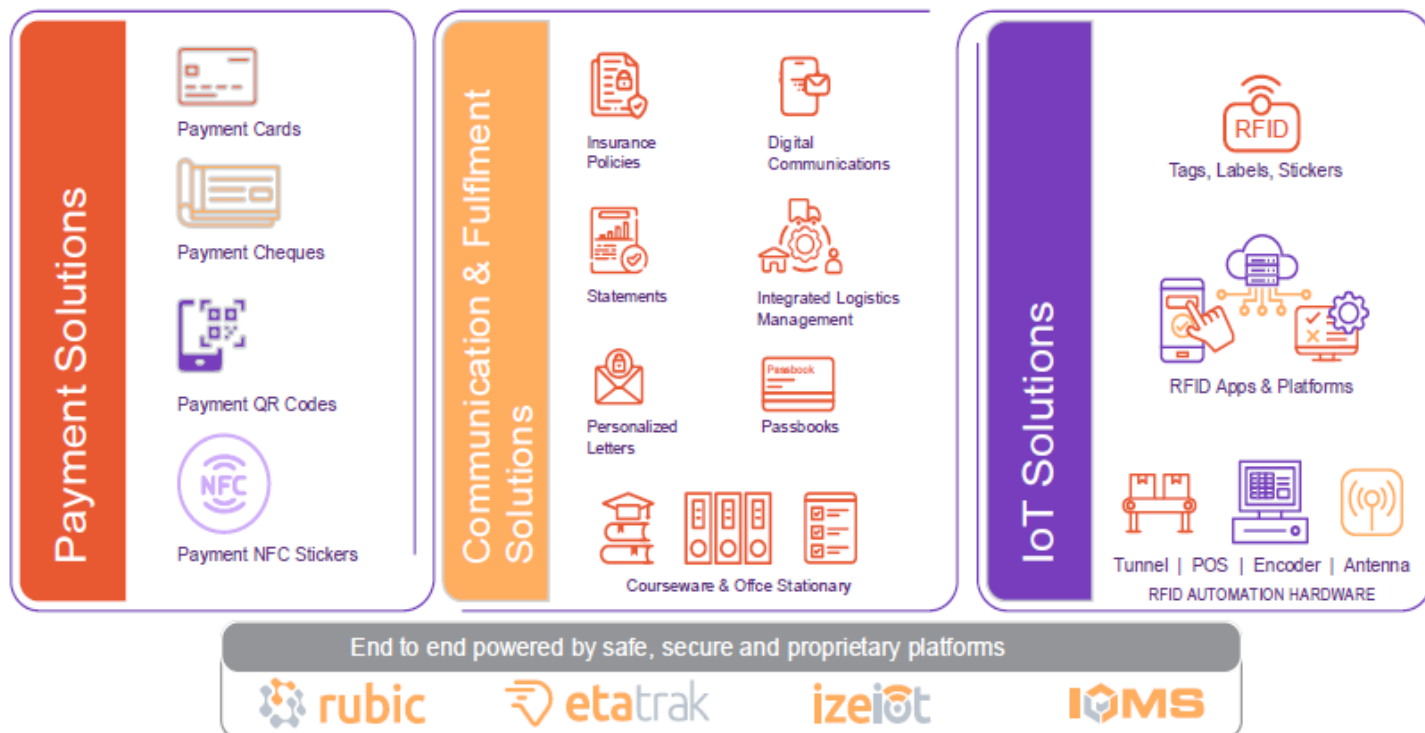
## Risk Factors

- **Technology risk:** The future success of the company's business depends in part on its ability to respond to technological advances and to emerging industry standards and practices on a cost-effective and timely basis. Thus, the emergence of new and advanced technologies could render STL's existing solutions obsolete or irrelevant, which could adversely impact its results of operations, financial condition and cash flows.
- **High dependency on the BFSI sector:** A substantial portion of STL's customers and revenues are concentrated in the BFSI industry, which contributes ~84% to the company's total revenue. Therefore, the business is largely dependent on the demand for STL's services from customers in the BFSI industry and any downturn or slowdown in the BFSI industry may harm the company's operations.
- **Customer concentration risk:** As of FY25, the company's top 5/top 10 customers contributed ~49%/66% to the total revenue respectively. Thus, the loss of key customers or reduction in revenue earned from such key customers, may have an adverse effect on the company's financials.
- **Raw material unavailability:** The company's production operations depend on adequate supply and deliveries of semiconductor chips/ banking chip modules, overlay film, PVC sheets, UV inks and varnishes, among other materials. From time to time, suppliers may extend lead times, limit the amounts supplied or increase prices due to capacity constraints or other factors, which may ultimately lead to STL not meeting customer demands in a timely manner. However, the company does maintain long term relationships with its existing vendors and typically enters into supply arrangements for a period of up to 12 months for certain raw materials it requires.

## Growth Strategies

- Consolidate Leadership Position in Payment Solutions
- Expand Offerings in the IoT and RFID Space.
- Increase Wallet Share from Customers.
- Focus on Entering into International Markets.
- Focus on Inorganic Growth through Strategic Acquisitions.

## Business Verticals



Source: RHP, SSL Research

## Location of Manufacturing Units

PAN INDIA

**24**

MANUFACTURING UNITS

**P** **PAYMENT**  
Solutions

**C** **COMMUNICATION & FULFILMENT**  
Solutions

**I** **IoT**  
Solutions



Source: RHP, SSL Research

## Manufacturing Capacities & Utilization

Verticals	UoM	FY23		FY24		FY25	
		Installed capacity	Utilization	Installed capacity	Utilization	Installed capacity	Utilization
Payments Solutions							
Cheque Leaf	In mn	2,646.0	56.6%	2,700.0	52.0%	2,700.0	44.1%
Cards	In mn	87.6	94.6%	132.0	90.8%	142.8	64.0%
Metal Cards	In lakhs	0.1	19.6%	4.0	13.1%	4.7	18.2%
Communication and Fulfilment Solutions							
Off-set Printing	No. of A4 sheets (mn)	3,612.2	65.1%	4,589.0	64.8%	4,881.6	64.1%
IoT Solutions							
Hang tags and labels	In mn	150.0	4.8%	287.5	54.0%	500.0	54.9%

Source: RHP, SSL Research

## Revenue Split – Verticals

Verticals	FY23		FY24		FY25	
	Rs cr	% of TR	Rs cr	% of TR	Rs cr	% of TR
Payment Solutions	707.6	61.7%	1,052.4	67.5%	914.7	62.5%
Communication & Fulfilment Solutions	425.7	37.1%	443.5	28.5%	434.5	29.7%
IoT Solutions	4.1	0.4%	53.9	3.5%	106.2	7.3%
Others*	8.5	0.7%	7.6	0.5%	6.1	0.4%
Other Operating Revenue**	0.4	0.0%	0.9	0.1%	1.6	0.1%
<b>Total Revenue (TR)</b>	<b>1,146.3</b>	<b>100.0%</b>	<b>1,558.3</b>	<b>100.0%</b>	<b>1,463.2</b>	<b>100.0%</b>

\*Others includes miscellaneous software sales, scrap sales and other rebates.

\*\*Other operating revenue comprises export duty drawback, rebate income and others.

FY23 figures are on Standalone basis

Source: RHP, SSL Research

## Revenue Split – BFSI vs Non-BFSI (FY23 vs FY25)

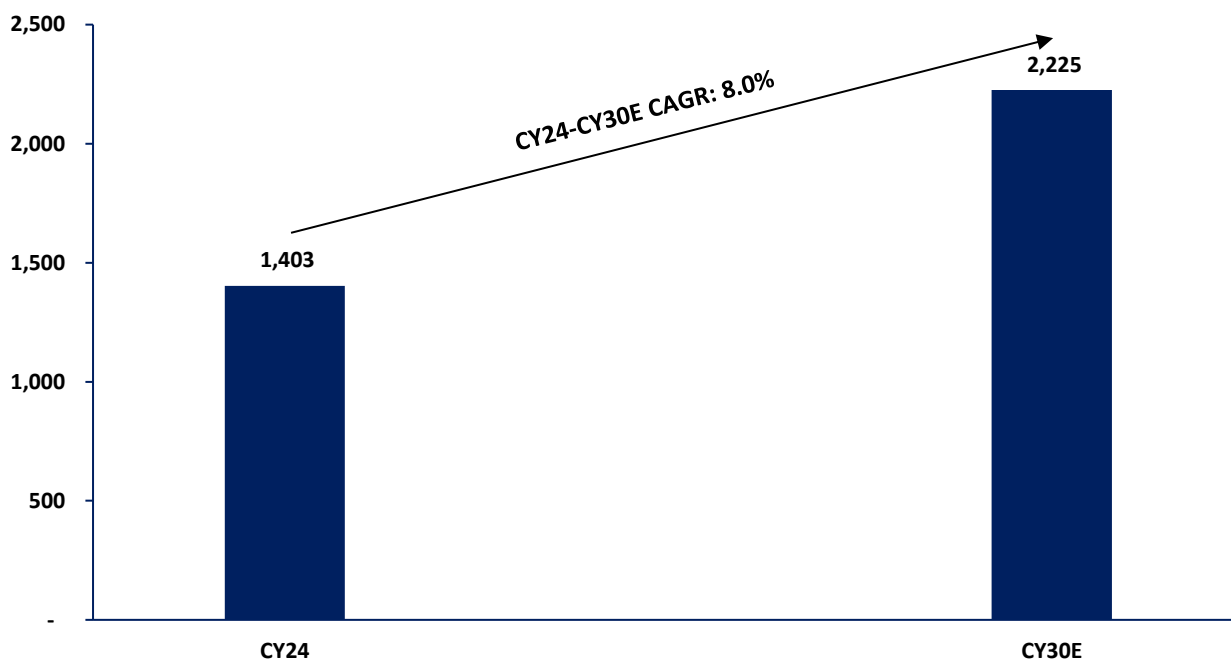


Source: RHP, SSL Research

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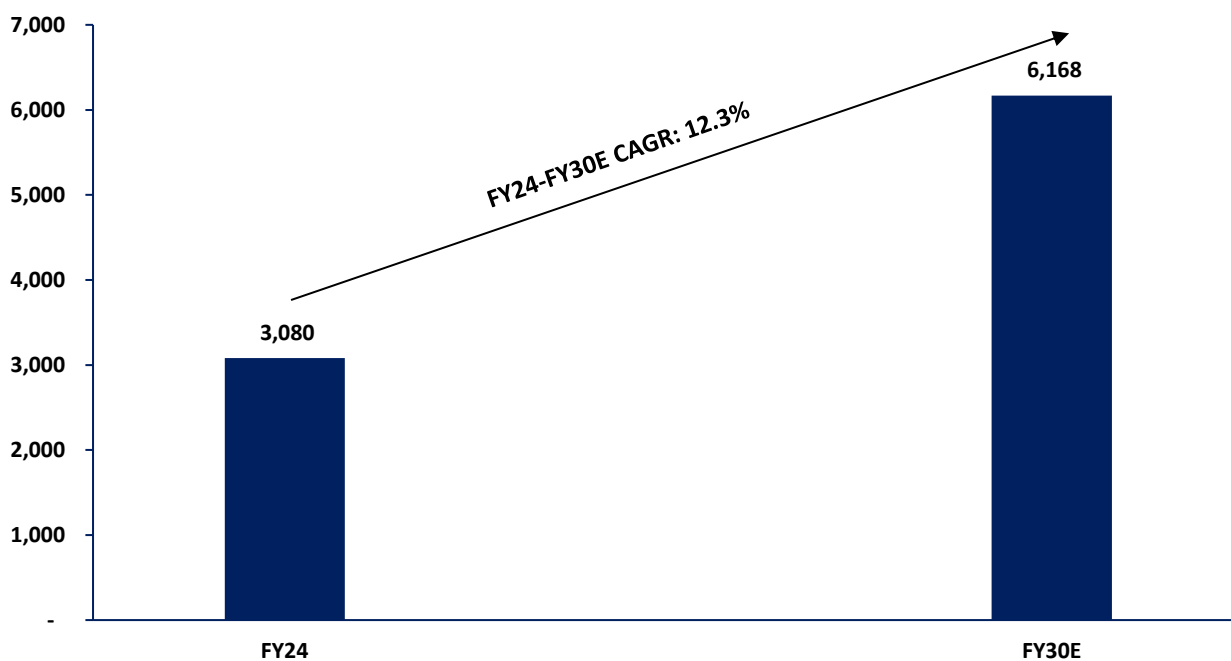
## Industry Overview

India - Total no. of Payment Cards in circulation (mn units)



Source: RHP, SSL Research

India - Total Payment Cards Market (Rs cr)



Source: RHP, SSL Research

## Financial Snapshot

INCOME STATEMENT			
Particulars (Rs cr)	FY23	FY24	FY25
Revenue from Operations	1,146	1,558	1,463
YoY growth (%)	-	35.9%	-6.1%
COGS (incl Stock Adj)	745	988	851
Gross Profit	401	570	612
Gross margins (%)	35.0%	36.6%	41.8%
Employee Cost	45	56	60
Other Operating Expenses	156	223	192
EBITDA	200	292	360
EBITDA margins (%)	17.4%	18.7%	24.6%
Other Income	8	11	10
Interest Exp.	32	34	34
Depreciation	32	36	41
PBT	143	233	295
Tax	35	64	73
PAT	108	169	222
PAT margin (%)	9.4%	10.9%	15.2%
EPS (Rs)	7.2	11.3	14.8

BALANCE SHEET			
Particulars (Rs cr)	FY23	FY24	FY25
<b>Assets</b>			
Net Block	243	306	388
Capital WIP	-	3	8
Right of use assets	27	27	23
Intangible Assets	15	19	16
Goodwill	-	20	20
Other Non current Assets	54	52	68
<b>Current Assets</b>			
Inventories	133	158	152
Trade receivables	221	221	292
Cash and Bank Balances	55	107	128
Short-term loans and advances	2	1	1
Other Current Assets	33	45	62
<b>Total Current Assets</b>	<b>444</b>	<b>531</b>	<b>636</b>
<b>Current Liabilities &amp; Provisions</b>			
Trade payables	107	128	89
Other current liabilities	51	28	34
Short-term provisions	3	3	3
<b>Total Current Liabilities</b>	<b>160</b>	<b>159</b>	<b>126</b>
<b>Net Current Assets</b>	<b>283</b>	<b>372</b>	<b>510</b>
<b>Total Assets</b>	<b>622</b>	<b>800</b>	<b>1,035</b>
<b>Liabilities</b>			
Share Capital	89	148	148
Reserves and Surplus	201	286	491
<b>Total Shareholders Funds</b>	<b>290</b>	<b>434</b>	<b>638</b>
<b>Total Debt</b>	<b>283</b>	<b>321</b>	<b>353</b>
Long Term Provisions	11	1	2
Lease Liabilities	29	29	26
Net Deferred Tax Liability	9	14	16
<b>Total Liabilities</b>	<b>622</b>	<b>800</b>	<b>1,035</b>

Cash Flow Statement (Rs cr)	FY23	FY24	FY25
Cash flow from Operating Activities	50	200	168
Cash flow from Investing Activities	(71)	(111)	(113)
Cash flow from Financing Activities	39	(32)	(34)
Free Cash Flow	(25)	105	53

RATIOS			
Particulars	FY23	FY24	FY25
<b>Profitability</b>			
Return on Capital Employed	30.6%	35.4%	33.2%
Return on Equity	37.3%	39.0%	34.8%
<b>Margin Analysis</b>			
Gross Margin	35.0%	36.6%	41.8%
EBITDA Margin	17.4%	18.7%	24.6%
Net Profit Margin	9.4%	10.9%	15.2%
<b>Short-Term Liquidity</b>			
Current Ratio (x)	1.3	1.5	1.8
Quick Ratio (x)	0.9	1.1	1.4
Avg. Days Sales Outstanding	70	52	73
Avg. Days Inventory Outstanding	65	58	65
Avg. Days Payables	41	37	29
Fixed asset turnover (x)	4.7	5.1	3.8
Debt-service coverage (x)	0.6	0.8	0.9
<b>Long-Term Solvency</b>			
Total Debt / Equity (x)	1.0	0.7	0.6
Interest Coverage Ratio (x)	5.5	7.8	9.6
<b>Valuation Ratios*</b>			
EV/EBITDA (x)	33.0	22.6	18.3
P/E (x)	58.9	37.6	28.6
P/B (x)	21.9	14.7	10.0
EV/Sales (x)	5.8	4.2	4.5
P/Sales (x)	5.6	4.1	4.3

*\*Valuation ratios are based on pre-issue capital at the upper price band  
FY23 figures are on Standalone basis  
Source: RHP, SSL Research*

## Peer Comparison

*Seshaasai Technologies Ltd does not have any listed like-to-like industry peers in India*

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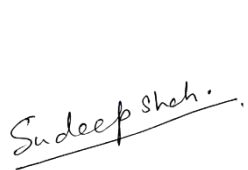
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