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INITIAL PUBLIC OFFER (IPO)

24-09-2025

SESHAASAI TECHNOLOGIES LTD — 23-09-2025 TO 25-09-2025

Recommendation: Subscribe for Long Term
Industry: BFSI and IoT Solution

Price Band: ₹402-423
Post Implied Market Cap: – ₹ 6,528 Cr - ₹ 6,844 Cr

Key Data

Issue Size (₹ Cr)	797- 813
Fresh (₹)	480
OFS (₹)	333
No of shares	11,945,870
Face Value (₹ /share)	10
Bid Lot	35

Indicative Timetable

Activity	On or about
Finalisation of Basis of	26/09/2025
Refunds/Unblocking ASBA	29/09/2025
Credit of equity shares to DP A/c	29/09/2025
Trading commences	30/09/2025

Shareholding (No. of shares)

Pre-Issue	15,04,53,300
Post Issue (Lower price band)	16,23,99,170
Post Issue (Higher price band)	16,18,05,826

Shareholding Pattern

Promoters	
Pre Issue	93.21%
Post Issue	81.80%
Public - Others:	
Pre Issue	6.79%
Post Issue	18.20%

Issue Breakup

QIB	50%
NIB	15%
Retail	35%

Other Details

BRLMs: IIFL Capital Services, ICICI Securities, SBI Capital Markets
Registrar: MUFG Intime India Pvt. Ltd.
Listing: BSE & NSE

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About the Company

Seshaasai Technologies Ltd (Seshaasai) is a leading technology-driven solutions provider for the BFSI sector, offering payments, communication, fulfilment, and IoT solutions. It is among the Top-2 payment card manufacturers in India with a 31.9% market share in FY2025, and also one of the largest cheque leaf manufacturers. Backed by strong data security and compliance focus, the company operates 24 manufacturing units across 7 locations in India as of March 31, 2025.

Investment Rationales

1) Established Leadership Position in the Large and Regulated Payment Solutions Industry with High Barriers to Entry: Company is among the Top-2 payment card manufacturers in India, growing its market share from 25% in FY2023 to 31.9% in FY2025. India's payment card base rose from 1,083 Mn (2020) to 1,403 Mn (2024) and is expected to reach 2,225 Mn by 2030 (8% CAGR), with the card manufacturing market projected to grow from Rs. 30,804 Mn in 2024 to Rs. 61,684 Mn by 2030 (12.3% CAGR). With strong entry barriers and industry dominance of established players, the company stands out for its end-to-end payments lifecycle management, robust infrastructure, and ability to scale — demonstrated during demonetization. As of March 2025, it has a monthly card production capacity of 11.94 million.

2) Long-standing relationships with a Large Customer Base: Seshaasai has shown strong customer retention and growth, serving 702 clients in FY2025 (up from 355 in FY2023). It enjoys 10+ year relationships with 7 of its top 10 clients, including major banks (HDFC, ICICI, SBI, Axis, Kotak), insurers (HDFC Life, SBI Life, HDFC Ergo), and fintech/IoT players (PhonePe, Pinelabs, Jupiter). A nearly 30-year partnership with a leading private bank underscores its role as a trusted, integral solutions provider. This long-term client stickiness provides revenue stability, while the company continues to expand offerings and acquire new customers.

3) Comprehensive Portfolio of Customizable and Scalable Solutions: Company offers scalable, customizable payment, communication, and fulfilment solutions, primarily for BFSI clients. It has a strong partnership with NPCI on RuPay products, driving innovation in India's payments ecosystem. Key milestones include launching the first RuPay qSPARC NCMC card (ICICI Bank, Ahmedabad smart city), introducing RuPay On-the-Go wearables (keychains, stickers, wristbands), co-creating India's first open-loop integrated payment & access device (used at IPL 2024 and Global Fintech Fest 2024), and supplying metal cards for PSU banks. It also pioneered NCMC card personalization hubs and NFC tags for UPI Tap & Pay. Its IoT clients include ICICI Bank, AU Small Finance Bank, PhonePe, Zebra, and Avery Dennison.

4) Proprietary Technology Stack Enabling Bespoke Solutions: Company integrates consulting, design, and engineering to build platforms powered by AI, robotic automation, APIs, IoT, and advanced communication systems. Its key platforms include: RUBIC (robust CCM solution for large-scale data management), eTaTrak (CRM-integrated supply chain & logistics, available in Lite/Pro/Max versions), IOMS (order & budget management with automated controls), and izeIOT (RFID-enabled secure data collection). Clients such as Axis Bank, ICICI Bank, Kotak Mahindra Bank, AU Small Finance Bank, and IDFC First Bank use these solutions, which strengthen communication, compliance, and digital transformation.

5) Pan-India Advanced Manufacturing Capabilities: Seshaasai operates 24 manufacturing units across 7 locations, as of March 31, 2025, with card production capacity rising from 7.3M/month in FY23 to 11.94M/month in FY25. Its RFID facilities in Haryana and Karnataka can produce 41.67M tags/month. The company also runs 2 R&D labs (Bengaluru & Faridabad) with 68 employees, driving innovations like QR codes, metal cards, and biometric cards, and has filed 11 patents in India and 3 overseas.

Risk

1) High Customer concentration.
2) Growth in Digital money

MView

We believe Seshaasai Technologies Ltd IPO offers investors an opportunity to invest in a leading, technology-driven payments and communication solutions provider with a dominant presence in the BFSI sector. We think as company is one of the Top-2 payment card manufacturers in India with a 31.9% market share in FY2025, backed by strong entry barriers and end-to-end lifecycle capabilities, the company is well-positioned to benefit from India's fast-growing payment card market (projected 12.3% CAGR through 2030). We also think its long-standing partnerships with marquee banks, insurers, fintech players and NPCI highlight customer stickiness and revenue visibility, while continued investments in R&D and patents underscore its focus on innovation. By looking at the financials, the company has demonstrated a robust operational performance, with revenue from operations growing 70.44% in FY2023 and 35.94% in FY2024, before recording a modest decline of 6.10% in FY2025. Net profit rose sharply by 56.6% in FY2024 and further increased by 31.3% in FY2025. Performance during FY2024–2025 was influenced by certain one-off and external factors. On valuation parse at the upper price band of ₹ 423/-, the issue is asking for a market cap of ₹ 6844 cr. Based on FY 2025 earnings and fully diluted post- IPO paid up capital, the company is asking for a PE of 30.8x, which seems fairly priced looking at its growth prospects. With scalable infrastructure and capacity expansion in both cards and RFID tags, Seshaasai is well positioned to capture growth from rising financial inclusion, increasing payment card penetration, and regulatory-driven digitization. Hence, we recommend growth seeking investors who wants to ride on India's rapidly evolving fintech and BFSI ecosystem to "SUBSCRIBE" the Seshaasai Technologies Ltd IPO for long term perspective.

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CONSOLIDATED FINANCIAL TABLES

BASIC FINANCIAL DETAILS

Particulars ₹ (in Cr)	For The Year Ended March' 31		
	2025	2024	2023
	Consolidated		Standalone
Equity share capital	147.62	147.62	88.82
Net worth	669.67	465.58	321.64
Total borrowings	378.68	350.24	311.99
Revenue from operations	1463.15	1558.26	1146.3
Growth in revenue	-6.1	35.94	70.44
EBITDA	370.37	303.01	207.43
EBITDA Margin (%)	25.13	19.3	17.98
Restated profit after tax for the year	222.32	169.28	108.1
Return on Net Worth (%)	33.2	36.36	33.61
Return on Capital Employed (%)	31.87	33.47	28.65
Restated EPS (after split) - Basic	15.06	18.55	12.17
Restated EPS (after split) - Diluted	15.06	11.47	7.32
Net Asset Value per Equity Share (basic)	45.37	31.54	36.21
Net Working Capital Days	95	62	74

(Source: Company RHP)

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Msearch’s Recommendation (Absolute Performance)
Buy: > 20% within the next 12 Months
Accumulate: 5% to 20% within the next 12 Months
Sell : < -20% within the next 12 Months

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