SESHAASAI TECHNOLOGIES LTD.

September 22, 2025

SMC Ranking

★★☆☆☆ (2/5)

Issue Highlights

Industry	**IT**
Offer for sale (Shares)	7,874,015
Fresh Issue (Shares)	11,347,588
Net Offer to the Public	**19,221,603**
Issue Size (Rs. Cr.)	772-813.07
Price Band (Rs.)	402-423
Employee Discount	40
Offer Date	23-Sep-25
Close Date	25-Sep-25
Face Value	10
Lot Size	35

Issue Composition

	In shares
Total Issue for Sale	19,221,603
QIB	9,610,802
NIB	2,883,240
Retail	6,727,561

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	93.21%	81.81%
QIB	0.00%	5.94%
NIB	6.79%	8.10%
Retail	0.00%	4.16%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

The Company Seshaasai Technologies IPO proposes to utilise the Net Proceeds from the Issue towards the following objects:

Funding capital expenditure for the expansion of existing manufacturing units

Repayment and / or prepayyment, in part or in full, of certain outstanding borrowings of the Company

General corporate purposes

Book Running Lead Manager

- IIFL Capital Services Limited
- ICICI Securities Limited
- SBI Capital Markets Limited

Name of the registrar

- MUFG Intime India Private Limited

About the company

Incorporated in 1993, Seshaasai Technologies Limited is a technology-driven, multi-location solutions provider with a strong presence in the banking, financial services, and insurance (BFSI) industry. The company specializes in payment solutions, communication, and fulfilment services, offering scalable and recurring platforms to support BFSI operations in India. Beyond financial services, it also delivers IoT-based solutions across diverse industries.

Seshaasai operates 24 self-sustaining manufacturing units across seven Indian locations, equipped with advanced machinery, skilled manpower, and robust supply chains to meet local requirements. These facilities are certified by NPCI, PCI, IBA, and leading global payment schemes, ensuring compliance with IT, cyber, and physical security standards. As of June 30, 2025, the company employed 862 permanent staff.

Business Operations

- **Payment Solutions:** Provides debit, credit, prepaid, and transit cards, wearables, merchant QRs, cheques, and secure transaction stationery to banks, fintechs, and issuers across public and private sectors.
- **Communication & Fulfilment Solutions:** Through its RUBIC platform, delivers omni-channel communication—print and digital—for banks, insurers, AMCs, depositories, and financial institutions, covering account statements, compliance updates, and customer requests.
- **IoT Solutions:** Offers RFID- and NFC-enabled products such as tags, labels, and readers to enhance supply chain visibility, product authenticity, and real-time data flow for industries like retail, manufacturing, and logistics.

Technology Platforms

- **RUBIC:** A secure data processing platform enabling personalized communication, system integration, and IoT solutions.
- **eTaTrak:** An AI-powered logistics solution for real-time delivery tracking, accurate billing, and improved service delivery.
- **IOMS:** A web-based order and inventory management system that streamlines procurement and reduces costs by consolidating transactions.

Strength

Established Leadership in a Large, Regulated Industry: Seshaasai Technologies Limited is a leading player in India's payment card manufacturing industry, ranking among the top two with an estimated 31.9% market share in Fiscal 2025, up from 25.0% in Fiscal 2023. The company serves a wide spectrum of financial institutions, including 10 of 12 public sector banks, 9 of 11 small finance banks, and 15 of 21 private banks. With three decades of experience, robust infrastructure, and expertise in managing the end-to-end payment lifecycle, Seshaasai is well-positioned to benefit from India's expanding payment card market, which is expected to grow significantly by 2030.

Long-Standing Customer Relationships: The company has built a large and diversified customer base, growing from 355 clients in Fiscal 2023 to 702 in Fiscal 2025. Strong, long-term relationships underpin this growth, with customers of over 10 years contributing

63.28% of total revenue in Fiscal 2025. Its client base spans banking, insurance, fintech, and IoT, reducing customer concentration risks. These enduring relationships provide valuable insights into customer behavior, ensuring stable revenues while enabling cross-selling and deeper engagement.

Comprehensive and Scalable Solutions Portfolio: Seshaasai offers customizable and scalable solutions across Payment Solutions, Communication & Fulfilment, and IoT Solutions, with a strong focus on the BFSI sector. It has pioneered innovations such as India's first RuPay qSPARC NCMC card and alternative payment form factors like wristbands and keychains. Its proprietary chip-bonding infrastructure and global RFID partnerships strengthen product security and diversification, enabling the company to meet evolving regulatory and technological requirements.

Proprietary Technology Platforms: The company leverages advanced AI, IoT, and automation to deliver end-to-end digital solutions. Proprietary platforms include RUBIC (customer communication management), eTaTrak (AI-powered logistics tracking), IOMS (secure order and inventory management), and izeIOT (RFID-based traceability ecosystem). These interconnected platforms allow cross-selling, enhance customer stickiness, and drive digital transformation for enterprise clients, solidifying Seshaasai's role as a trusted partner in secure transactions and digitization.

Pan-India Advanced Manufacturing Capabilities: With 24 manufacturing units across seven locations, Seshaasai has the capacity to produce 11.94 million cards and over 41.67 million RFID tags monthly. Its facilities, certified by IBA, global payment schemes, and ISO, ensure high-quality production of plastic, metal, and sustainable cards, as well as wearables and stickers. Supported by two dedicated R&D labs, the company has filed 11 patents in India and several internationally, reinforcing its innovation-driven manufacturing model.

Strong Financial Track Record: The company has demonstrated consistent financial strength, with revenue rising from Rs. 1,146.30 crore in Fiscal 2023 to Rs. 1,558.26 crore in Fiscal 2024, before moderating to Rs. 1,463.15 crore in Fiscal 2025. EBITDA grew steadily from Rs. 207.43 crore in Fiscal 2023 to Rs. 370.37 crore in Fiscal 2025, with margins improving from 17.98% to 25.13%. Its efficient business model and multi-term contracts have supported profitability and margin expansion.

Experienced Leadership and Employee Base: Seshaasai is led by seasoned promoters Pragnyat Pravin Lalwani and Gautam Sampatraj Jain, each with over 30 years of industry experience. The management team brings deep expertise in finance, risk, sales, IT, and operations, with many senior members serving the company for decades. Backed by 862 permanent employees as of June 30, 2025, the company invests in skill development and incentivizes talent through training and ESOPs, ensuring long-term employee commitment and operational excellence.

Strategy

Consolidate Leadership in Payment Solutions: Seshaasai Technologies Limited aims to strengthen its leadership in the payment card industry, where it holds a 31.9% market share in India. The company is expanding its portfolio with innovative offerings such as metal, sustainable, biometric, and dynamic CVV cards, along with payment-on-the-go devices. With the premium metal card segment projected for strong growth, it is expanding manufacturing capacity at Navi Mumbai and Bengaluru to meet rising demand. Ongoing R&D and strategic partnerships support its focus on secure, sustainable solutions tailored to evolving consumer preferences, including Gen Z.

Expand IoT and RFID Offerings: The company is intensifying its focus on IoT, particularly RFID solutions, to address growing adoption in sectors like retail, logistics, and manufacturing. In alignment with "Make in India" and "Atmanirbhar Bharat," it is scaling domestic chip bonding and RFID component manufacturing, with expansion planned at its Kundli, Haryana unit. With daily capacity in the millions, Seshaasai is also targeting North America and Western Europe, supported by global certifications such as Auburn RFID Lab Certification. These efforts are aimed at strengthening local resilience and driving international growth.

Increase Wallet Share from Customers: Seshaasai's strategy emphasizes deepening

relationships and enhancing contributions per customer by positioning itself as a solutions partner rather than a vendor. Through co-creation, tailored solutions, and leveraging its proprietary platforms, the company aims to capture greater wallet share. Cross-selling and up-selling across its Payment, Communication, and IoT verticals remain key levers, helping it expand offerings for both existing and new customers. Its strong reputation for quality, innovation, and delivery further underpins this strategy.

International Market Expansion: The company is pursuing geographic diversification by extending its Payment Solutions into the SAARC region, Africa, and Eastern Europe, while expanding IoT solutions into developed markets such as North America and Western Europe. Targeting BFSI and non-BFSI sectors alike, including retail, logistics, and pharmaceuticals, Seshaasai plans to strengthen its global footprint through expanded sales teams, channel partnerships, and R&D collaborations. Participation in international trade events and obtaining global certifications will further enhance its international presence.

Inorganic Growth through Acquisitions: Seshaasai's growth strategy also includes strategic acquisitions to consolidate its market position, broaden its portfolio, and enhance technical expertise. Recent acquisitions include Atoll Solutions Private Limited, expanding its IoT offerings through location intelligence, and Alomind Labs Private Limited, strengthening its multi-protocol asset monitoring capabilities. The company continues to evaluate opportunities in RFID, BLE, software, and design firms, with the dual objective of deepening offerings and accelerating its international expansion.

Risk Factor

- In Fiscals 2025, 2024, and 2023, the company serviced 702, 476, and 355 customers, respectively. A significant portion of revenues is derived from a limited number of customers, and the loss or reduction of business from these clients could materially impact revenues, profitability, cash flows, and overall financial condition.
- The company's revenues are concentrated in a limited number of industry verticals. Any slowdown in demand or adverse developments in these sectors could negatively affect revenues, results of operations, and financial performance.
- Customer contracts impose extensive compliance obligations. Failure to adhere to contractual terms may result in breaches, penalties, or termination, which could adversely affect the company's business and financial condition.
- The company is exposed to risks associated with providing solutions and services to government projects, institutions, and public sector enterprises, which may involve delays, payment risks, and compliance challenges.
- Any failure of the company's information technology infrastructure or breach of its systems could disrupt operations, compromise data security, and negatively impact business performance and financial results.
- The business is heavily dependent on its manufacturing facilities and is subject to risks inherent in the manufacturing process. Any disruption—such as slowdowns, shutdowns, strikes, work stoppages, or increased wage demands—could adversely impact operations, revenues, and financial performance.

Peer Comparison

There are no listed companies in India that are comparable in all aspects of business and services that the Company provides. Hence, it is not possible to provide an industry comparison in relation to the Company.

Valuation

Considering the P/E valuation, on the upper end of the price band of Rs.423, the stock is priced at pre issue P/E of 28.63 x on FY25 EPS of Rs.14.78. Post issue, the stock is priced at a P/E of 30.79x on its EPS of Rs. 13.74. Looking at the P/B ratio at Rs. 423 pre issue, book value of Rs.42.41 of P/Bvx 9.97x. Post issue, book value of Rs.69.11 of P/Bvx 6.12x.

Considering the P/E valuation, on the lower end of the price band of Rs.402, the stock is priced at pre issue P/E of 27.21 x on FY25 EPS of Rs. 14.78. Post issue, the stock is priced at a P/E of 29.26x on its EPS of Rs. 13.74. Looking at the P/B ratio at Rs. 402 pre issue, book value of Rs. 42.41 of P/Bvx 9.48x. Post issue, book value of Rs.69.11 of P/Bvx 5.82x.

Industry Outlook

The Payments cards market in India, valued at Rs. 907.1 crore in 2020, expanded to Rs. 3,080.4 crore in 2024. The total number of payment cards in circulation in India, encompassing credit cards, debit cards, and PPIs, stood at 108.3 crore units in 2020. By 2024, this figure had increased to 140.3 crore units and is anticipated to grow to 222.5 crore units by 2030, with an expected CAGR of 8.0% from 2024 to 2030. The payments card manufacturing industry has high entry barriers due to significant capital requirements, stringent regulatory standards, technological expertise, and the dominance of established players. The global RFID market, valued at approximately Rs.1,33,850 crore in 2024, is projected to grow at a 11.9% CAGR and reach Rs. 2,63,110 crore by 2030. (Source: F&S Report).

Outlook

Seshaasai Technologies Limited is well-positioned to consolidate its leadership in India's payment solutions market, leveraging its strong market share, diversified customer base, advanced manufacturing capabilities, and proprietary technology platforms. Strategic initiatives, including expansion into metal and biometric cards, scaling IoT and RFID solutions, increasing wallet share, and international market entry, support sustainable growth. While risks such as customer concentration, sectoral dependency, and operational disruptions exist, the company's robust infrastructure, R&D focus, and experienced leadership provide resilience, ensuring long-term revenue stability and value creation.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
BID/ISSUE OPENS ON	23-September-25
BID/ISSUE CLOSES ON	25-September-25
Finalisation of Basis of Allotment with the Designated Stock Exchange	26-September-25
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	29-September-25
Credit of Equity Shares to Demat Accounts of Allottees	29-September-25
Commencement of trading of the Equity Shares on the Stock Exchanges	30-September-25

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)	Period ended 31-Mar-23 (12 Months)
Revenue from operations	1463.15	1558.26	1146.30
Total expenditure	1103.25	1266.66	946.41
Operating Profit	**359.90**	**291.60**	**199.89**
OPM%	2.46	1.87	1.74
Other Income	10.47	11.42	7.54
Total Net Income	**370.37**	**303.01**	**207.43**
Interest	34.30	34.17	32.00
PBDT	**336.07**	**268.84**	**175.43**
Depreciation	41.16	35.85	32.29
Restated Profit before tax	**294.91**	**233.00**	**143.14**
Tax	72.59	63.72	35.04
Profit & Loss	**222.32**	**169.28**	**108.10**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 31-Mar-25	As on 31-Mar-24	As on 31-Mar-23
Non-current assets			
Property, plant and equipment	387.95	305.76	243.02
Right of use assets	22.83	26.61	26.96
Capital work in progress	8.06	2.93	0.00
Intangible assets	15.63	18.54	14.76
Goodwill	20.36	20.36	0.00
Intangible assets under development	1.49	0.56	0.00
Financial assets			
Investments	0.05	0.05	0.71
Loans	9.76	7.25	4.64
Other Financial assets	11.10	15.81	13.16
Current Tax Assets (Net)	3.70	3.71	3.47
Other non-current assets	43.83	25.56	32.18
Total non-current assets	**524.74**	**427.14**	**338.90**
Current asset			
Inventories	152.21	157.66	133.25
Financial assets			
Trade receivables	292.23	220.69	220.79
Cash and cash equivalents	99.02	78.14	21.54
Other bank balances	28.82	28.72	33.35
Loans	1.28	1.28	1.85
Other financial assets	15.91	6.51	13.96
Other current assets	46.18	38.27	18.91
Total current assets	**635.64**	**531.27**	**443.64**
Total Assets	**1160.39**	**958.41**	**782.54**
Non-current liabilities			
Borrowings	133.37	131.99	106.43
Lease liabilities	13.69	19.26	19.69
Provisions	1.77	1.45	10.76
Deferred Tax Liabilities (net)	16.15	13.82	9.20
Total Non-current liabilities	**164.97**	**166.52**	**146.07**
Current liabilities			
Borrowings	219.52	188.77	176.20
Trade payables - Micro and small enterprises	8.36	17.74	16.08
Trade payables - Other than micro and small enterprises	80.30	110.19	90.94
Lease Liabilities	12.10	10.22	9.68
Others Financial liabilities	20.57	16.03	8.10
Provisions	3.48	3.22	2.77
Current tax liabilities (Net)	2.86	5.59	6.62
Other current liabilities	10.09	6.09	35.98
Total Current liabilities	**357.28**	**357.84**	**346.36**
Total	**522.25**	**524.36**	**492.43**
Net worth represented by:			
Equity share capital	147.62	147.62	88.82
Other equity	490.52	286.43	201.29
Net Worth	**638.14**	**434.05**	**290.11**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★
EXCELLENT	★★★★★

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