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IPO Note:

SESHAASAI TECHNOLOGIES LIMITED- SUBSCRIBE

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IPO Note: SESHAASAI TECHNOLOGIES LIMITED- SUBSCRIBE **22nd September, 2025**

Issue Opens	**23rd September 2025**
Issue Closes	**25th September 2025**
Type of Issue	Fresh Issue of 1,13,47,588 shares (aggregating up to ₹480.00 Crores) Offer for sale of 78,74,015 shares of ₹10 (aggregating up to ₹333.07 Crores)
Issue size	**₹ 813.07 Crores**
Price Band	₹402 to ₹423 per share
Bid lot/ Bid Size	35 shares/ Rs. 14,805
Issue structure	QIB-50%, HNI- 15%, Retail- 35%
Post issue equity shares	16,18,00,888 shares
Promoters and Promoter Group **Public**	Pre Issue – 93.21%|Post Issue – 81.81% Pre issue – 6.79%|Post Issue- 18.19%
Post issue implied market cap	₹ 6,844.18 Crores
BRLMs	IIFL Capital Services Ltd (formerly known as IIFL Securities Ltd), ICICI Securities Ltd, SBI Capital Markets Ltd
Registrar to the issue	MUFG Intime India Private Limited

Seshasaai Technologies Limited ("Seshasaai") is a technology-driven, multi-location solutions provider offering payments, communications, fulfilment, and IoT solutions, with a strong focus on the banking, financial services, and insurance (BFSI) sector. Data security and compliance lie at the core of its operations, and its proprietary platforms enable delivery at scale on a recurring basis. The company plays a critical role in supporting BFSI operations in India and is also one of the top two payment card manufacturers in the country with a market share of 31.9% in FY25, up from 25.0% in FY23. In addition, Seshasaai is one of the largest cheque leaf manufacturers in India and has diversified into Internet of Things (IoT) solutions catering to multiple industries.

The company's **Payment Solutions** business covers a wide range of debit, credit, prepaid, mass transit cards and cheques, where it manages end-to-end processes including design, development, secure data embedding, and fulfilmen. It supplied 91.37 million payment cards and 1,188.81 million cheque leaves in FY25, and has introduced innovative products like biometric and metal cards, RuPay On-the-Go wearables, and NFC-enabled merchant QR codes. Seshasaai is among the only two vendors in India with multi-location empanelment for both cards and cheques.

In **Communication and Fulfilment Solutions**, Seshasaai provides secure, technology-driven omni-channel communication solutions across print, interactive PDFs, email, and SMS. Its offerings include policy documents, financial statements, notices, utility bills, loyalty communications, customised collaterals, and marketing campaigns. These can be delivered on a scheduled, triggered, or automated basis, with full audit trails to ensure regulatory compliance. In FY25, it delivered 27.35 million policy documents, 23.31 million insurance communications, and 14.80 million tax identity cards, with cumulative supply of 479.84 million citizen identity cards. Its fulfilment network covers over 35,800 bank branches with 1,780+ SKUs, supported by its proprietary Inventory & Order Management System (IOMS) for efficient, timely delivery.

Its **IoT Solutions** portfolio includes RFID-enabled inlays, tags, and labels, as well as IoT hardware, software, and middleware integration. Seshasaai supplied 322.86 million RFID tags and labels in FY25 (vs. 150.95 million in FY24), serving industries such as BFSI, retail, logistics, renewable energy, and manufacturing. Key use cases include authentication, inventory tracking, traceability, and warehouse management.

Seshasaai's solutions are powered by proprietary technology platforms that enhance productivity, customer experience, and business efficiency. Its key platforms include **RUBIC**, a data-driven engine for personalized outputs; **eTaTrak**, an AI-powered logistics and deliverables management system; **IOMS**, a web-based inventory and order management platform; and **izeIOT**, an IoT platform enabling secure device communication, data collection, and traceability across industries.

The company serves leading BFSI players, including 10 of 12 PSU banks, 9 of 11 small finance banks, 15 of 21 private banks, and several insurance companies, reflecting its strong reputation for trust and quality.

Investment Recommendation and Rationale: -

As digital payments, secure communication, and IoT adoption accelerate in India's BFSI sector, Seshasaai Technologies has emerged as a leading player, offering scalable, compliant, and technology-driven solutions across payments, communications, fulfilment, and IoT, supported by a pan-India manufacturing and service network. At the upper price band of ₹423, the issue is valued at a P/E multiple of about 30.79× on its FY25 post-IPO EPS of ₹13.74. We give a 'SUBSCRIBE' rating to the issue for the following reasons: -

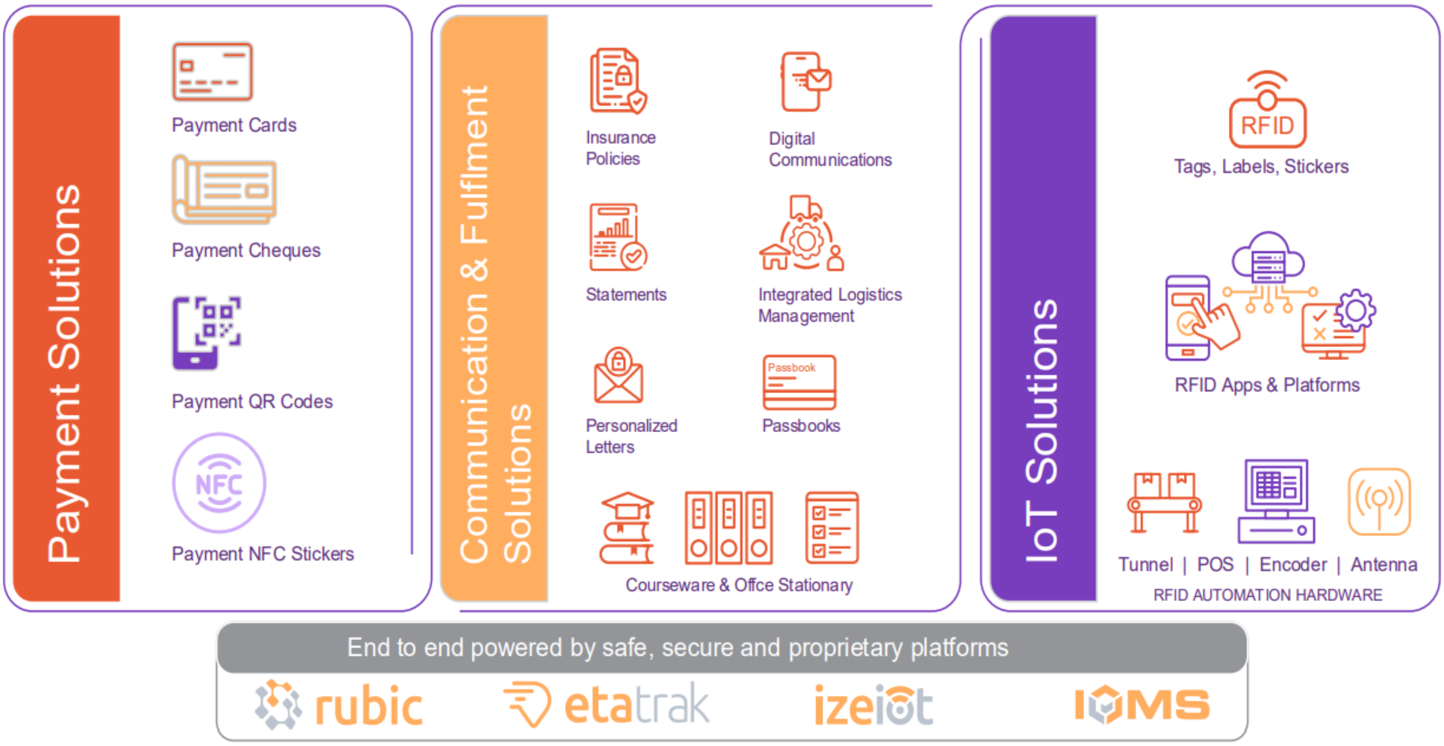
1. **Seshasaai is a trusted BFSI partner offering secure, scalable, and compliant solutions across payments, communication, customer fulfilment solutions, and IoT, while also ranking among the top two payment card manufacturers in India with a 31.9% FY25 market share and being one of the largest cheque leaf producers .**
2. **With 24 self-sustaining manufacturing units and 9 godowns, Seshasaai ensures high-volume, secure, and timely deliveries.**
3. **Rapidly expanding IoT offerings and innovative payment solutions (wearables, NFC, biometric cards) provide long-term growth opportunities.**
4. **Led by promoters with extensive experience in BFSI solutions, payments, and technology-driven services, providing strategic vision and operational expertise for sustainable growth.**

Financial Summary (in ₹ million, unless otherwise indicated)

Particulars	Fiscal		
	2025	2024	2023
Financial			
Revenue from operations (₹ million)	14,631.51	15,582.56	11,462.99
Revenue Growth (%)	(6.10)%	35.94%	70.44%
EBITDA (₹ million)	3,703.65	3,030.10	2,074.27
EBITDA Margin (%)	25.13%	19.30%	17.98%
Profit after tax (PAT) (₹ million)	2,223.20	1,692.78	1,080.98
PAT Margin (%)	15.09%	10.78%	9.37%
Return on Equity (%)	34.84%	39.00%	37.26%
Return on Capital Employed (%)	31.87%	33.47%	28.65%
Net Debt (₹ million)	2,374.74	2,262.86	2,448.61
Net Debt/EBITDA (x)	0.64	0.75	1.18
Net Debt/ Equity (x)	0.37	0.52	0.84
Gross Fixed Asset Turnover (x)	2.71	3.67	3.49
Net Working Capital (₹ million)	3,811.93	2,664.53	2,338.62
Net Working Capital (Days)	95	62	74

Source: RHP

The company's business verticals comprise Payment Solutions, Communication and Fulfilment Solutions, and IoT Solutions:



Source: Red Herring Prospectus (RHP)

The table below shows the details of the company's revenues from its business verticals for the fiscals indicated:

Customers	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Payment Solutions	9,146.91	62.52%	10,523.82	67.54%	7,075.63	61.73%
Communication & Fulfilment Solutions	4,344.91	29.70%	4,434.66	28.46%	4,257.01	37.14%
IoT Solutions	1,062.31	7.26%	539.37	3.46%	41.34	0.36%
Others*	61.16	0.41%	75.83	0.49%	84.54	0.74%
Other Operating Revenue #	16.22	0.11%	8.88	0.06%	4.47	0.04%
Total	**14,631.51**	**100.00%**	**15,582.56**	**100.00%**	**11,462.99**	**100.00%**

** Others comprises includes miscellaneous software sales, scrap sales, other rebates.*
 # Other operating revenue comprises export duty drawback, rebate income and others.
Source: Red Herring Prospectus (RHP)

Shareholding pattern

Name of the Selling Shareholders	Type	Number of Equity Shares Offered	Weighted Average Cost of Acquisition per Equity Share (in ₹)
Pragnyat Pravin Lalwani	PSS	Up to 3,937,008 Equity Shares of face value of ₹10 each	7.72
Gautam Sampatraj Jain	PSS	Up to 3,937,007 Equity Shares of face value of ₹10 each	7.72

Source: Red Herring Prospectus (RHP)

Objects of the issue
Fresh Issue of 1,13,47,588 shares (aggregating up to ₹480.00 Cr)
Offer for Sale of 78,74,015 shares of ₹10 (aggregating up to ₹333.07 Cr)

Company plans to use the Net Proceeds to fund the following objects:
1. Financing capital expenditure for the expansion of existing manufacturing units.
2. Repayment and / or prepayment, in whole or in part, of certain outstanding borrowings of the Company.
3. General corporate purposes.

Source: Red Herring Prospectus (RHP)

Peer Comparison
The Company does not have any listed peer companies for comparison.
Source: Red Herring Prospectus (RHP)

Competitive Strengths
1. The company has an established leadership position in the large and highly regulated payment solutions industry, characterized by high barriers to entry.
2. It enjoys strong, long-standing relationships with a wide and diversified customer base.
3. The company offers a comprehensive portfolio of solutions that are both scalable and customizable to client needs.
4. Its proprietary technology stack enables the delivery of bespoke and innovative solutions.
5. The company possesses advanced manufacturing capabilities with a pan-India presence.

Source: Red Herring Prospectus (RHP)

Growth Strategies
1. Consolidate and strengthen the company's leadership position in the payment solutions segment.
2. Enhance wallet share by deepening relationships and increasing business from existing customers.
3. Broaden the company's product and solution offerings in the IoT and RFID space.
4. Expand presence in international markets to drive growth beyond India.
5. Pursue inorganic growth opportunities through selective and strategic acquisitions

Source: Red Herring Prospectus (RHP)

Key Risks
1. The company's revenues are concentrated in a limited number of industry verticals, and any decline in demand within these sectors could negatively impact revenues, business performance, financial condition, and cash flows.
2. Customer contracts impose extensive compliance requirements, and any failure to adhere to these obligations could result in breaches, termination of contracts, or legal actions, adversely affecting the company's operations and financials.
3. The company relies on the timely supply of raw materials for manufacturing, personalization, and printing; disruptions in supply or price increases by vendors could adversely affect business performance.
4. Rapid technological advancements may render the company's existing solutions obsolete or less relevant, adversely affecting operations, financial condition, and cash flows.
5. The company's reliance on RFID technology entails specific risks that may negatively influence its business prospects and financial performance.

Source: Red Herring Prospectus (RHP)

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