



IPO Report

25 Sept, 2025

Rating

Business



Financials



Valuation



Management



Ranking 1 to 5, denoting lowest to highest



FIN2RESEARCH
Investment Advisor Pvt. Ltd.

Seshaasai

Seshaasai Technologies Ltd.

IPO: Seshaasai Technologies Ltd.

Sector: BFSI

Expected Listing Returns: Upto 15% to 20%

| Stock Info | |
|----------------------|--|
| Issue Size (Cr) | 813.07 |
| Lot Size | 35 |
| Face Value (per sh.) | 10 |
| Min. Investment | Rs 14,805 |
| Issue Price Band | Rs 402 - Rs 423 |
| Listing At | NSE, BSE |
| QIB | 50% |
| HNI | 15% |
| Retail | 35% |
| Sales Type | Fresh and OFS |
| Fresh Issue | 480.00 cr |
| OFS | 333.07 cr |
| Issue Type | Book Build Issue |
| BRLM | IIFL Capital Services Limited, ICICI Securities Limited, SBI Capital Markets Limited |
| Registrar | MUFG Intime India Private Limited |

| IPO Timeline | |
|----------------------|-------------------------|
| Opening Date | Tue, 23 September, 2025 |
| Closing Date | Thu, 25 September, 2025 |
| Allotment | Fri, 26 September, 2025 |
| Initiation of Refund | Mon, 29 September, 2025 |
| Credit of shares | Mon, 29 September, 2025 |
| Listing Date | Tue, 30 September, 2025 |

| Shareholding Pattern (Promoters) | |
|----------------------------------|-------|
| Pragnyat Pravin Lalwani | 46.6% |
| Gautam Sampatraj Jain | 46.6% |
| Total Promoters Holding | 93.2% |

Objective of Issue

- The objectives of the Offer are to finance capital expenditure for the expansion of the Company's existing manufacturing facilities, to repay and/or prepay, in full or in part, certain outstanding borrowings, and to meet general corporate purposes.

Seshaasai Technologies Ltd. Seshaasai Technologies Limited is a leading provider of secure payment, communication, and IoT/RFID solutions, serving top Indian banks and insurers. With 31.9% market share in payment cards and one of the largest cheque-printing capacities in India, the Company has built long-standing client relationships and strong profitability. Backed by 24 manufacturing facilities and proprietary technologies, it is well-positioned to capture growth from rising digital payments, financial inclusion, and expanding IoT/RFID adoption.

Key Highlights:

- **Leadership in India's Payment Solutions Market:** Seshaasai is one of the largest domestic manufacturers of payment cards and has established itself among the top two players in India. In FY2025, the Company held ~31.9% market share in new card issuance, up from ~25% in FY2023 – reflecting its ability to scale rapidly. It supplies debit, credit, prepaid, and co-branded cards to leading PSU and private sector banks, often under long-standing contracts. Its partnerships with NPCI for RuPay and NCMC cards and collaborations for wearable payment devices (e.g., wristbands, key fobs) strengthen its leadership. This positions the Company to benefit directly from the structural rise in digital payments and card adoption in India.
- **Robust Manufacturing Infrastructure:** Seshaasai operates 24 manufacturing units across seven Indian locations, all compliant with stringent security and quality certifications such as ISO 9001, ISO 27001, ISO 14001, and PCI-DSS. This ensures trust with BFSI clients, who demand high levels of data and document security. As of March 2025, card manufacturing and personalization capacity stood at 142.8 million cards annually, cheque-printing capacity stood at 2.7 billion leaves annually, making it one of India's largest cheque printers, the Company's redundant infrastructure with backup power, IT systems, and geographically distributed plants minimizes operational risk and ensures uninterrupted supply to mission-critical clients like banks and insurers.
- **Proven Financial Performance and Strong Returns:** The Company has demonstrated consistent revenue growth, high profitability, and strong return metrics. Return on Net Worth (RoNW) stood at 33.2% in FY2025, reflecting efficient use of shareholder capital. Earnings per share (EPS) rose from Rs11.47 in FY2024 to Rs15.06 in FY2025, underlining earnings growth momentum. The business generates stable operating cash flows, aided by recurring orders from banks and insurers.

Valuation & Investment Recommendation

Seshaasai Technologies, ranks among the top two payment card manufacturers in India with 31.9% market share (FY25), will deploy ₹198 crore from IPO proceeds to expand manufacturing and ₹300 crore to repay debt, reducing leverage from 0.6x to 0.04x and saving ~₹29 crore in annual interest. At the upper price band of ₹423, the issue is valued at 30.8x FY25 earnings (post-issue capital).

IPO: Seshaasai Technologies Ltd.
Expected Listing Returns: Upto 15% to 20%

SWOT Analysis

Strengths

Market Leadership and Brand: Seshaasai is a market leader in payment and communication solutions, holding ~32% of India's card issuance and ranking among the largest cheque printers. This dominant position is supported by three decades of domain expertise in BFSI and related sectors.

Comprehensive, Proprietary Technology Portfolio: The company offers a diversified, proprietary tech portfolio spanning Payments, Communications, and IoT/RFID, with patented solutions and platforms enabling secure, scalable, and customizable services. Its integrated offerings drive cross-selling and strong client retention.

Strong Customer Relationships: Strong, sticky client base with ~97% repeat revenues, long-standing relationships across major banks/insurers, and deep NPCI partnerships ensuring high retention and renewals.

Healthy Financial Performance: Operating margins is 25.13% in core businesses (cards, communications) are strong, aided by fixed-cost leverage at higher volumes.

Weaknesses

Revenue Concentration: High revenue concentration with 66% from top 10 clients (83.8% from BFSI), including 17% from a single customer; short-term, non-binding contracts heighten dependency risk.

Under-utilized Capacity: Significant under-utilization of expanded card, cheque, and document-printing capacity (FY2025 utilization 44–65%), raising per-unit costs and pressuring margins.

High Leverage and Working Capital: High debt (Rs.352.9 crore in Mar-2025) and heavy working capital needs drive high interest costs and cash flow pressure, limiting financial flexibility.

Supply-Chain and Input Risks: Dependence on few suppliers and imported inputs (PVC, chips, RFID, MICR paper) exposes operations to supply disruptions, price volatility, and forex risks.

Dependence on Physical Documents: Exposure to declining physical document demand (e.g., falling cheque volumes) as digital adoption accelerates, pressuring legacy printing segments.

Opportunities

Expanding Payments Market: Rapidly expanding payments market (Rs30,804m in FY2024 to Rs61,684m by FY2030, ~12% CAGR) with card circulation set to nearly double, driving strong demand for Seshaasai's card and personalization services.

IoT/RFID Growth: Seshaasai's IoT/RFID vertical is scaling rapidly, with 70% FY2025 growth and strong prospects driven by expanding applications and smart manufacturing initiatives.

Government and Regulatory Tailwinds: Supportive policies (Make in India 2.0, Atmanirbhar Bharat, PLI) create strong tailwinds for domestic RFID/electronics manufacturing, benefiting Seshaasai through incentives, faster approvals, and government contracts.

Digital Transformation and New Verticals: Seshaasai is leveraging India's digital finance wave with UPI QR codes, NFC wearables, and NPCI partnerships, while its tech base enables expansion into fintech and smart-card verticals.

Threats

Intense Competition: Seshaasai faces intense competition across payments, communication, and RFID/IoT, with global majors, large domestic players, and price-sensitive local rivals pressuring margins.

Technological Disruption: Rapid tech changes pose a risk. Alternative payment methods (mobile wallets, UPI) can cannibalize low-value card transactions and cheque usage.

Industry and Regulatory Risks: Seshaasai's dependence on the regulated BFSI sector exposes it to demand swings, policy shifts, and strict compliance risks around data security.

Supply Chain and Geopolitical Uncertainty: Global supply chain and geopolitical risks ranging from chip imports to raw material volatility pose cost and disruption challenges for Seshaasai.

Macroeconomic Shocks: Despite India's strong growth outlook, global or domestic slowdowns, inflation, rate hikes, or currency depreciation could pressure Seshaasai's costs and demand.

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