Seshaasai Technologies (SESTEC)

ICICI Direct

Price Band: ₹ 402-423

UNRATED

September 19, 2025

IPO Review

Diversified solutions, expanding scale...

About the Company: Seshaasai Technologies Ltd (earlier Seshaasai Business Forms Ltd), incorporated in 1993, is a Mumbai-headquartered tech-enabled secure solutions provider. Originally focused on security & variable data printing, it has diversified into digital transaction solutions, smart card manufacturing (Top 2 payments card manufacturers in India with a market share of 31.9% in FY25 reflecting strong industry positioning), RFID/IoT products, and eSIM enablement.

Key Highlights:

- **Diverse business segments and strong relationships:** Operates across three verticals namely **Payment Solutions** (63% of mix – debit/credit/prepaid/transit cards, cheques, wearables, merchant QRs), **Communication & Fulfilment Solutions** (30% of mix - print and digital via RUBIC platform), and **IoT Solutions** (7% of mix - RFID/NFC tags, labels, and readers). Long-standing relationships with top banks, insurance companies, AMCs and fintechs, supporting high repeat business and visibility of revenues.
- **Proprietary digital platforms driving stickiness:** Owns in-house proprietary platforms - **RUBIC** (data processing and secure communication), **eTaTrak** (AI-powered logistics tracking), and **IOMS** (order and inventory management), to deliver scalable and personalized solutions and thus creating long-term, recurring client engagements. It has a diverse and loyal customer base.
- **Strong pan-India manufacturing footprint:** Runs 24 self-sustaining units across seven locations in India, equipped with advanced machinery, raw material stock, and skilled workforce ensuring cost-efficient, localized delivery and quick turnaround for clients.
- **High entry barriers & stringent certifications & compliance requirements:** Among India's leading providers of payment instruments (cards, cheques, wearables, merchant QRs) to BFSI players, operating in a highly regulated industry with high entry barriers and stringent certification requirements (NPCI, PCI, IBA).
- **Proven track record & experienced team:** Backed by experienced promoters, senior management, and 862 permanent employees as of June 30, 2025, with a history of healthy financial performance.

Our View & Rating

Seshaasai's revenue and EBITDA have increased 1.3x and 1.8x over FY23-25 to ₹1,463 crore and ₹360 crore led by significant improvement in EBITDA margins (24.6% in FY25 vs 17.4% in FY23). PAT increased by 2.1x over the same period to ₹222 crore in FY25. **We assign UNRATED rating to Seshaasai Technologies IPO.**

Key risk & concerns

- Significant dependence on a) select few clients in BFSI (~72% of revenue mix) industry and; b) government projects (~41% of revenues); any slowdown in BFSI industry or policy/administrative priorities change could impact revenues.

Seshaasai

IPO Details

Issue Details	
Date of Opening	23rd September 2025
Date of Closing	25th September 2025
Issue Size (Rs. cr) at upper band	813
Offer for Sale (Rs. cr)	333
Fresh Issue (Rs. cr)	480
QIB shares	50% of issue
Retail shares	35% of issue
NIB shares	15% of issue
Issue Type	Book built issue
Price Band (Rs./share)	402-423
Bid Lot	35 shares
Face value (Rs.)	10
Post-Issue Market Cap (Rs. cr)	6,528 - 6,844

Shareholding pattern

Particulars	Pre-Issue (%)	Post-Issue (%)
Promoter & promoter group	93.2	81.8
Public & Others	6.8	18.2
Total	**100**	**100**

Objects of the issue

Net proceeds of the fresh issue are proposed to be utilised for -

- Funding capital expenditure for the expansion of existing manufacturing units (₹198 crore),
- Repayment and/or prepayment of outstanding loans (₹230 crore)
- General corporate purposes

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Key Financial Summary

₹ Crore	FY23**	FY24	FY25	2-Year CAGR (FY23-25) (%)
Net Sales	1,146	1,558	1,463	13
EBITDA	200	292	360	34
EBITDA Margin (%)	17.4	18.7	24.6	
Net Profit	108	169	222	43
P/E (x)*	63.3	40.4	30.8	
RoNW (%)	33.6	36.4	33.2	
RoCE (%)	27.2	32.2	30.9	

RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to companies that are coming out with their initial public offerings and then categorises them as Subscribe, Subscribe for the long term and Avoid.

Subscribe: Apply for the IPO

Avoid: Do not apply for the IPO

Subscribe only for long term: Apply for the IPO only from a long term investment perspective (>two years)

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*Source: RHP, ICICI Direct Research; * PE calculated pre-issue based on upper price band of 423; ** FY23 number are standalone numbers*

ANALYST CERTIFICATION

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