

SESHAASAI TECHNOLOGIES LIMITED LTD.

‘SUBSCRIBE’

23-09-2025 TO 25-09-2025

Industry: BFSI / Technology services

Price Band: ₹402 to ₹423

Recommendation: Subscribe for long term

Post Implied Market Cap: ₹6,528 Cr - ₹6,844 Cr

Key Data

Issue Size (₹ Cr)	₹813.07
Fresh (₹ Cr)	₹480.00
OFS (₹ Cr)	₹333.07
No of shares offered (total issue)	1,92,21,603
Face Value (₹ /share)	10
Bid Lot	35 Shares

Indicative Timetable

IPO Open Date	Tue, Sep 23, 2025
IPO Close Date	Thu, Sep 25, 2025
Tentative Allotment	Fri, Sep 26, 2025
Initiation of Refunds	Mon, Sep 29, 2025
Credit of Shares to Demat	Mon, Sep 29, 2025
Tentative Listing Date	Tue, Sep 30, 2025
Cut-off time for UPI mandate confirmation	5 PM on Thu, Sep 25, 2025

Shareholding (No. of shares)

Pre-Issue	15,04,53,300
Post-Issue	16,18,00,888

Issue Breakup

QIB	50%
NII	15%
Retail	35%

Shareholding Pattern

	Promoter	Public
Pre-Issue	93.21%	6.79%
Post-Issue	81.80%	18.20%

Other Details

BRLMs: IIFL Capital Services Limited (formerly known as IIFL Securities Limited), ICICI Securities Limited, SBI Capital Markets Limited

Registrar: MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited)

Research Analyst

Anshul Jain
Anshul.Jain@lakshmishree.com
8767231444

About the company

Seshaasai Technologies Ltd. is an Indian tech solutions provider specializing in the BFSI sector. The company's core business revolves around three main areas: secure payment solutions (including credit and debit cards), omnichannel communication and document fulfillment, and IoT solutions (primarily RFID-based). They have built a strong market presence by serving major financial institutions with their proprietary technology and scalable services.

Investment Rationales

Dominant Market Position: The company is one of India's top two payment card manufacturers, holding a significant market share and benefiting from high barriers to entry in a regulated industry.

Improving Profitability: Despite a slight dip in revenue, profit margins have consistently improved, with its PAT margin increasing to 15.09% in FY25, demonstrating enhanced efficiency.

Diversification into High-Growth Areas: The company is successfully expanding its business into high-growth segments like IoT solutions (RFID tags), which has shown significant growth and provides new revenue streams.

Comprehensive Solutions: Seshaasai Technologies Ltd. offers a full suite of services, including card manufacturing, communication solutions, and IoT. This wide range of offerings boosts customer loyalty and provides multiple revenue sources.

Strong Financial Health: The company has healthy returns on equity and capital, and its debt-to-equity ratio has significantly improved, indicating a strengthening balance sheet and lower financial risk.

Risk

Significant portion of our revenues from a limited number of customers: 97.14% of revenue has been generated from existing customers.

Under-utilization: Capacity utilization of cheques and card manufacturing have declined whilst other product groups have stayed flat.

Our views

We believe that the Seshaasai Technologies Ltd. offers investors an opportunity to participate in a well-established and diversified player within the high-growth fintech and IT solutions sector. As a leading full-service provider of payment solutions, IoT, and communication services with a strong client base, the company is well-positioned to capitalize on the increasing digitization and demand for secure and advanced technology solutions in India.

The company has demonstrated impressive financial growth, with Revenue from Operations reaching ₹1,463.15 Cr and Profit After Tax (PAT) growing to ₹222.32 Cr in FY25. This growth is underpinned by strong profitability, as evidenced by a PAT margin of over 15% and robust return ratios (RoE of 34.84% and RoCE of 31.87%). Valuation-wise, the company appears reasonably priced compared to its strong fundamentals and market position.

However, investors should be mindful of the intense competition in the payment solutions and IoT space, as well as the inherent volatility in client demand, which could impact the company's performance. The IPO includes a fresh issue, with proceeds earmarked for debt repayment, which is a positive sign and will strengthen the company's financial risk profile. We recommend that investors with a medium to long-term investment horizon looking for exposure to the fintech and IT solutions sector SUBSCRIBE to the Seshaasai Technologies IPO.

CONSOLIDATED FINANCIALS – BASIC FINANCIAL DETAILS

Financial Performance Indicators	Units	Fiscal 2023	Fiscal 2024	Fiscal 2025
Revenue from Operations	₹ in Cr.	1146.29	1558.25	1463.15
Total Income	₹ in Cr.	1153.83	1569.67	1473.61
Segmental Revenue				
Segment 1 (Payment Solutions)	₹ in Cr.	707.56	1052.38	914.69
Segment 2 (Communication & fulfilment solutions)	₹ in Cr.	425.70	443.46	434.49
Segment 3 (IOT Solutions)	₹ in Cr.	4.13	53.93	106.23
Revenue growth (YoY)	%	70.44%	35.94%	-6.10%
Gross Profit	₹ in Cr.	400.91	570.35	611.92
Gross Profit Margin	%	34.97%	36.60%	41.82%
EBITDA	₹ in Cr.	207.42	303.01	370.36
EBITDA Margin	%	17.98%	19.30%	25.13%
PAT	₹ in Cr.	108.09	169.27	222.32
PAT Margin	%	9.37%	10.78%	15.09%
Return on Equity (RoE)	%	37.26%	39.00%	34.84%
Return on Capital Employed (RoCE)	%	28.65%	33.47%	31.87%
Net Debt	₹ in Cr.	244.86	226.28	237.47
Net Debt to EBITDA ratio	times	1.18	0.75	0.64
Net Debt to Equity ratio	times	0.84	0.52	0.37
Gross Fixed Asset turnover	times	3.49	3.67	2.71
Net Working Capital	₹ in Cr.	233.86	266.45	381.19
Net Working Capital Days	Number of days of sales	74	62	95

Source: Company RHP

There are no listed companies in India or globally (outside India) that engage in a business similar to that of Seshasaai Technologies Ltd.

Objects	Amount (₹ Cr)
Funding capital expenditure for the expansion of existing manufacturing units	197.91
Repayment and/or prepayment, in part or in full, of certain outstanding borrowings of the company	300.00
General Corporate Purposes	[•]
Total Net Proceeds	[•]

Source: Company RHP

Disclaimer & Disclosure

This Report is published by Lakshmishree Investment & Securities Limited (hereinafter referred to as "LISL") for registered client circulation only. LISL is a registered Research Analyst under SEBI (Research Analyst) Regulations, 2014 having Registration no. INH00014395. LISL is a registered broker with the Securities & Exchange Board of India (SEBI) and registered with National Stock Exchange of India Limited and BSE Limited in cash and derivatives segments, Multi Commodity Exchange of India (MCX), and is Depository participant with Central Depository Services Limited (CDSL), and also member of Association of Mutual Funds of India (AMFI) for distribution of financial products. LISL a "Research Entity" under SEBI (Research Analyst) Regulations 2014 has independent research teams working with a Chinese wall rule with other business divisions of LISL as mentioned above.

LISL or its associates have not been debarred / suspended by SEBI or any other regulatory authority for accessing / dealing in securities Market. LISL, its associates or Research analyst or his relatives do not hold any financial interest in the subject company. LISL or its associates or Research analysts do not have any conflict or material conflict of interest at the time of publication of the research report with the subject company. LISL or its associates or Research Analyst or his relatives do not hold beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of this research report.

LISL or its associates or Research analyst has not received any compensation / managed or co-managed public offering of securities of the company covered by Research analyst during the past twelve months. LISL or its associates have not received any compensation or other benefits from the company covered by Research analyst or third party in connection with the research report. Research Analyst has not served as an officer, director or employee of Subject Company and LISL / Research analyst has not been engaged in market making activity of the subject company.

This report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice to you. LISL is not soliciting any action based upon it. Nothing in this research shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any such transaction. In preparing this research, we did not take into account the investment objectives, financial situation and particular needs of the reader. This research has been prepared for the general use of the clients of LISL and must not be copied, either in whole or in part, or distributed or redistributed to any other person in any form. If you are not the intended recipient you must not use or disclose the information in this research in any way. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. LISL will not treat recipients as customers by virtue of their receiving this report. This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject LISL & its group companies to registration or licensing requirements within such jurisdictions.

The report is based on the information obtained from sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up-to date and it should not be relied upon as such. We accept no obligation to correct or update the information or opinions in it. LISL or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. LISL or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

This information is subject to change without any prior notice. LISL reserves its absolute discretion and right to make or refrain from making modifications and alterations to this statement from time to time. Nevertheless, LISL is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.

Before making an investment decision on the basis of this research, the reader needs to consider, with or without the assistance of an adviser, whether the advice is appropriate in light of their particular investment needs, objectives and financial circumstances. There are risks involved in securities trading. The price of securities can and does fluctuate, and an individual security may even become valueless. Opinions expressed are subject to change without any notice. Neither the company nor the director or the employees of LISL accept any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this research and/or further communication in relation to this research. Here it may be noted that neither LISL, nor its directors, employees, or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profit that may arise from or in connection with the use of the information contained in this report.

Analyst Certification: Research Analyst the author of this report, hereby certify that the views expressed in this research report accurately reflects my personal views about the subject securities, issuers, products, sectors or industries. It is also certified that no part of the compensation of the Research Analyst was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The Research Analyst is principally be responsible for the preparation of this research report and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

CIN No U74110MH2005PLC157942 | BSE-3281 | NSE-12817 | MCX-55910 | DP:IN-DP-CDSL-490-2008 | DPID:12059100 |

SEBI Regn. No.: INZ000170330 | Mutual Fund: ARN-77739 | Research Analyst: INH000014395

Registered Office:

Unit No 407, IV Floor, Marathon Icon, Ganpat Rao Kadam Marg, Lower Parel West, Mumbai 400013
Contact No: (022) 43431818

Corporate Office:

Shree House C-29/61-5 Teliyabag Varanasi, UP 221002
Contact No: (0542) 6600000

Email: info@lakshmishree.com, Website: www.lakshmishree.com
Compliance Officer: Abhishek Sharma
Email Id: compliance@lakshmishree.com
Phone No +91 92353 95868