Seshaasai Technologies Ltd.

IPO Note

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Empowering Innovation, Enabling Connectivity

Seshaasai Technologies Limited (STL), incorporated in 1993 is a technology-driven, multi-location solutions provider focused on offering payments, communications, and fulfillment solutions primarily to the banking, financial services, and insurance (BFSI) industry, with data security and compliance at the core of its offerings

Business Operations:

Payment Solutions: The company provides a range of payment instruments, such as debit, credit, prepaid, and transit cards, wearables, merchant QRs, cheques, and secured transaction stationery, catering to banks, fintech companies, and other issuers in both the public and private sectors.

Communication and Fulfilment Solutions: Through its Rubic platform, the company delivers omni-channel communication solutions, offering both print and digital services to banks, insurance companies, AMCs, depositories, and financial institutions.

IoT Solutions: The company supplies IoT-based RFID and NFC solutions, such as passive RFID tags, labels, and readers, aimed at enhancing supply chain management, ensuring product authenticity, and providing real-time data across sectors like retail, manufacturing, and logistics.

Strengths:

- Leads the regulated payment and communication solutions industry.
- Offers customizable and scalable solution portfolios.
- Utilizes proprietary technology for bespoke solutions.
- Operates advanced manufacturing across India.
- Maintains strong financial performance with experienced leadership

Risks:

- Revenues are vulnerable to reduced demand in BFSI verticals.
- Operations could be disrupted by raw material supply issues.
- Dividend consistency depends on future earnings and economic factors.

As of June 30, 2025, the company had 862 permanent employees. STL's revenue decreased by 6% and profit after tax (PAT) rose by 31% between the financial year ending with March 31, 2025 and March 31, 2024.

Industry	IT Service

Scrip Details	
Listing	NSE &BSE
Open Date	Sep 23, 2025
Close Date	Sep 25, 2025
Price Band	INR 402– 423
Face Value	INR 10.00
Market Lot	35 Shares
Minimum Lot	1

Issue Structure	
Issue Size (INR cr)	INR 813.07
Issue Size (Shares)	1,92,21,603
QIB Share (%)	≤ 50%
Non-Inst Share (%)	≤ 15%
Retail Share (%)	≥35%
Pre Issue sh.	15,04,53,300
Post Issue sh.	16,18,00,888
Post Issue Market Cap (cr)	6,844.18

Shareholding (%)	Pre (%)	Post (%)
Promoter	93.21	81.8
Public	6.79	18.2
TOTAL	**100**	**100**

Key Consolidated Financial Data (INR in Cr, unless specified)

Year	NET REVENUE	EBITDA	Net Profit	EBITDA (%)	Net (%)	EPS	EV/EBITDA	RoE	RoIC	P/E
FY23	1,146.3	199.9	108.1	17.4	9.4	12.2	150.9	38.9	32.4	34.8
FY24	1,558.3	291.7	169.4	18.7	10.9	18.6	225.8	38.9	39.3	22.8
FY25	1,463.1	370.4	222.3	25.3	15.2	15.1	332.0	34.8	42.0	28.1

Source: Ventura Research & Company update

Issue Structure and Offer Details

Seshaasai Technologies Limited (STL), IPO is a book build issue of INR 813.07 cr. The issue is entirely a fresh issue of 1.13 cr. shares of INR 480 cr. and offer for sale of 0.79 cr. shares of INR 333.07 cr.

Issue Structure

Investor Category	Allocation
QIB	**Not more than 50.00% of the Offer**
NII (HNI)	**Not less than 15.00% of the Offer**
Retail	**Not more than 35.00% of the Offer**

Number of shares based on a higher price band of INR 423

Source: Company Reports

Objects of the Issue

The Company proposes utilizing Net Proceeds towards the following objects:

1. **Funding capital expenditure for the expansion of existing manufacturing units- INR 197.91 cr.**
2. **Repayment and/or prepayment, in part or in full, of certain outstanding borrowings of the companies-INR 300 cr.**
3. **General Corporate purposes.**

Financial Summary

Fig in INR Cr (unless specified)	FY23	FY24	FY25
Income Statement			
Revenue	1,146.3	1,558.3	1,463.1
YoY Growth (%)	*70.4*	*35.9*	*(6.1)*
Raw Material Cost	745.4	987.9	851.1
RM Cost to Sales (%)	*65.0*	*63.4*	*58.2*
Employee Cost	45.5	55.6	60.3
Employee Cost to Sales (%)	*4.0*	*3.6*	*4.1*
Other Expenses	155.5	223.0	191.6
Other Exp to Sales (%)	*13.6*	*14.3*	*13.1*
EBITDA	199.9	291.7	370.4
Margin (%)	*17.4*	*18.7*	*25.3*
YoY Growth (%)	*96.0*	*46.0*	*26.9*
Depreciation & Amortization	32.3	35.8	41.1
EBIT	167.6	255.9	329.3
Margin (%)	*14.6*	*16.4*	*22.5*
YoY Growth (%)	*124.8*	*52.7*	*28.7*
Other Income	7.5	11.4	10.4
Finance cost	32.0	34.2	34.2
Fin Charges Coverage (X)	5.2	7.5	9.6
Exceptional Item	0.0	0.0	0.0
PBT	143.1	233.1	305.5
Margin (%)	*12.5*	*15.0*	*20.9*
YoY Growth (%)	*163.5*	*62.9*	*31.0*
Tax Expense	35.0	63.7	72.5
Tax Rate (%)	*24.5*	*27.3*	*23.7*
PAT	108.1	169.4	222.3
Margin (%)	*9.4*	*10.9*	*15.2*
YoY Growth (%)	*189.4*	*56.7*	*31.2*
Min Int/Sh of Assoc	0.0	0.0	0.0
Net Profit	108.1	169.4	222.3
Margin (%)	*9.4*	*10.9*	*15.2*
YoY Growth (%)	*192.2*	*56.7*	*31.2*
Balance Sheet			
Share Capital	88.8	147.6	147.6
Total Reserves	201.3	286.4	490.5
Shareholders Fund	290.1	434.0	638.1
Long Term Borrowings	106.4	132.0	133.3
Deferred Tax Assets / Liabilities	9.2	13.9	16.1
Other Long Term Liabilities	19.7	19.3	13.6
Long Term Trade Payables	0.0	0.0	0.0
Long Term Provisions	10.8	1.1	1.7
Total Liabilities	436.2	600.3	802.8
Net Block	284.7	350.8	426.4
Capital Work in Progress	0.0	2.9	8.0
Intangible assets under developmer	0.0	0.6	1.4
Non Current Investments	0.7	25.3	9.7
Long Term Loans & Advances	55.1	49.1	56.6
Other Non Current Assets	0.6	0.5	43.8
Net Current Assets	95.0	171.1	256.9
Total Assets	436.2	600.3	802.8

Fig in INR Cr (unless specified)	FY23	FY24	FY25
Per share data & Yields			
Adjusted EPS (INR)	1.2	1.8	1.5
Adjusted Cash EPS (INR)	73.0	106.8	137.0
Adjusted BVPS (INR)	150.9	225.8	332.0
Adjusted CFO per share (INR)	26.7	105.1	87.5
CFO Yield (%)	6.3	24.9	20.7
Adjusted FCF per share (INR)	0.0	68.8	96.2
FCF Yield (%)	0.0	16.3	22.7
Solvency Ratio (X)			
Total Debt to Equity	1.0	0.7	0.6
Net Debt to Equity	0.8	0.5	0.4
Net Debt to EBITDA	1.1	0.7	0.6
Return Ratios (%)			
Return on Equity	38.9	38.9	34.8
Return on Capital Employed	22.1	24.6	37.7
Return on Invested Capital	32.4	39.3	42.0
Working Capital Ratios			
Payable Days (Nos)	34	31	22
Inventory Days (Nos)	42	37	38
Receivable Days (Nos)	70	52	72
Net Working Capital Days (Nos)	79	58	88
Net Working Capital to Sales (%)	21.5	15.8	24.0
Valuation (X)			
P/E	352.5	235.0	282.0
P/BV	2.8	1.9	1.3
EV/EBITDA	5.2	3.5	1.0
EV/Sales	0.9	0.7	0.3
Cash Flow Statement			
PBT	143.1	233.1	305.5
Adjustments	52.0	31.6	44.0
Change in Working Capital	(108.7)	1.0	126.7
Less: Tax Paid	(35.0)	(63.7)	(72.5)
Cash Flow from Operations	51.4	202.1	168.1
Net Capital Expenditure	(75.5)	(94.7)	(14.8)
Change in Investments	3.5	(19.1)	(26.5)
Cash Flow from Investing	(71.9)	(113.8)	113.2
Change in Borrowings	70.4	27.8	19.2
Less: Finance Cost	(32.0)	(34.2)	(34.2)
Proceeds from Equity	0.0	0.0	0.0
Buyback of Shares	0.0	0.0	0.0
Dividend Paid	(0.3)	(25.7)	(19.0)
Cash flow from Financing	38.0	(32.1)	(34.0)
Net Cash Flow	17.5	56.2	247.3
Forex Effect	0.0	0.0	0.0
Opening Balance of Cash	4.1	21.5	77.7
Closing Balance of Cash	21.5	77.7	325.0

Source: Company Reports

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