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CM RATING 47 /100

Seshaasai Technologies

Tech-driven solutions provider for BFSI sector

Established leadership in large and high entry barrier payment solutions industry with a wide customer base and long-standing relationships

Seshaasai Technologies (STL), incorporated in 1993, is a technology driven multi-location solutions provider specializing in payments solutions and communications and fulfilment solutions. The company caters primarily to the banking, financial services and insurance (BFSI) industry, playing a crucial role in enabling their operations and deliverables. The proprietary platforms of the company offer at scale solutions on a recurring basis. STL also offer Internet of Things (IoT) solutions to a diverse set of customers across industries.

The company is one of the top two payments card manufacturers in India with a market share of 31.9% in FY2025 for credit and debit cards issuance in India improving from 25.0% in FY2023. It is one of the largest manufacturers of cheque leaves in India. The business verticals comprise Payment Solutions, Communication and Fulfilment Solutions and IoT solutions

Payment Solutions (62.5% of revenues): STL offers a range of payment- enabling instruments such as debit cards, credit cards, pre-paid cards, mass transit cards and cheques. It designs and develops these instruments and securely embeds customer data on to them and sends them to end customers. Its patented QR technology helps enhance security of instruments manufactured by them. In FY2025, 91.37 million payment cards and 1,188.81 million cheque leaves were supplied.

The company develops merchant QR codes to enable digital payment transition onto the Unified Payment Interface (UPI) at the point of sale. It has recently also incorporated near field communication (NFC) technology on merchant QR codes to enable tap and pay. The company also provide payment-on-the-go or non-card form factors such as wearables, key fobs, wristbands and stickers. Seven units of the company have been approved by the Indian Banks Association for secure printing (cheques, demand draft, and pay orders), and three of units are certified by global schemes for card personalization.

The company is among the only two vendors in India with empaneled units for both cards and cheques at more than two locations.

Communication and Fulfilment Solutions (29.7%): STL offers secured omni-channel communication solutions that are technology centric, delivery format agnostic such as print, interactive portable document format (PDF) sent via email and text messages. Various solutions on offer include insurance policy documents, financial and portfolio statements, direct mailers, notices, customized communication documents, utility bills, loyalty communication, customized gifting collaterals and marketing campaigns that can be sent as scheduled, triggered or automated reminders with an audit trail to meet the regulatory requirements. In addition, STL also offers specific solutions to government agencies where it prints and supply citizen and tax identity cards, health cards and census forms.

IoT Solutions (7.3%): IoT Solutions encompass a comprehensive range of radio frequency identification (RFID)-enabled offerings and IoT ecosystem services tailored to meet diverse industry needs of retail, logistics supply chain, renewable energy and manufacturing in addition to BFSI. The company manufactures and supplies RFID-enabled inlays as well as inlays converted into tags and labels. Through IoT Solutions, STL has diversified

business into RFID enabled offerings that include manufacture of inlays, tags, devices such as tunnels, gates, custom software as well as integrated end-to-end solutions.

Technology Platforms

The technology stack comprises RUBIC designed to understand customer data, execute business rules, and generate necessary outputs to meet customer needs. eTaTrak, an artificial intelligence (AI) -powered deliverables and logistics management system integrates the enterprise stakeholders, logistics partners, production partners and end-consumer on to a single platform enabling traceability of communications, both in physical as well as digital form. IOMS is an inventory and order management web-based platform to control, track and manage catalogued products. izeIOT, the proprietary platform designed to meet multi-dimensional needs of an IoT ecosystem for varied industries, seamlessly communicates with all kinds of devices, securely collects data, and delivers it to the required end-use case.

Manufacturing Infrastructure

STL offers an integrated and customized portfolio of services through pan-India physical network comprising 24 manufacturing units across seven locations. STL operates 2 dedicated research and development (R&D) labs in Bengaluru, Karnataka and Faridabad, Haryana to provide new and customized solutions. Units are certified by global payment schemes, National Payments Corporation of India (NPCI), Payment Card Industry (PCI) and Indian Banks Association (IBA).

Customer Base

STL caters to a diverse set of customers, including prominent banks (both private and public sector banks), insurance companies, depositories and fintech companies. In FY2025, it provided services to 10 of the 12 public sector banks, nine out of 11 small finance banks and 15 of the 21 private banks. STLs also served 9 out of 32 general insurers and 12 out of 24 life insurance companies.

The employee base of the company stood at 862 permanent employees at end March 2025.

The Offer and the Objects

The initial public offer (IPO) consists of a fresh issue to raise Rs 480 crore through issuance of 1.20 crore equity shares at the lower band of Rs 402 per share (face value Rs 10 per share) and 1.14 crore equity shares at the upper band of Rs 423 per share.

The IPO also comprises of offer for sales (OFS) of 0.79 crore equity shares to raise Rs 317-333 crore. The promoters, Pragnyat Pravin Lalwani and Gautam Sampatraj Jain, are selling 0.394 crore equity shares each through OFS.

The promoter shareholding in the company will decline to 81.8% post- IPO from 93.2% pre-IPO.

The issue is to be made through the book-building process and will open on 23 September 2025 and will close on 25 September 2025. The issue includes reservation of Rs 20 crore worth equity shares for employees with discount of Rs 40 per share.

The company proposes to utilize Rs 197.91 crore towards procurement and installation of equipment in existing units at (i) Navi Mumbai, Maharashtra, (ii) Okhla, New Delhi, (iii) Nagpur, Maharashtra, (iv) Kundli, Haryana; and (v) Bengaluru, Karnataka, to upgrade and expand the capacity of manufacturing of products in the Payments Solutions and IOT Solutions verticals.

The company intends to utilize Rs 300 crore for prepayment of certain outstanding borrowings of the company. Of the pre-IPO placement of Rs 120 crore, the company has utilized Rs 70 crore in August 2025 and further it proposes to utilize Rs 230 crore from IPO proceeds for repayment of debts.

The total outstanding borrowings stood at Rs 336.75 crore at end June 2025.

Strengths

The company has an established leadership position in the large and regulated payment solutions industry with high barriers to entry.

STL has domain expertise, portfolio of offerings, diverse customer base, advanced processes, geographical spread and large and scalable infrastructure.

STL is among the few players in the industry to manage the entire payments lifecycle right from data receipt to manufacturing to delivery to end customers and ensure such offerings are at-scale.

The payments card manufacturing industry poses high entry barriers due to significant capital requirements, stringent regulatory standards, technological expertise, and the dominance of established players.

The total number of payment cards in circulation in India are expected to record CAGR of 8.0% from 2024 to 2030. Expiration date on cards and updating of features require regular issue of new cards.

The total market for payment cards in India is expected grow at CAGR of 12.3% Rs 6168.4 crore by 2030 from FY2024.

The multi-term nature of contracts undertaken ensure visibility of revenues for operations.

The customer base of STL increased to 702 at end March 2025. STL has been able to retain existing customers and has been able to attract new customers. The customers with more than five years vintage contributed 75.54% of revenue in FY2025.

The differentiated and scalable product offerings enable the company to provide customized solutions to customers as well as to cross-selling of offerings.

A comprehensive portfolio of solutions is customizable and built for scale.

Proprietary technology stack enables providing bespoke solutions, by integrating consulting, design and engineering. Customers are enabled to empower their communication, transactions, compliance and digitisation capabilities.

STL is one of the few vendors in India to have approved units for manufacturing of plastic cards, metal cards, sustainable cards, biometric cards, wearables, and payment stickers.

R&D labs with a dedicated team of 68 employees have developed various niche innovations. STL has filed 11 patent applications in India and one application each in Australia, Philippines and Malaysia for registration of various patents, which are currently pending at various stages.

Weaknesses

A significant portion of revenues (49% from top 5 and 66% from top 10) is contributed by a limited number of customers, and any loss or reduction of business from these customers could reduce revenues and affect business.

A substantial portion of customers and revenues are concentrated in the BFSI industry (84%) with banking accounting for 65%, fintech 12% and insurance 7%, and any decrease in demand in these industry verticals could affect business.

The company generates 41% of revenue from government projects / institutions and public sector undertakings (including nationalized banks and enterprises) and it exposes to the risks of changes in government policies,

budget allocations, and administrative priorities.

STL is a technology driven solutions provider and any failure of IT systems could result in business interruption, financial loss, regulatory actions, legal liability and harm to reputation.

The future success of business depends in part on ability to respond to technological advances and to emerging industry standards and practices on a cost-effective and timely basis.

The production operations rely on the timely supply of different raw materials for manufacturing, personalizing and printing products.

A portion of raw materials and certain machinery are imported from international markets and are affected by global commodity prices, general domestic and international economic conditions, geopolitical tensions, extreme weather changes, import duties and tariffs and foreign currency exchange rates.

The nature of industry requires adherence to different standards and certification requirements.

There is dependence on external vendors for various critical aspects of information technology infrastructure.

The customers operate in markets characterized by rapidly changing technologies, regulatory parameters and industry standards, and products/ solutions offered by the company may become outdated or obsolete.

The company possesses confidential data of end-consumers of customers which exposes to risks of fraud, including cyber fraud, identity theft, and financial crime.

Valuation

The company posted 13% CGAR growth in revenues from Rs 1146.3 crore in FY2023 to Rs 1463.2 crore in FY2025. EBITDA surged at 34% CAGR Rs 370.4 crore. PAT improved at 43% CAGR to Rs 222.32 crore in FY2025. The EBITDA margin improved to 25.13% in FY2025 from 19.30% in FY2024 and 17.98% in FY2023. ROE has been strong at 34.84% for FY2025.

The post-issue book value of the company stood at Rs 76.5 at end of June 2025. The scrip is being offered at price to book value multiple of 5.5 times.

EPS on post-issue equity for FY2025 works out to Rs 13.7. At the price band of Rs 402 to Rs 423, P/E works out to 29.4-30.8 times of EPS for FY2025.

Total outstanding borrowings amounted to Rs 336.75 crore at end June 2025. As much as 89% of the debt will be repaid from the issue proceeds, bringing down interest costs substantially and boosting profit. The EPS works out to Rs 15.6, if 89% of its interest cost is removed, keeping all other items, including tax rate, same. The re-worked P/E at the upper price band moderates to 27.1 times.

The post issue m-cap for the company out to Rs 6846 crore at the upper price band.

On 11 August 2025, the company raised Rs 120 crore at a price of Rs 423 per equity share by way of the pre-IPO placement with Tata AIG General Insurance Company (Rs 60 crore), VQ FasterCap Fund II (Rs 30 crore) and Valuequest India G.I.F.T Fund (Rs 30 crore).

There are no listed peers in India or globally whose business model closely mirrors that of the company.

Seshaasai Technologies: Issue highlights	
For Fresh Issue Offer size (in share crore)	
- On lower price band	1.20
- On upper price band	1.14

Offer size (in Rs crore)	480.00
For Offer for Sale Offer size (in Rs crore)	
- On lower price band	316.54
- On upper price band	333.07
Offer size (in no of shares crore)	0.79
Price band (Rs)	402-423
Minimum Bid Lot (in no. of shares)	35
Post issue capital (Rs crore)	
- On lower price band	162.45
- On upper price band	161.85
Post-issue promoter & Group shareholding (%)	81.78
Issue open date	23-09-2025
Issue closed date	25-09-2025
Listing	BSE, NSE
Rating	47/100

Seshaasai Technologies: Financials			
	2303 (12)	2403 (12)	2503 (12)
Income from Operations	1146.30	1558.26	1463.15
OPM (%)	17.44	18.71	24.60
OP	199.89	291.60	359.90
Other Income	7.54	11.42	10.47
PBDIT	207.43	303.01	370.37
Interest (Net)	32.00	34.17	34.30
PBDT	175.43	268.84	336.07
Depreciation / Amortization	32.29	35.85	41.16
PBT before EO	143.14	233.00	294.91
EO	0.00	0.00	0.00
PBT after EO	143.14	233.00	294.91
Tax Expenses	35.04	63.72	72.59
PAT	108.10	169.28	222.32
EPS *	6.7	10.5	13.7
Adj BV (Rs)	32.7	29.4	43.2
*EPS annualised on post issue equity capital of Rs 161.85 crore of face value of Rs 10 each			
Figures in Rs crore			
Source: Seshaasai Technologies Issue Prospectus			