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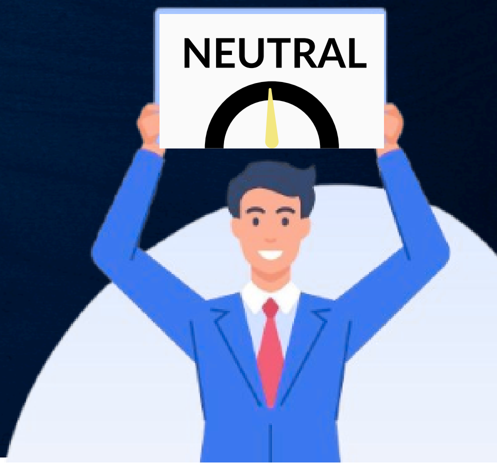

CSM

IPO NOTE

CSM TECHNOLOGIES LIMITED

Rating:

NEUTRAL

ISSUE OFFER	
Issue Opens on	JUNE 24, 2026
Issue Close on	JUNE 29, 2026
Total IPO size (cr)	₹146
Fresh issue (cr)	₹146
Offer For Sale (cr)	-
Price Band (INR)	₹ 107-113
Market Lot	132 SHARES
Face Value (INR)	₹10
Listing At	BSE, NSE
Market Cap (Pre IPO)	583.12

ISSUE BREAK-UP (%)

Portion	%
QIB Portion	50%
NII Portion	15%
Retail Portion	35%

INDICATIVE TIMETABLE	
Basis of Allotment	30-06-2026
Refunds/Unblocking ASBA Fund	01-07-2026
Credit of Share to Demat A/c	01-07-2026
Listing Date	02-07-2026

CSM Technologies is one of the few IT solution providers that have delivered unique projects for both government and private clients.

It specializes in GovTech and digital transformation, offering solutions across sectors like mining, agriculture, trade, education, healthcare, tourism, and public services.

OBJECTS OF THE ISSUE

- Working capital requirements
- Debt repayment
- Acquisitions & general corporate purposes

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2025	FY 2024	FY 2023
Equity Share Capital	6.42	6.30	6.30
Net Worth	76.18	59.75	50.31
Total Income	**200.63**	**198.65**	**161.50**
EBITDA Margin%	14.59%	11.94%	17.26%
Net Profit/Loss of the year	**14.09**	**12.55**	**15.82**

FINANCIAL RATIOS OF FY26

ROE	P/E	EPS (Pre IPO)
23.75%	31.05 x	3.64

OUTLOOK & VALUATION

- At 31x P/E, the IPO is priced at a significant premium to listed peers despite its relatively smaller scale.
- While revenue has grown steadily, profit after tax has remained volatile, limiting earnings visibility.
- EBITDA margins have recovered in FY25, but are yet to reach FY23 levels, indicating room for further operational improvement.
- The IPO price is close to the company's book value (NAV), which offers some valuation support. However, the company's revenue is much smaller than its listed peers.
- We assign an NEUTRAL rating, Aggresive investors may park moderate funds for long term in this dividend paying company.

COMPANY PROFILE

- Incorporated in 1998, the company designs, develops, and implements technology solutions for government agencies, public sector organisations, enterprises, and development agencies.
- Its offerings are aimed at improving operational efficiency, enabling data-driven decision-making, and delivering citizen-centric services.
- The company also has an international presence across multiple countries.
- The company also provides consulting and advisory services, self-service technologies, system integration, automation, cloud, cybersecurity, and related IT services.
- CSM serves multiple sectors, including mining and allied services, government and public services, agriculture and allied services, industry and trade facilitation, education, healthcare, and tourism.

COMPETITIVE STRATEGIES

- Grow business by prioritizing infrastructure improvements, advancing AI/ML innovation, and embracing sustainability, ensuring efficient scalability and maximizing customer value.
- Capitalizing on Government initiatives and policies
- Accelerate growth by strategically entering new markets and emerging industries
- Empowering Growth through a scalable and skilled workforce

KEY CONCERNS

- Heavy dependence on government contracts and competitive bidding.
- Delays or failure to secure new projects can impact growth.
- Faces intense competition in the IT services industry.
- Requires continuous investment to keep pace with technology changes.
- Regulatory or cybersecurity compliance failures could affect operations and reputation.

KEY STRENGTHS

- 27+ years of experience in GovTech and digital transformation projects.
- Strong presence across agriculture, mining, healthcare, education, and public services.
- Long-standing relationships with government and enterprise clients.
- Global presence in India, Africa, and North America, offering software, cloud, cybersecurity, system integration, and consulting services.

COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (₹ Basic)	P/E	NAV	Revenue (cr.)	RoNW%
CSM Technologies Ltd.	**3.72**	**31.05**	**118.73**	**200.63**	**18.49**
Peer Group					
Trigyn Technologies Ltd.	3.82	14.58	240.71	898.05	1.59
Allied Digital Service Ltd	4.98	24.44	106.73	807.07	5.34
Dev Information Technology Ltd	6.85	4.12	30.45	170.66	21.54
Silver Touch Technologies Ltd	17.50	11.91	105.44	288.38	16.60

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