

CSM Technologies Ltd.

Neutral

Issue Highlights

Issue Open	June 24, 2026
Issue Close	June 29, 2026
Issue Price	₹ 107 - ₹ 113 per share
Market Cap.	₹ 552 Cr - ₹ 583 Cr
Total Issue Size	₹ 146 Cr
Of which	
Fresh Issue	₹ 146 Cr
Offer of Sale	NA
Face Value	₹ 10 per share
Market Lot	132 Equity Shares
Issue Type	Book building IPO

Offer Structure

QIB Category	50%
Retail Category	35%
Non-Institutional	15%

Lead Book Running Managers

⇒ Keynote Financial Services Ltd.

Registrar To The Offer

⇒ Kfin Technologies Ltd.

Key Highlights

- ❑ **Company background:** Incorporated in 1998 CSM Technologies Limited is a GovTech and digital transformation company providing IT consulting, software development, system integration, cloud, AI/ML, data analytics, and e-governance solutions. The company primarily serves government departments, public sector undertakings, enterprises, and development agencies across sectors such as mining, governance, agriculture, healthcare, education, tourism, and trade facilitation. It has operations across India and international markets including Africa, the USA, Canada, and the UAE. The company has developed several proprietary technology platforms and patented solutions that support large-scale digital transformation projects.
- ❑ **Market opportunity:** India's e-governance and public-sector digitalization market is poised for steady expansion, driven by the government's increasing focus on digitizing citizen services, enhancing administrative efficiency, and strengthening digital infrastructure. Government spending on IT and digital initiatives is expected to grow at a CAGR of 7.2% between FY26 and FY31, supported by investments in e-governance platforms, cybersecurity, cloud infrastructure, and smart city projects. Adoption of emerging technologies such as artificial intelligence and cloud computing is also accelerating, creating significant opportunities for technology service providers. These favorable industry trends are expected to benefit GovTech companies like CSM Technologies, supporting their long-term growth prospects and expanding addressable market.
- ❑ **Key strengths:** CSM Technologies has established a strong position in the GovTech and digital transformation space through its deep domain expertise across sectors such as governance, mining, agriculture, healthcare, education, and tourism. The company benefits from a portfolio of proprietary technology platforms and patented solutions, enabling scalable and differentiated service offerings. Its long-standing relationships with government departments and public sector entities have contributed to recurring business opportunities and a strong track record of project execution. In addition to its robust domestic presence, CSM has expanded internationally through projects in Africa and operations in North America. The company is further supported by an experienced leadership team with extensive industry knowledge and execution capabilities.
- ❑ **Key strategies:** The company intends to strengthen its position in the digital transformation space by expanding its capabilities in artificial intelligence, machine learning, cloud computing, and advanced analytics. It also plans to capitalize on increasing government spending on digital infrastructure and e-governance initiatives while expanding its international presence, particularly in Africa and North America. Furthermore, a portion of the IPO proceeds will be utilized for strategic acquisitions and inorganic growth opportunities, enabling the company to broaden its service offerings and strengthen market reach.
- ❑ **Financials:** Revenue from operations grew from ₹160 crore in FY23 to ₹199 crore in FY25, while EBITDA increased from ₹27.9 crore to ₹29.3 crore over the same period. EBITDA margin improved from 12.1% in FY24 to 14.7% in FY25, reflecting better operational efficiency. PAT stood at ₹14.1 crore in FY25 compared with ₹12.5 crore in FY24, with PAT margin improving to 7.0%. For 9MFY26, the company reported revenue of ₹165.5 crore and PAT of ₹14.7 crore, indicating continued profitability momentum.
- ❑ **Valuation:** CSM Technologies has established a presence in the GovTech and digital transformation space, supported by long-standing government relationships, diversified sector expertise and an order book of over ₹357 crore. The company has delivered steady revenue growth and improving profitability in recent years. However, its significant dependence on government contracts exposes it to tender-related uncertainties, budgetary constraints and elongated payment cycles. Elevated receivables and rising leverage also remain areas of concern. At the upper price band of ₹113, the IPO is valued at a post-issue P/E of 41.4x based on FY25 earnings. Considering the valuation and associated risks, we maintain a Neutral view on the issue.
- ❑ **Key risks:** CSM Technologies derives a significant portion of its revenue from government departments and public sector entities, making its business vulnerable to changes in government spending patterns and project award cycles. The company also faces customer concentration risk, with a substantial share of revenue contributed by a limited number of clients. In addition, the business operates in a highly regulated environment requiring compliance with various cybersecurity and procurement standards.

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S. No.	Statement	Answer	
		Yes	No
		Tick appropriate	
		Yes	No
	I/we or any of my/our relative has any financial interest in the subject company? [If answer is yes, nature of Interest is given below this table]		No
	I/we or any of my/our relatives, have actual/beneficial ownership of one per cent. or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of the public appearance?		No

	I / we or any of my/our relative, has any other material conflict of interest at the time of publication of the research report or at the time of public appearance?		No
	I/we have received any compensation from the subject company in the past twelve months?		No
	I/we have managed or co-managed public offering of securities for the subject company in the past twelve months?		No
	I/we have received any compensation for brokerage services from the subject company in the past twelve months?		No
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	I/we have been engaged in market making activity for the subject company?		No

Nature of Interest (if answer to F (a) above is Yes :

Name(s) with Signature(s) of RA(s).

[Please note that only in case of multiple RAs and if the answers differ inter-se between the RAs, then RA specific answer with respect to questions under F (a) to F(j) above , are given below]

SS.No.	Name(s) of RA.	Signatures of RA	Serial Question of question which the signing RA needs to make a separate declaration / answer	Yes	No.

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