CSM TECHNOLOGIES LIMITED

June 23, 2026

SMC Ranking

★½☆☆☆ (1.5/5)

Issue Highlights

Industry	Technology
Fresh Issue (Shares)	12,901,000
Net Offer to the Public	12,901,000
Issue Size (Rs. Cr.)	138-146
Price Band (Rs.)	107-113
Offer Date	24-Jun-26
Close Date	29-Jun-26
Face Value	10
Lot Size	132

Issue Composition

	In shares
Total Issue for Sale	12,901,000
QIB	6,450,500
NIB	1,935,150
Retail	4,515,350

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	94.90%	71.18%
QIB	0.00%	12.50%
NIB	5.10%	7.57%
Retail	0.00%	8.75%
Total	100.00%	100.00%

*calculated on the upper price band

Objects of the Issue

The Company proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Funding working capital requirements of the Company
2. Prepayment or repayment of all or a portion of certain outstanding borrowings availed by Company
3. Achieving inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes

Book Running Lead Manager

- Keynote Financial Services Limited

Name of the registrar

- KFin Technologies Limited

About the company

Incorporated in 1998, CSM Technologies is a leading technology solutions provider with over 27 years of experience in digital transformation and e-governance. The company has successfully executed complex projects for both government and private sector clients, with strong expertise in GovTech solutions across sectors such as mining, agriculture, trade, education, healthcare, tourism, and public services. CSM Technologies specializes in developing digital infrastructure and citizen-centric platforms that enhance operational efficiency, support data-driven decision-making, and improve service delivery. The company also offers consulting, advisory, and self-service technology solutions that enable governments and enterprises to automate processes and strengthen customer engagement. Leveraging long-standing relationships with government agencies, CSM has established itself as a trusted partner in large-scale digital transformation initiatives. As of March 31, 2026, the company maintained a robust order book of ₹35,763.17 lakh, providing strong revenue visibility and growth potential.

Strengths

Deep Sectoral Expertise: CSM Technologies Limited possesses deep sectoral expertise across diverse industries, delivering unique IT solutions for both government and private sectors. Operating through ten distinct verticals—including mining, governance, agriculture, education, healthcare, and tourism—the company provides end-to-end services utilizing AI, IoT, cloud, and data analytics. Its scalable digital transformation models have earned prestigious accolades from the Confederation of Indian Industry, Nasscom, and Businessworld. Notably, the Ministry of Mines recommended replicating CSM's Odisha mining technology model nationwide. This multi-sector portfolio empowers the company to address evolving global client needs with agility and long-term impact.

Proprietary Technology and In-House Innovations: CSM Technologies Limited leverages a robust suite of in-house proprietary platforms and patented solutions to ensure compliant, scalable, and cost-effective delivery. Its Low Code No Code (LCNC) framework accelerates application deployment, while the AI Model Orchestration Platform streamlines cognitive automation and data-driven decision-making. Furthermore, its proprietary Document Management System guarantees secure, automated workflows. In the regulatory space, the company holds a pioneering patent for an automated, tamper-resistant ore sampling system successfully deployed in Odisha. These continuous technological innovations reinforce CSM's competitive position and sustain its long-term engagements with enterprise and government clients.

Extensive Geographic Footprint and Scalable Operations: Headquartered in Bhubaneswar, Odisha, CSM Technologies Limited has established a geographically diversified footprint to de-risk regional

concentration. In India, its operations span multiple states, including Bihar, New Delhi, Uttar Pradesh, and Jharkhand. Globally, the company has executed vital projects across African nations like Ethiopia, Kenya, and Rwanda, alongside recent expansions into Canada and the USA. This extensive reach allows CSM to tap into domestic digitization initiatives and international cross-border logistics opportunities. Supported by enduring client relationships, the company rapidly scales its technology-enabled operations to meet shifting demands across both regional and global markets.

Established Presence in a High-Entry-Barrier Industry: The IT-ITeS sector features steep entry barriers driven by stringent eligibility criteria, long procurement cycles, and complex integration requirements. CSM Technologies Limited has firmly established its presence here through stellar execution credentials, maintaining top-tier CMMI Level 5 and SOC 2 Type II certifications required for major government tenders. The company enjoys strategic empanelment across central ministries and multiple state departments, granting direct access to large-scale public sector bids. Backed by over 27 years of industry experience and repeat engagements with premium clients like JSW Steel, CSM is ideally positioned to capitalize on favorable global IT growth trends.

Track Record of Healthy Financial Performance: CSM Technologies Limited boasts a consistent track record of robust financial performance, driven by a strong focus on operational and functional excellence. The company's long-term projects offer high revenue visibility. For Fiscal 2025, CSM recorded a revenue from operations of ₹199.24 crore, with an EBITDA of ₹29.27 crore and a profit after tax of ₹14.09 crore. This steady profitability is mirrored across previous fiscals and the nine-month period ending December 31, 2025. By maintaining optimized net working capital days, CSM ensures the financial health and stability required to back its continuous technological advancements.

Strategies

Core Business Growth and AI Innovation: CSM Technologies Limited plans to capitalize on the rising global IT spending, projected to touch USD 7,765 billion by CY30P. The company is actively focusing on infrastructure expansion, advanced AI/ML innovation, and sustainability to drive long-term scalability. Its growth strategy centers on upgrading legacy systems, optimizing resource utilization, and reinforcing cybersecurity defenses. Concurrently, the company is building specialized AI capabilities to deliver predictive analytics and intelligent automation for clients while embedding AI/ML across its internal operations. This continuous technology rebalancing ensures improved service delivery, greater cost-efficiency, and maximized customer value across all enterprise and public sector domains.

Capitalizing on Government Initiatives: CSM Technologies Limited strategically aligns its operations with Indian central and state policies to optimize costs and expand footprint. The company has historically secured heavily subsidized office space in Bhubaneswar under the Odisha ICT Policy and utilized 100% Export Oriented Unit status for duty-free hardware imports and tax holidays. Furthermore, CSM has integrated capital subsidies into its operations through electric vehicle promotion schemes to meet its core environmental, social, and governance (ESG) goals. By leveraging these policy-driven advantages, CSM has established a highly

sustainable business model that supports digital infrastructure development and localized employment generation.

Strategic Market and Industry Expansion: CSM Technologies Limited intends to deepen its market presence across India and Africa while aggressively scaling its footprint in high-potential regions across North America. To accelerate capability building, the company plans to selectively pursue mergers, acquisitions, and strategic partnerships. Its inorganic growth strategy focuses on acquiring niche domain expertise in cybersecurity, AI/ML, and Customer Relationship Management (CRM) systems. By targeting companies with established client bases and certified professionals, CSM aims to reduce time-to-market for complex digital transformation services. These upcoming expansions will foster cross-border service synergy and significantly improve geographic scalability.

Empowering Growth through Talent: CSM Technologies Limited views human capital as the primary driver of value creation and long-term delivery excellence. To support its multi-sectoral digital transformation projects, the company continually invests in structured talent acquisition, targeted capability development, and employee retention programs. CSM focuses on building highly integrated, diverse teams equipped to handle complex regulatory environments. By deepening talent capabilities across its regional hubs, the company can seamlessly replicate successful project delivery models and drastically shorten go-to-market cycles. This sustained focus on workforce scalability maintains CSM's competitive edge, ensuring robust value creation for all stakeholders.

Risk Factors

- CSM Technologies Ltd derives a significant share of revenue from government projects, making it vulnerable to policy changes and tender delays.
- The company relies heavily on competitive bidding; failure to win or execute contracts could impact growth and profitability.
- A large portion of revenue comes from Odisha, exposing the company to regional economic and regulatory risks.
- Revenue is concentrated among a few key clients, making the business sensitive to customer loss or reduced spending.
- Strong exposure to government, mining, and agriculture sectors could affect performance if these industries face adverse developments.

Peer Comparison

Company	Total Income	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Silver Touch	341.99	35.73	2.82	69.26	14.6	13.38	2	195.3	2476.6
Allied Digital	967.91	40.37	6.35	19.35	1.13	108.48	5	122.85	694.94
Trigyn Techno.	976.43	1.98	0.68	83.72	0.22	258.79	10	56.93	175.26
Dev Information	189.51	75.78	0.2	140.95	1.45	19.4	2	28.19	158.89
CSM Technologies Ltd.	220.70	19.60	3.80	29.75	2.40	47.09	10	113.00	583.12

*Peer companies financials are TTM based

***CSM Technologies Limited Financial are based on estimated annualised 9M Fy26

Valuation:

Considering the P/E valuation, on the upper end of the price band of Rs.113, the stock is priced at pre issue P/E of 22.31x on an estimated annualised 9MFY26 EPS of Rs.5.06. Post issue, the stock is priced at a P/E of 29.75x on its EPS of Rs. 3.80.

Looking at the P/B ratio at Rs.113 pre issue, book value of Rs. 25.11 of P/Bvx 4.50x. Post issue, book value of Rs.47.09 of P/Bvx 2.40x.

Considering the P/E valuation, on the lower end of the price band of Rs.107, the stock is priced at pre issue P/E of 21.13 x on an estimated Annualised 9MFY26 EPS of Rs. 5.06. Post issue, the stock is priced at a P/E of 28.17x on its EPS of Rs.3.80. Looking at the P/B ratio at Rs. 107 pre issue, book value of Rs. 25.11 of P/Bvx 4.26x. Post issue, book value of Rs.47.09 of P/Bvx 2.27x.

Industry Overview

The Information Technology (IT) and Information Technology Enabled Services (ITeS) industry remains a key pillar of India's economic growth, employment generation, and export earnings. Rapid digital transformation across businesses and governments is driving demand for advanced technologies such as artificial intelligence (AI), cloud computing, big data analytics, cybersecurity, blockchain, Internet of Things (IoT), robotics, and 5G. Supported by initiatives like Digital India and Make in India, India has emerged as a global technology hub with strong outsourcing capabilities and a skilled talent pool. The sector continues to outperform global growth rates, benefiting from rising enterprise IT spending, e-governance projects, cloud adoption, and cybersecurity investments. India's share in the global IT market is expected to increase steadily, supported by expanding digital infrastructure, growing Global Capability Centres (GCCs), and increasing demand for software, IT services, and digital solutions across domestic and international markets. These trends position the Indian IT-ITeS industry for sustained long-term growth and innovation.

Outlook

CSM Technologies Ltd is well-positioned to benefit from rising digital transformation spending, supported by its deep sector expertise, proprietary technology platforms, strong government relationships, and expanding global presence. Its focus on AI-driven innovation, strategic market expansion, and talent development provides a solid growth foundation. However, dependence on government contracts, customer concentration, and regional exposure remain key risks. Overall, the company's strong execution track record, healthy financial performance, and scalable business model support a positive long-term growth outlook.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
IPO Open Date	Wed, Jun 24, 2026
IPO Close Date	Mon, Jun 29, 2026
Tentative Allotment	Tue, Jun 30, 2026
Initiation of Refunds	Wed, Jul 1, 2026
Credit of Shares to Demat	Wed, Jul 1, 2026
Tentative Listing Date	Thu, Jul 2, 2026

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 31-Dec-25 (9 Months)	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)
Revenue from operations	165.52	199.24	196.71
Total expenditure	135.46	169.97	173.00
Operating Profit	**30.07**	**29.27**	**23.71**
OPM%	18.16	14.69	12.05
Other Income	1.53	1.38	1.94
Total Net Income	**31.59**	**30.65**	**25.65**
Interest	6.20	4.11	2.37
PBDT	**25.40**	**26.55**	**23.28**
Depreciation	4.80	6.11	5.46
Profit / (Loss) before tax	**20.60**	**20.44**	**17.83**
Tax	5.90	6.35	5.28
Profit & Loss	**14.70**	**14.09**	**12.55**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 31-Dec-25	As on 31-Mar-25	As on 31-Mar-24
Non-current assets			
Property, plant and equipment	51.08	52.79	23.50
Right of use assets	3.91	5.02	6.25
Capital Work-in-Progress	1.11	0.11	23.41
Intangible Assets	1.39	1.24	1.70
Goodwill on Consolidation	1.34	0.00	0.00
Intangible Assets Under Development	2.89	0.00	0.08
Financial Assets			
Other Financial Assets	7.41	5.04	1.82
Deferred Tax Assets (Net)	0.00	0.00	0.22
Other Non-Current Assets	2.92	0.80	0.00
Total non-current assets	**72.05**	**65.01**	**56.98**
Current assets			
Investments	0.67	0.20	1.27
Trade receivables	84.89	61.93	35.43
Cash and cash equivalents	1.64	1.05	1.14
Other Bank Balances	2.43	2.03	4.66
Other Financial Assets	1.74	1.59	1.93
Other Current Assets	42.43	22.22	21.90
Income Tax Assets (Net)	0.00	0.35	0.98
Total current assets	**133.80**	**89.39**	**67.32**
Non-Current Assets held for Sale	**0.15**	**0.15**	**0.15**
Total Assets	**206.00**	**154.55**	**124.45**
LIABILITIES			
Non-current liabilities			
Borrowings	21.53	21.31	16.48
Lease liabilities	1.10	1.62	2.76
Deferred tax liabilities (Net)	0.01	0.02	0.00
Provisions	8.06	7.29	6.50
Total non-current liabilities	**30.70**	**30.24**	**25.74**
Current liabilities			
Financial liabilities			
Borrowings	52.96	10.87	13.56
Lease liabilities	0.58	1.14	1.08
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises	2.37	7.74	6.32
Total outstanding dues of creditors other than micro enterprises and small enterprises	2.51	7.73	7.67
Other Financial Liabilities	10.91	8.63	4.51
Other current liabilities	12.75	10.51	5.40
Provisions	0.66	0.44	0.26
Total current liabilities	**82.74**	**47.06**	**38.80**
Liabilities associated with Non-Current Assets held for Sale	0.26	0.26	0.16
Total liabilities	113.70	77.56	64.71
Net worth represented by:			
Equity share capital	38.70	6.42	6.30
Other equity	53.10	70.57	53.45
Non-Controlling Interest	0.50	0.00	0.00
Total Equity	**92.30**	**76.98**	**59.75**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★ ★
FAIR	★ ★ ★
GOOD	★ ★ ★ ★
EXCELLENT	★ ★ ★ ★ ★

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