



SMC Ranking

★ ★ ☆ ☆ ☆ (2/5)

Issue Highlights

Industry	Technology-Enabled (BPO)
Offer for sale (Shares)	6,989,619
Fresh Issue (Shares)	17,301,038
Net Offer to the Public	24,290,657
Issue Size (Rs. Cr.)	667-702
Price Band (Rs.)	275-289
Offer Date	14-Oct-26
Close Date	16-Oct-26
Face Value	1
Lot Size	51

Issue Composition

	In shares
Total Issue for Sale	24,290,657
QIB	18,217,993
NIB	3,643,599
Retail	2,429,066

Shareholding Pattern (%)

Particulars	Pre-issue	Post-issue
Promoters & promoters group	98.46%	81.82%
QIB	1.54%	13.97%
NIB	0.00%	2.52%
Retail	0.00%	1.68%
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. Repayment/prepayment, in full or in part, of certain outstanding borrowings availed by (i) Company; (ii) certain Subsidiaries (direct and certain step-down subsidiaries)
2. Investment in step-down subsidiaries, Omind Technologies Inc. and Omind Technologies Pvt.Ltd., for upgrading IT tools i.e. Arya and MindVoice
3. Pursuing inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes

Book Running Lead Manager

- Nuvama Wealth Management Limited
- IIFL Capital Services Limited
- Motilal Oswal InvestmentAdvisors Limited

Name of the registrar

- KFin Technologies Limited

About the company

Fusion CX is a Kolkata-based customer-experience and business-process company that runs contact centres, digital support and AI tools for clients mainly in the United States. It delivers work from 40 centres in 13 countries, mixing onshore sites in the US and Canada, nearshore sites in Latin America and the Balkans, and offshore sites including India, and it supports 28 languages around the clock. The book is telecom-and-technology heavy, with BFSI, healthcare, retail and high-growth technology alongside. Tools such as Arya, built by subsidiary Omind, sit beside the human agents. Revenue from operations rose from Rs. 991.32 crore in FY24 to Rs. 1,818.14 crore in FY26, and profit for the year rose from Rs. 36.26 crore to Rs. 169.84 crore. About 85% of FY26 revenue came from the US.

Strengths

A 40-centre network across 13 countries, operating round the clock:

Fusion operates through 40 delivery centres across 13 countries, serving clients across Latin America, North America, Europe and Africa, and Southeast Asia. Its onshore centres in the US and Canada handle specialised work across telecom, banking, financial services, insurance (BFSI), healthcare and retail. Nearshore locations in Jamaica, Colombia, El Salvador, Belize, Morocco, Albania and Kosovo provide North American clients with language and time-zone advantages. As of 30 June 2026, the network supported 28 languages. This distributed model allows Fusion to scale capacity quickly and accommodate changing client requirements without lengthy expansion timelines.

Proprietary AI tools strengthen contact-centre operations:

Through its Omind platform, Fusion uses Arya, a generative AI assistant that supports agents during live calls, evaluates service quality and resolves routine customer queries. Its conversational AI solutions cover collections, technical support and appointment booking, while additional tools support marketing and social-media monitoring. MindSpeech enables real-time accent adjustment to improve communication. Rather than relying solely on workforce expansion, Fusion aims to improve agent productivity, reduce handling time and deliver more services through its existing infrastructure. These technologies could help the company manage growing digital workloads while making better use of its 13,735 employees.

Acquisitions expand capabilities and geographical reach: Fusion has pursued acquisitions to strengthen its presence across telecom, healthcare,

retail, BFSI and technology-driven services. In 2026, VA Platinum expanded its operations in Australia and the Philippines, adding capabilities in banking and energy. Skycom strengthened its El Salvador presence in 2025, while earlier acquisitions added Belize's language capabilities and delivery centres in Bengaluru and Gurugram. Goodwill increased to Rs. 362.20 crore as of 31 March 2026, compared with Rs. 87.64 crore in FY24, reflecting its acquisition-led expansion. Revenue more than doubled over the two-year period, highlighting the scale gained through organic growth and business acquisitions.

A growing client base supports repeat business: Fusion's active client base increased from 190 in FY24 to 228 in FY26 and 239 in the June 2026 quarter. Of these, 173 clients were repeat customers in FY26, indicating the importance of established relationships. The number of clients generating annual revenue above approximately Rs. 28.25 crore increased from seven to 12, suggesting that business is becoming more concentrated among larger accounts. Telecom and technology remains the company's largest service vertical. However, geographical concentration remains significant, with the United States contributing 85.26% of FY26 revenue, followed by India at 11.28% and the UK and Europe at 3.11%.

Experienced promoters and a large workforce drive execution: Fusion is led by promoters Pankaj Dhanuka and Kishore Saraogi, who bring approximately 22 and 27 years of industry experience, respectively. As of 30 June 2026, the group employed 13,735 people, including 5,515 in India and 8,220 overseas, alongside 3,829 field staff supporting telecom and utility assignments in India. The company uses its Mind WorkPlace platform for recruitment and follows the ADDIE training framework to develop employee capabilities. Training focuses on areas such as BFSI compliance and technical troubleshooting. Its ability to recruit, train and retain skilled employees will remain important as operations expand and client requirements become more specialised.

Strategy

Prioritising client retention, account expansion and selective geographical growth: Fusion's strategy focuses on strengthening existing relationships while expanding the range of services offered to current clients and entering selected new markets. Everest Group estimates the customer experience (CX) market at approximately Rs. 34.54 lakh crore in 2025, with outsourced services accounting for around one-third of the market and growing faster than in-house operations. Fusion intends to benefit from this opportunity by retaining existing clients, increasing the share of digital and automated services within established accounts, and selectively entering new geographies. The addition of 27 clients during the June 2026 quarter reflects its continuing efforts to broaden its customer base.

Integrating generative AI into customer services: Fusion is investing in AI-enabled solutions for customer support, proactive telecom care, content moderation and data labelling for clients developing their own AI models. These services can help clients

automate routine interactions, improve response times and manage growing volumes of customer queries. The company's strategy is to move beyond conventional contact-centre services towards technology-enabled solutions that deliver measurable business outcomes. By combining human expertise with automation, Fusion aims to improve operational efficiency and strengthen its competitive position. However, the commercial benefits will depend on client adoption, successful implementation and the company's ability to monetise these capabilities while managing technology-related costs.

Acquiring specialised businesses to accelerate growth: Fusion intends to pursue selective acquisitions that provide specialised industry expertise, additional language capabilities or access to strategically important locations. Such acquisitions can help the company enter new markets faster than building operations independently and broaden its service portfolio across existing verticals. Its previous acquisitions demonstrate the role of inorganic growth in expanding geographical coverage and customer relationships. However, further acquisitions will require disciplined capital allocation, effective integration and careful management of goodwill. Since net proceeds are primarily earmarked for debt repayment, the company's ability to finance future acquisitions will depend on internal cash generation, available borrowing capacity and the overall balance-sheet position.

Optimising delivery through a right-shoring model: Fusion follows a right-shoring strategy that allocates work across onshore, nearshore and offshore locations according to client requirements, operating costs, language needs and regulatory considerations. Offshore centres provide cost efficiencies, while nearshore facilities offer closer time-zone alignment and multilingual support. Onshore operations cater to assignments requiring greater client interaction or proximity to regulated markets. The company also aims to cross-train employees so that teams can handle different tasks and manage seasonal fluctuations in demand. This flexible delivery model can improve resource utilisation and operational resilience, although its effectiveness will depend on workforce availability, service quality and the ability to maintain consistent standards across locations.

Key Risk Factors

- Outstanding legal proceedings against the company, subsidiaries and directors could mean damages, cost or distraction.
- A large share of revenue sits with a few top customers; most of them outside India, so one lost logo or a US slowdown would show up quickly.
- The model holds client and card data across many countries, so a cyber breach or a privacy-law failure could stop work and hurt the brand.
- This is the first listing, the face value is Rs. 1, and the offer price is not a forecast of the traded price.
- Growth has leaned on acquisitions, goodwill is already Rs. 362.20 crore, and a deal that does not integrate would hit profit and the balance sheet.

Peer comparison

Company	Total Sales	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Inventurus Knowl	3347.32	763.76	44.49	39.37	10.74	163.10	1	1751.40	30065.09
Sagility	7617.39	993.03	2.20	19.77	2.11	20.64	10	43.50	20363.78
Firstsour.Solu.	10146.94	671.01	11.29	23.59	4.28	62.16	10	266.30	18828.16
eClerx Services	4334.83	728.87	77.50	23.73	5.93	310.08	10	1839.40	17299.69
Hinduja Global	4301.49	-43.43	-Ve	-Ve	0.20	1787.71	10	358.80	1669.15
Alldigi Tech	605.05	85.46	60.48	12.90	4.74	164.70	10	780.30	1189.05
Fusion CX Limited	490.48	55.70	11.77	24.56	3.73	77.56	1	289.00	4172.01

*Peer companies financials are TTM based

***Fusion CX Ltd. financials are based on FY26

Valuation

Considering the P/E valuation, at the upper end of the price band of Rs. 289, the stock is priced at a pre-issue P/E of 21.62x on FY2026 EPS of Rs. 13.37. Post-issue, the stock is priced at a P/E of 24.56x on its EPS of Rs. 11.77. Looking at the P/B ratio, at Rs. 289, the pre-issue book value per share is Rs. 48.77, is a P/B of 5.93x. Post-issue, the book value per share is Rs. 77.56, is a P/B of 3.73x.

Considering the P/E valuation, at the lower end of the price band of Rs. 275, the stock is priced at a pre-issue P/E of 20.57x on FY2026 EPS of Rs. 13.37. Post-issue, the stock is priced at a P/E of 23.37x on its EPS of Rs. 11.77. Looking at the P/B ratio, at Rs. 275, the pre-issue book value per share is Rs. 48.77, is a P/B of 5.64x. Post-issue, the book value per share is Rs. 77.56, is a P/B of 3.55x.

Industry overview

Fusion sits in customer-experience outsourcing: contact centres, digital support, analytics and AI on top of human agents. Everest, in a report paid for by the company, puts the CX industry at about Rs. 34.54 lakh crore (USD 360 billion) in 2025, edging to Rs. 35.03 lakh crore by 2027. Outsourced CX was about 33% of that market in 2025 and is growing faster than work kept in-house, as firms want omnichannel service. Demand is pulled by digital adoption and Gen AI. The drag is price pressure, wage inflation, privacy rules, and clients who can take routine work back once bots are good enough. Buyers also split delivery across onshore, nearshore and offshore, which favours groups that already have all three.

Outlook

Supported by strong revenue and profit growth, expanding client relationships and rising demand for AI-enabled customer-experience services, Fusion CX's is expected to see good growth going forward in long term. Its 40-centre network across 13 countries and 28-language capabilities provide scalability and cost flexibility. Investments in automation and selective acquisitions could strengthen growth and operating efficiency. However, significant US revenue concentration, customer dependence, cybersecurity risks, legal proceedings and acquisition-related goodwill warrant careful monitoring.

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

EVENT	INDICATIVE DATE (On or about)
IPO Open Date	Wed, Oct 14, 2026
IPO Close Date	Fri, Oct 16, 2026
Tentative Allotment	Mon, Oct 19, 2026
Initiation of Refunds	Wed, Oct 21, 2026
Credit of Shares to Demat	Wed, Oct 21, 2026
Tentative Listing Date	Thu, Oct 22, 2026

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 30-Jun-26 (3 Months)	Period ended 31-Mar-26 (12 Months)	Period ended 31-Mar-25 (12 Months)
Revenue from operations	490.48	1,818.14	1,329.30
Total expenditure	408.76	1,521.96	1,154.25
Operating Profit	81.72	296.18	175.04
OPM%	16.66	16.29	13.17
Other Income	13.36	33.69	22.73
Total Net Income	95.09	329.87	197.78
Interest	8.99	45.47	38.69
PBDT	86.10	284.40	159.08
Depreciation	23.28	95.10	81.34
PBT	62.82	189.30	77.74
Tax	7.12	19.46	3.43
PAT	55.70	169.84	74.31

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 30-Jun-26	As on 31-Mar-26	As on 31-Mar-25
Non-current assets			
Property, plant and equipment	92.42	95.80	93.52
Right-of-use assets	112.19	123.59	103.51
Capital work-in-progress	8.97	8.69	13.64
Goodwill	362.64	362.20	288.09
Other intangible assets	101.77	106.43	115.65
Investments	4.58	4.43	3.94
Loans (non-current)	3.99	8.98	13.60
Other financial assets (non-current)	43.31	39.64	23.76
Deferred tax assets (net)	31.49	30.91	27.20
Non-current tax assets	10.65	10.11	8.22
Other non-current assets	0.99	2.04	2.25
Total non-current assets	772.99	792.83	693.39
Current assets			
Financial Assets			
Trade receivables	409.91	375.06	332.20
Cash and cash equivalents	38.78	89.56	37.92
Other bank balances	11.40	13.92	7.62
Loans (current)	97.24	71.53	34.48
Other financial assets (current)	3.62	11.77	9.22
Other current assets	33.92	30.49	28.43
Total current assets	594.86	592.32	449.87
Total Assets	1367.85	1385.15	1143.25
LIABILITIES			
Non-current liabilities			
Borrowings (non-current)	89.24	79.77	73.78
Lease liabilities (non-current)	79.54	90.06	75.02
Other financial liabilities (non-current)	0.78	1.45	1.12
Provisions (non-current)	7.59	8.28	7.74
Total non-current liabilities	177.15	179.56	157.66
Current liabilities			
Financial liabilities			
Borrowings (current)	148.89	187.10	232.95
Lease liabilities (current)	45.73	45.50	35.05
Trade payables — MSME	1.93	1.80	4.49
Trade payables — others	148.48	174.32	168.63
Other financial liabilities	147.43	153.02	117.55
Other current liabilities	46.07	55.70	52.07
Provisions (current)	2.14	2.27	1.04
Current tax liabilities	30.39	25.28	15.45
Total current liabilities	571.06	644.99	627.23
Total liabilities	748.20	824.54	784.89
Net worth represented by:			
Equity Share Capital	12.63	12.63	12.60
Other Equity	607.01	547.97	345.76
Total Equity	619.65	560.60	358.36

RANKING METHODOLOGY

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

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