

Tuesday, 13 October 2026

CM RATING 40 /100

# Fusion CX

## Funding debt repayment

### Diversified operations, proprietary technology and strategic acquisitions to drive growth

Fusion CX is a customer experience (CX) and business process solutions provider offering multichannel customer support through voice, email, chat, social media and messaging. The company also provides AI data infrastructure services, including data collection, data annotation, image and video labelling, and robotic teleoperations.

Fusion CX combines human expertise with technology and proprietary AI tools to deliver multilingual, omni-channel customer engagement, improve operational efficiency and automate customer interactions. Through its subsidiary, Omind Technologies, the company is developing AI-powered solutions for marketing, conversational AI, quality automation and workforce management.

Services include customer acquisition services, customer services, order fulfilment support, payment and collection services, customer retention services, technical support, digital solutions and AI data infrastructure services.

As of June 30, 2026, Fusion CX operated 40 delivery centres across 13 countries, supported customers in 28 languages and served 208 customers, including 22 fortune 1000 companies.

The key industry verticals include telecom and utilities, healthcare and life sciences, high-tech and travel, banking, financial services and insurance (BFSI), and retail. Some of its key customers include DMEC Capital Services, Park West, Telaid, Achieve Collection, Ameriflex, Coastline, Ajio, Meesho, Call Core Media, Arvind Fashion, Propneu S.A., Leonardo Hotels, Insurance Express, K2 ClaimsServices Sentry Credit, and Traya.

The company regularly acquired businesses enhancing its capabilities in targeted industries such as telecom and other utilities, healthcare, retail, BFSI and HTT. Its focus areas include customer acquisition, onboarding, order fulfilment KYC and fraud prevention, and tech support. Its acquisition strategy aims to identify companies that align with these capabilities at the right price point, providing opportunities to expand its revenue streams.

In FY2026, the company acquired VA Platinum Offshoring Pty Ltd which has sales presence in Australia with operations in Philippines. Earlier in 2025, the company acquired Skycom BPO USA, Scribe.ology LLC USA, Sequential Technology International USA and in 2024 acquired S4 Communications LLC USA.

### Object of the offer

The IPO comprises a fresh issue of up to Rs 500 crore and an offer for sale of shares worth Rs 202 crore at the upper price band of Rs 289 per equity share.

Under the OFS, selling shareholders include PNS Business Private Limited and Rasish Consultants Private Limited (both promoter group).

Funds of Rs 275.70 crore raised will be used for repayment/ prepayment, in full or in part, of certain outstanding borrowings availed by the (i) company; (ii) certain subsidiaries and Rs 61.15 crore for investment in its step-down subsidiaries, Omind Technologies Inc and Omind Technologies Private Limited, for upgrading IT tools i.e. Arya and MindVoice. The balance funds will be utilised for general corporate purposes.

## Strengths

Operates 40 delivery centres across 13 countries, enabling round-the-clock customer support across multiple time zones.

Continuously invests in proprietary AI tools and platforms to enhance customer engagement, automate processes and improve operational efficiency.

Diversified operations with domain expertise across multiple industries with long standing customer relationships.

Adopts a customer-focused approach that is integrated into its service delivery and operational frameworks. This enables it to adapt efficiently to evolving client requirements and market dynamics. By working closely with clients, the company develops tailored CX solutions, guided by real-time feedback and iterative improvement.

The longstanding presence has enabled the promoters, Pankaj Dhanuka and Kishore Saraogi, to scale up operations through inorganic growth and expand geographical presence by setting up multiple delivery centres in various countries.

## Weaknesses

In FY2026, revenue from top 10 customers constituted 49.8% of the total revenue. Also, faces geographical concentration risk as around 80% of the revenues in FY2026 are derived from North America.

Failure to protect in-house developed technologies or information or intellectual property rights may have an adverse effect on the company's business.

Cyber security threats, data breaches, and information security incidents may adversely impact business operations and reputation.

Dependence on skilled technology professionals exposes the company to employee retention and talent acquisition risks.

Faces foreign currency fluctuation risk as more than 90% of the revenues are derived from exports.

Has made several inorganic acquisitions over the years, providing a loyal clientele and entry into new markets. However, the acquisitions have an incubatory phase pertaining to business and operational synergies, which has a bearing on profitability. Stabilisation expense related to the acquisitions impacts the operating margin during the initial phase.

More than 80% of the group's revenue comes from the BPO segment that is competitive not only in India but also globally. Additionally, susceptible to policies in customer countries regarding offshoring of work and BPO companies with parent companies located abroad.

Outstanding legal claims against the company and its subsidiaries totalled Rs 180.66 crore as on June 30, 2026

## Valuation

Net profit stood at Rs 55.70 crore on net sales of Rs 490.48 crore in the three months ended June 2026.

Consolidated sales were up by 36.8% to Rs 1818.14 crore in FY2026. Growth in revenues was primarily driven by the acquisition of Scribe.ology LLC, Infinity Outsourcing, Panama S.A and its subsidiary and on-boarding of new customers. Operating profit margin (OPM) expanded from 13.17% to 16.29%, leading to a 69.2% increase in operating profit to Rs 296.18 crore. Other income increased by 48.2% to Rs 33.69 crore. Interest cost inclined 17.5% to Rs 45.47 crore and depreciation cost inclined by 16.9% to Rs 95.10 crore. PBT was higher by 143.5%

to Rs 189.3 crore as against Rs 77.74 crore. PAT was higher by 128.5% to Rs 169.84 crore as against Rs 74.31 crore in FY2025. Tax expenses was 19.46 crore in FY2026 as against Rs 3.43 crore in FY2025.

At the higher price band of Rs 289, the offer is made at a P/E of 24.56 times FY2026 EPS (of Rs 11.77).

As of March 31, 2026, total consolidated borrowings of the company stood at Rs 266.86 crore (Rs 238.13 crore as on June 30, 2026). The company proposes to pay off whole of the borrowings from the net proceeds from fresh issue. Repayment of the borrowings will reduce the interest cost. The EPS for FY26 works out to Rs 14.59 if its interest cost is reduced, keeping all other items, including tax rate, same. The re-worked P/E at the upper price band moderates to 19.8 times of its FY26 EPS.

## Close listed peer is eClerx Services. eClerx Services trades at 24.1 times TTM P/E.

| Fusion CX: Issue Highlights                                |               |
|------------------------------------------------------------|---------------|
| Fresh issue (in Rs crore)                                  | 500.0         |
| Offer for sale (in Rs crore)                               | 202.0         |
| Offer for sale (in number of shares)                       |               |
| - in Upper price band                                      | 6989619       |
| - in Lower price band                                      | 7345455       |
| Price Band (Rs)                                            | 275-289       |
| For Fresh Issue Offer size (in no of shares)               |               |
| - in Upper price band                                      | 17301038      |
| - in Lower price band                                      | 18181818      |
| <b>Post issue capital (Rs crore)</b>                       |               |
| - in Upper price band                                      | 14.44         |
| - in Lower price band                                      | 14.52         |
| <b>Post issue Promoter and Promoter Group shareholding</b> |               |
| -On higher price band (%)                                  | 81.82%        |
| -On lower price band (%)                                   | 81.08%        |
| Bid Size (in No. of shares)                                | 51            |
| Issue open date                                            | 14/10/2026    |
| Issue close date                                           | 16/10/2026    |
| Listing                                                    | BSE, NSE      |
| <b>Rating</b>                                              | <b>40/100</b> |

| Fusion CX : Consolidated Financials |           |           |           |          |
|-------------------------------------|-----------|-----------|-----------|----------|
|                                     | 2403 (12) | 2503 (12) | 2603 (12) | 2606 (3) |
| Sales                               | 991.32    | 1329.30   | 1818.14   | 490.48   |
| OPM (%)                             | 7.51      | 13.17     | 16.29     | 16.66    |
| OP                                  | 74.40     | 175.04    | 296.18    | 81.72    |
| Other inc.                          | 30.21     | 22.73     | 33.69     | 13.36    |
| PBIDT                               | 104.62    | 197.78    | 329.87    | 95.09    |
| Interest                            | 18.96     | 38.69     | 45.47     | 8.99     |

|                                                                                  |       |        |        |       |
|----------------------------------------------------------------------------------|-------|--------|--------|-------|
| PBDT                                                                             | 85.66 | 159.08 | 284.40 | 86.10 |
| Dep.                                                                             | 48.98 | 81.34  | 95.10  | 23.28 |
| PBT                                                                              | 36.68 | 77.74  | 189.30 | 62.82 |
| Total Tax                                                                        | 0.42  | 3.43   | 19.46  | 7.12  |
| PAT                                                                              | 36.26 | 74.31  | 169.84 | 55.70 |
| EPS (Rs)*                                                                        | 2.5   | 5.1    | 11.77  | #     |
| EPS is on post issue equity capital of Rs 14.44 crore of face value of Rs 1 each |       |        |        |       |
| Figures in Rs crore                                                              |       |        |        |       |
| Source: Fusion CX Issue Prospectus                                               |       |        |        |       |