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**IPO Note**
**14th October 2026**

# Fusion CX Ltd

**Neutral**

**Rating: Neutral**

## Issue Offer

**Total issue size: Fresh Issue – INR 5,000 Mn (17.30 Mn Shares) OFS - INR 2,020 Mn (6.99 Mn shares)**

| Issue Summary | |
|---|---|
| Price Band (INR) | 275-289 |
| Face Value (INR) | 1 |
| Implied Market Cap (INR mn) | 41,720.14 |
| Market Lot | 51 |
| Issue Opens on | 14 October, 2026 |
| Issue Close on | 16 October, 2026 |
| No. of share pre-issue | 12,70,59,295 |
| No. of share post issue | 14,43,60,333 |
| Listing | NSE & BSE |

| Issue Break-up (%) | |
|---|---|
| QIB Portion | ≥ 75 |
| Retail Portion | ≤ 10 |
| NII Portion | ≤ 15 |

| Book Running Lead Managers |
|---|
| Nuvama Wealth Management Limited |
| IIFL Capital Services Limited |
| Motilal Oswal Investment Advisors Limited |

| Registrar |
|---|
| KFin Technologies Limited |

| Shareholding Pattern | Pre-Issue | Post-Issue |
|---|---|---|
| Promoters & PG | 98.46% | 81.82% |
| Public & Others | 1.54% | 18.18% |

| Objects of the Offer | Exp. Amt (INR Mn.) |
|---|---|
| Repayment of borrowings | 2,756.95 |
| Investment in Omind (IT tools) | 611.46 |
| Acquisitions & GCP | ≤ 35% of gross |

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**Fusion CX is a Kolkata-headquartered customer experience (CX) service provider delivering omnichannel support across voice, email, chat, social media and messaging, along with AI data infrastructure services such as data annotation and robot teleoperations. Co-founded in 2004 by Pankaj Dhanuka and Kishore Saraogi, it serves 208 customers (including 22 Fortune 1000 companies) across telecom & utilities (47.3% of FY26 revenue), HTT, BFSI, retail and healthcare. It operates 40 delivery centres across 13 countries with 13,735 CX employees supporting 28 languages, and North America contributed 81.7% of FY26 revenue**.

## Investment Rationale:

**Scalable Global Delivery Network:** Fusion CX's mix of onshore (USA, Canada), nearshore (Jamaica, Colombia, El Salvador, Belize, Morocco) and offshore (India, Philippines) centres offers clients 24x7 multilingual support with cost optimisation. operates 40 delivery centres across 13 countries, supported by two sales offices as of June 30, 2026. Its onshore, nearshore and offshore network enables multilingual, round-the-clock customer support while balancing service quality and delivery costs. The company had 13,735 CX employees and an additional 3,829 field-workforce employees. However, revenue remains concentrated in North America, which contributed 81.70% of FY26 revenue.

**Proven Acquisition-Led Growth**: The company has acquired and integrated several CX businesses: S4 Communications and Ready Call Center (2024), Sequential Technology, Scribe.ology and Skycom (2025) and VA Platinum (2026), adding capabilities across Latin America, healthcare documentation and virtual-assistant services. Telecom & utilities revenue grew from INR 3,067.1 Mn in FY24 to INR 8,606.5 Mn in FY26, and up to 35% of the gross proceeds can fund further acquisitions and general corporate purposes.

**Technology and AI-Led Offerings:** Through its subsidiary Omind, Fusion CX is building proprietary platforms in marketing AI, conversational AI, quality automation and workforce management, and uses tools such as MindSpeech for real-time accent harmonisation. INR 611.5 Mn of the proceeds will be invested in Omind to upgrade its Arya and MindVoice tools, while digital solutions revenue grew to INR 824.0 Mn in FY26 from INR 316.9 Mn in FY24, contributing 4.53% of total revenue. The company invested INR 230.99 Mn in R&D during FY26. AI-powered automation and workflow tools could improve productivity and support higher-value services.

**Long-Standing Client Relationships Support Repeat Business:** The company's active client base increased from 190 in FY24 to 228 in FY26 and 239 further in Q1FY27, while repeat clients rose from 146 to 173 in FY26 and 212 further in Q1FY27. The company added 55 clients in FY26, compared with seven in FY24. Its top five customers had an average relationship tenure of 13.02 years, reflecting established client relationships and opportunities to expand service offerings. The company is also targeting larger accounts through cross-selling and upselling.

**Valuation & Outlook:** Fusion CX is well positioned to sustain growth, supported by its expanding global delivery network, diversified industry presence and increasing traction in higher-value digital solutions. Revenue growth of 36.77% in FY26, alongside an improvement in EBITDA margin to 19.50%, reflects the benefits of operating scale and improving execution. The growing client base, long-standing customer relationships and acquisition-led expansion provide opportunities to deepen service offerings and enter new markets, while AI-led automation could support productivity and service differentiation over the medium term. However, the sustainability of margin expansion will depend on managing employee costs, integrating acquired businesses and converting technology investments into meaningful revenue growth. High dependence on North American clients and a rising contribution from the top 10 customers also remain key risks. **At the upper price band of INR 289, the issue is valued at a P/E ratio of 24.56x, based on EPS of INR 11.77, We are recommending a "Neutral" rating for this issue.**

| Particulars (INR Mn) | FY24 | FY25 | FY26 |
|---|---|---|---|
| **Revenue** | 9,913.15 | 13,292.96 | 18,181.38 |
| Growth (%) YoY | *-10.29%* | *34.09%* | *36.77%* |
| **EBITDA** | 1,046.17 | 1,977.76 | 3,298.71 |
| Margins (%) | *10.55%* | *14.88%* | *18.14%* |
| **PAT/(Loss)** | 362.60 | 743.14 | 1,698.40 |
| Margins (%) | *3.66%* | *5.59%* | *9.34%* |


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| Stock Rating Scale | Absolute Return |
|---|---|
| BUY | >20% |
| ACCUMULATE | 12% to 20% |
| HOLD | 5% to 12% |
| NEUTRAL | -5% to 5% |
| REDUCE | -5% to -12% |
| SELL | <-12% |

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