



IPO RESEARCH REPORT

Fusion CX Limited

AI-Powered Customer Experience Provider — Strong Margins, Cooling Grey-Market Sentiment

IPO Open: Oct 14, 2026 IPO Close: Oct 16, 2026 Listing: Oct 22, 2026 (BSE, NSE)

OUR RECOMMENDATION

NEUTRAL*

*Selective — valuation offers little comfort; cooling GMP into open

PRICE BAND

₹275 - ₹289

Lot: 51 shares | ₹14,739 min.

GMP (AS OF OCT 12, 2026)

₹16–19 (~6%)

Est. listing ₹305 | Unofficial

This report is a research summary for informational purposes only and does not constitute investment advice. GMP figures are unofficial grey-market indicators and may change materially before listing. Please read Section 13 (Disclaimer) before acting on this report.

1. IPO AT A GLANCE

Fusion CX Limited is a Kolkata-headquartered, AI-powered customer experience (CX) solutions provider, delivering services across voice, email, chat, social media and messaging channels, along with AI Data Infrastructure Services (data collection, annotation and labelling) and proprietary conversational-AI platforms (Arya and MindVoice) developed through its Omind Technologies subsidiaries. The company is raising ₹702 crore through a book-built issue comprising a ₹500 crore fresh issue and a ₹202 crore offer for sale by two promoter selling shareholders. The issue opens on October 14, 2026 and closes on October 16, 2026, with listing on the BSE and NSE tentatively scheduled for October 22, 2026.

Issue Details

Particulars	Details
IPO Type	Mainboard — Book Built Issue
Issue Size	₹702 Cr (2,42,90,657 shares at upper band)
Fresh Issue	₹500 Cr (1,73,01,038 shares)
Offer for Sale (OFS)	₹202 Cr (69,89,619 shares) by promoters PNS Business & Rasish Consultant
Face Value	₹1 per share
Price Band	₹275 – ₹289 per share
Lot Size	51 shares
Minimum Retail Investment	₹14,739 (1 lot, upper band)
IPO Open Date	October 14, 2026
IPO Close Date	October 16, 2026
Basis of Allotment	October 19, 2026
Listing Date (Tentative)	October 22, 2026 on BSE & NSE
Market Cap at Upper Band (Post-Issue)	₹4,172.01 Cr (approx.)
Promoter Holding (Pre- / Post-Issue)	99.03% / 81.82%
Book Running Lead Managers	Nuvama Wealth Management, IIFL Capital Services, Motilal Oswal Investment Advisors



Particulars	Details
Registrar to the Issue	KFin Technologies Limited

Share Count & Quota Context

Particulars	Details
Shares Outstanding — Pre-Issue	12,70,59,295
Shares Outstanding — Post-Issue	14,43,60,333

Investors should confirm exact investor-category share-count cut-offs from the final RHP/bid-lot circular before applying.

2. COMPANY OVERVIEW

History & Incorporation

Fusion CX Limited was originally incorporated in 2004 as Xplore-Tech Services Private Limited and has since built over two decades of operating history in the customer experience services industry. It is promoted by PNS Business and Rasish Consultant, who together held approximately 99.03% of pre-issue equity and will remain the controlling shareholders post-listing at approximately 81.82%.

Business Model

The company delivers end-to-end customer experience solutions through platforms and AI-powered tools across voice, email, chat, social media and messaging channels, serving clients across telecom and technology, banking, financial services and insurance (BFSI), healthcare, consumer and retail, and other sectors. Beyond traditional CX delivery, the company also provides AI Data Infrastructure Services — data collection, annotation and labelling — and has developed proprietary conversational-AI and automation platforms, Arya and MindVoice, through its Omind Technologies subsidiaries, positioning it as a technology-enabled CX provider rather than a purely labour-arbitrage BPO.

Scale, Geography & Verticals

As of the latest RHP disclosures, Fusion CX reported approximately 13,357 CX employees and delivery operations spanning North America, Latin America, Europe, Africa and Southeast Asia, with acquisitions having added capabilities in markets including Australia, El Salvador and the United States. In FY26, telecommunications and technology contributed 47.34% of revenue from operations, followed by BFSI (13.52%), healthcare (13.14%), consumer and retail (12.12%) and other sectors (13.88%). Revenue from customers outside India rose from 76.22% in FY24 to 88.71% in FY26, with at least one brokerage estimating US exposure alone at roughly 74–76% of revenue.

Promoters

Promoter	Details
PNS Business	Promoter; Selling Shareholder in the OFS
Rasish Consultant	Promoter; Selling Shareholder in the OFS

Both promoter entities are selling shareholders in the OFS component of this issue; the RHP's shareholding-pattern section should be consulted for exact post-IPO holding details.

3. ORDER BOOK / KEY OPERATING METRICS

For a people-intensive, globally delivered CX business, revenue growth, margin trajectory, client/geographic concentration and workforce metrics (including attrition) are the key signals of both near-term momentum and longer-term structural risk.



35% Revenue CAGR, FY24–FY26	+128% FY26 PAT Growth YoY	18.1–19.5% FY26 EBITDA Margin (up from ~10.6% in FY24)	30.74% FY26 Return on Net Worth (RoNW)
~71% FY26 Return on Capital Employed (RoCE)	13,357 CX Employees (FY26)	88.71% FY26 Revenue from Outside India	~74–76% Estimated Revenue Exposure to the US
45.30% FY26 Revenue from Top 10 Customers	26.5% Voluntary Employee Attrition Rate	~66% Employee Costs as Share of Revenue	₹4,172 Cr Post-Issue Market Cap at Upper Band

Source: RHP; company disclosures via Groww, Sushil Finance, Abhinav Mishra's Substack, Flattrade Kosh and Multibagg. EBITDA margin is quoted as a range because sources compute it on slightly different income bases (revenue from operations vs. total income).



4. FINANCIAL PERFORMANCE

3-Year Financial Snapshot (₹ in Crore, restated consolidated)

Particulars	FY24	FY25	FY26	CAGR / YoY
Revenue from Operations	991.31	1,329.30	1,818.14	35.4% CAGR; +36.8% YoY (FY26)
Total Income	1,021.53	1,352.03	1,851.83	34.7% CAGR; +37.0% YoY (FY26)
EBITDA	104.62	197.78	329.87	+66.8% YoY (FY26)
EBITDA Margin (%)	~10.6	~14.9	18.1–19.5	Expanding
Profit After Tax (PAT)	36.26	74.31–74.40	169.84	+128% YoY (FY26)
PAT Margin (%)	3.55–3.66	5.59–5.60	9.34	Expanding
Return on Equity (RoE)	n.a.	n.a.	30.17–30.30	—
Return on Capital Employed (RoCE)	n.a.	n.a.	71.19–71.59	—
Net Worth	270.15	354.66	552.54	+55.8% YoY (FY26)

Q1 FY27 (Apr–Jun 2026): total income ₹503.85 Cr, PAT ₹55.70 Cr, EBITDA margin 20.03%, PAT margin 11.36%, quarterly RoE 8.99%, quarterly RoCE 19.84%. EBITDA and PAT margin figures vary modestly across trackers depending on whether revenue from operations or total income is used as the denominator; both figures are shown above where they differ materially. FY24/FY25 RoE and RoCE on a full-year basis were not consistently disclosed across the sources reviewed.

Analyst Notes on Financial Trends

- **Growth and profitability have genuinely accelerated together:** FY26 revenue grew 37% while PAT more than doubled (+128%) and EBITDA margin expanded meaningfully from roughly 10.6% (FY24) to the high teens (FY26) — a pattern of broad-based operating leverage rather than growth achieved at the expense of margins.
- **Return ratios are exceptional by any standard:** FY26 RoNW of 30.74% and RoCE above 70% place Fusion CX well ahead of its closest listed peers, reflecting a capital-light services model generating strong returns on a comparatively modest equity base.
- **Momentum continued into the first quarter of FY27:** Q1 FY27 PAT margin rose further to 11.36% and EBITDA margin to 20.03%, both above the full-year FY26 figures, suggesting the FY26 improvement has not reversed in the most recent reported quarter.
- **Leverage has been improving:** Borrowings declined during FY26, and a majority of the fresh issue proceeds (₹275.70 Cr, about 55%) is earmarked for further debt repayment, reinforcing this deleveraging trend.

Figures sourced from RHP-based summaries (Groww, Sushil Finance, Abhinav Mishra's Substack, Flattrade Kosh, Multibagg, Chanakyanipothi, Univest) which are broadly consistent with one another; minor rounding and basis differences exist across trackers for EBITDA and PAT margin. Investors should cross-check exact line items against the final RHP financial statements before investing.

5. VALUATION ANALYSIS

Metric	Value
P/E (x) — on FY26 diluted EPS, pre-issue share count	21.55 – 21.62
P/E (x) — on FY26 diluted EPS, post-issue (dilution-adjusted) share count	24.6
P/E (x) — on annualised Q1 FY27 earnings, post-issue share count	18.73
Price / Book Value (x)	5.98 – 6.61



Metric	Value
Market Cap at Upper Band (₹ Cr)	4,172.01

The ~18.73x figure quoted by some trackers annualises the elevated Q1 FY27 quarterly run-rate for a full year on the post-issue share count — a more optimistic, forward-looking basis. The more conservative, like-for-like comparison is FY26's actual diluted EPS on post-issue equity, which works out to approximately 24.6x per Sushil Finance's analysis. We consider this 24.6x figure the more decision-relevant multiple, since it does not assume the Q1 FY27 run-rate will be sustained for the full year.

Peer Valuation Context

At 21.55x FY26 diluted EPS (24.6x on a post-issue, dilution-adjusted basis), Sushil Finance characterises the valuation as “broadly in line with listed CX peers such as Firstsource (22.3x) and Sagility (21.7x), leaving little valuation comfort” — in other words, despite Fusion CX's superior return ratios, the market is not being asked to pay a discount for that quality relative to its closest, most comparable peers. Against the RHP's broader peer set, Fusion CX's FY26 RoNW of 30.74% is well ahead of Firstsource (15.00%) and Sagility (6.47%), and trails only eClerx (53.00%) among all disclosed peers.

Company	P/E (x)	NAV/Share (₹)	RoNW (%)
Fusion CX Limited (self)	21.46–21.62	43.73	30.74
Firstsource Solutions Limited	22.27	61.80	15.00
Sagility India Limited	21.66	30.50	6.47
Inventurus Knowledge Solutions Limited	31.41	568.00	7.58
Hinduja Global Solutions Limited	51.07	53.00	2.00
eClerx Services Limited	n.a.†	278.00	53.00
Alldigi Tech Limited	n.a.†	235.00	29.00

† P/E for eClerx Services and Alldigi Tech was not consistently available in the sources reviewed for this report. Peer financials are on a consolidated basis for the financial year ended March 31, 2026, with closing prices as of early September/October 2026 depending on the tracker; none of these peers operates an identical business mix to Fusion CX, so comparisons are indicative only.

6. USE OF FRESH ISSUE PROCEEDS

Of the ₹500 crore fresh issue, the majority (₹275.70 crore, about 55%) is earmarked for repaying or prepaying outstanding borrowings of the company and certain subsidiaries (including direct and step-down subsidiaries), with a further ₹61.15 crore directed at upgrading the Arya and MindVoice AI platforms within step-down subsidiaries Omind Technologies Inc. and Omind Technologies Private Limited. The balance is earmarked for unidentified inorganic growth (acquisitions), other strategic initiatives and general corporate purposes.

Object of the Issue	Amount (₹ Cr)	% of Fresh Issue
Repayment / prepayment of outstanding borrowings (Company & subsidiaries)	275.70	≈55.1%
Investment in step-down subsidiaries (Omind Technologies Inc. & Pvt. Ltd.) for upgrading IT tools (Arya, MindVoice)	61.15	≈12.2%
Inorganic growth (unidentified acquisitions), strategic initiatives & general corporate purposes	≈163.15	≈32.6%
Total	500.00	100%

The separate ₹202 Cr offer-for-sale component is paid to the two selling promoter shareholders and does not accrue to the company. Nearly a third of the fresh issue is directed at unidentified future acquisitions, which reduces upfront visibility into exactly how that portion of the capital will ultimately be deployed.

7. INDUSTRY OVERVIEW & TAILWINDS



- **Continued global outsourcing of customer experience functions:** Enterprises across telecom, BFSI, healthcare and retail continue to outsource complex, multi-channel customer experience delivery to specialised providers, supporting structural demand for players like Fusion CX.
- **Rising demand for AI-augmented CX delivery:** Growing enterprise interest in AI-powered customer engagement tools — chatbots, conversational AI, automation — plays to Fusion CX's proprietary Arya and MindVoice platforms, potentially supporting premium pricing versus purely labour-based competitors.
- **Expanding AI Data Infrastructure Services opportunity:** The broader AI industry's need for data collection, annotation and labelling services creates an adjacent growth avenue for the company beyond traditional CX delivery.
- **Structural risk from generative AI disruption:** At the same time, the same generative AI wave that enables the company's own platforms also threatens to reduce overall demand for human-staffed CX services over the medium term — a genuine double-edged dynamic for the industry as a whole, explicitly flagged by at least one brokerage covering this issue.

8. KEY STRENGTHS

- **Strong, broad-based profitability inflection:** FY26 PAT more than doubled on 37% revenue growth, with EBITDA margin expanding from roughly 10.6% to the high teens over two years — evidence of genuine operating leverage.
- **Exceptional return ratios versus listed peers:** FY26 RoNW of 30.74% and RoCE above 70% are both well ahead of Fusion CX's closest comparable peers, Firstsource Solutions and Sagility India.
- **Technology-differentiated positioning:** Proprietary AI platforms (Arya, MindVoice) via the Omind Technologies subsidiaries support a tech-enabled CX positioning rather than a purely labour-arbitrage BPO model.
- **Global delivery footprint and vertical diversification:** Operations across North America, Latin America, Europe, Africa and Southeast Asia, combined with five revenue verticals (none exceeding ~47% of revenue), reduce single-market and single-sector dependence.
- **Improving balance sheet:** Borrowings declined during FY26, and 55% of the fresh issue is earmarked for further debt repayment, reinforcing an already-improving leverage trend.
- **Momentum sustained into the latest quarter:** Q1 FY27 PAT margin (11.36%) and EBITDA margin (20.03%) both improved further versus the full FY26 year, suggesting the recent profitability gains have continued rather than reversed.
- **Long operating history with demonstrated international scaling:** Over two decades of operations (incorporated 2004) with a track record of both organic growth and acquisition-led geographic expansion into markets such as Australia, El Salvador and the US.



9. KEY RISKS & CONCERNS

We flag the following risk factors, colour-coded by our assessment of relative severity. Investors should also review the detailed “Risk Factors” section of the RHP for the complete and legally exhaustive list of risks disclosed by the Company.

Risk Factor	Description	Severity
Sharp decline in grey-market sentiment just before opening	GMP fell from a peak of ₹55 (Oct 9, 2026) to roughly ₹16–19 (Oct 12, 2026) — a decline of more than 65% in just three days — with at least one tracker's own trend model explicitly flagging a “downward trend” heading into the issue opening.	HIGH
Valuation offers little comfort versus closest peers	At 21.55x FY26 EPS (24.6x on a post-issue, dilution-adjusted basis), at least one brokerage (Sushil Finance, Neutral rating) explicitly notes the issue is priced broadly in line with — not at a discount to — its closest comparable peers, Firstsource (22.3x) and Sagility (21.7x).	HIGH
People-intensive model with high attrition	Employee costs absorb roughly 66% of revenue, and voluntary attrition runs at 26.5% — both typical of the BPO/CX industry, but together they create ongoing wage-inflation and retention-cost pressure that can compress margins if not managed.	HIGH
Structural exposure to GenAI-driven demand disruption	As a CX services provider, the business faces a structural risk that continued advances in generative AI reduce overall enterprise demand for human-staffed customer experience services over time — even as the company's own AI tools aim to capture part of that shift.	HIGH
High geographic concentration, particularly in the US	88.71% of FY26 revenue came from outside India, with US exposure estimated at roughly 74–76% of revenue by at least one brokerage — creating meaningful sensitivity to US economic conditions, currency movements and potential trade or tariff policy shifts.	MEDIUM
Client concentration	The top 10 customers contributed 45.30% of FY26 revenue (having peaked at 52.17% in FY25), with the top 5 clients estimated at around 40% of revenue — a meaningful, if moderating, concentration risk.	MEDIUM
Acquisition-led growth strategy with unidentified targets	Roughly a third of the fresh issue (≈₹163 Cr) is earmarked for unidentified future acquisitions, meaning investors cannot fully evaluate in advance how this portion of their capital will ultimately be deployed or integrated.	MEDIUM
Elevated price-to-book multiple	At roughly 6–6.6x book value, the issue leaves limited margin for error if growth or margin trends were to disappoint relative to the market's current expectations.	LOW

10. IPO TIMELINE & HOW TO APPLY

Event	Date
IPO Opens	October 14, 2026
IPO Closes	October 16, 2026
Basis of Allotment (Tentative)	October 19, 2026
Refund / Demat Credit (Tentative)	October 21, 2026
Listing Date (Tentative)	October 22, 2026 (BSE, NSE)

How to Apply – ASBA / UPI



- Apply through your bank's ASBA facility (net-banking) or a broker/app supporting UPI-based bidding; funds are blocked in your account, not debited, until allotment.
- Select "Fusion CX Limited" IPO, choose the retail category if applying as an individual, and bid at the cut-off price or within the ₹275–₹289 band.
- Minimum retail application is 1 lot of 51 shares (≈₹14,739 at the upper band).
- Approve the UPI mandate request promptly (within the specified window) to ensure your bid is registered before the issue closes.
- Track allotment status via the registrar, KFin Technologies Limited, using your PAN, application number or demat details after the basis-of-allotment date.

11. GMP & INVESTOR SENTIMENT

Metric	Value
Grey Market Premium — peak (Oct 9, 2026)	₹55 (~19% implied gain)
Grey Market Premium — as of Oct 12, 2026	₹16–19 (~5.5–6.6% implied gain)
GMP Trend	Down ~65–70% from peak over 3 days; explicitly flagged as "downward" by at least one tracker's trend model
Implied Listing Price Estimate (at current GMP)	≈₹305–308 (vs. ₹289 issue price)

GMP has cooled sharply in the days immediately preceding this issue's opening, falling from a peak of ₹55 on October 9 to roughly ₹16–19 by October 12 — a decline of more than 65% in just three trading sessions. At least one grey-market tracker's own analytical model explicitly characterises this as a "downward trend." While the current GMP level still implies a modestly positive listing gain, the magnitude and speed of the decline is a meaningfully different signal from the issue's early readings, and is broadly consistent with the "little valuation comfort" framing offered by at least one covering brokerage. Investors should track GMP and category-wise subscription (QIB, NII, retail) through the bidding window, as sentiment can shift again before listing.

GMP (Grey Market Premium) is an informal, unregulated indicator quoted in the unofficial "grey market" and is not published or endorsed by any stock exchange, SEBI, or Ganesh StockInvest. It reflects prevailing sentiment at a point in time, can swing sharply — including turning negative — right up to the listing date, and should never be the sole basis for an investment decision. Actual listing price performance may differ materially from GMP-implied levels.



12. GANESH STOCKINVEST RECOMMENDATION

GANESH STOCKINVEST RECOMMENDATION: NEUTRAL — SELECTIVE, LONG-TERM ONLY

Strong recent numbers, but valuation offers little comfort and grey-market sentiment has cooled sharply into the open

Investment Rationale

- **Genuine, broad-based profitability improvement:** FY26 PAT more than doubled on 37% revenue growth, with EBITDA margin expanding meaningfully and momentum continuing into Q1 FY27 — not a one-off, isolated quarter.
- **Exceptional return ratios:** RoNW of 30.74% and RoCE above 70% place the company well ahead of its closest listed peers, reflecting a genuinely efficient, capital-light business model.
- **Improving balance sheet:** Declining borrowings and a majority fresh-issue allocation to further debt repayment reinforce an already-positive deleveraging trend.

Caution Factors

- At least one independent brokerage (Sushil Finance) explicitly rates this issue Neutral, noting the valuation is broadly in line with — not at a discount to — its closest peers, “leaving little valuation comfort.”
- GMP has fallen more than 65% from its peak in just three days heading into the issue opening, a markedly cooler signal than the issue's early grey-market reception.
- The business remains people-intensive, with employee costs at ~66% of revenue and voluntary attrition at 26.5%, alongside a structural, industry-wide risk that generative AI could reduce overall demand for human-staffed CX services over time.
- Revenue is heavily concentrated outside India (88.71%), with an estimated ~74–76% from the US alone, creating meaningful currency, macro and trade-policy sensitivity.
- Roughly a third of the fresh issue is earmarked for unidentified future acquisitions, limiting investors' ability to evaluate exactly how that capital will be deployed.

Suitability – Target Investor Types

Investor Profile	Suitability
Retail investors seeking listing-day gains	Less suitable — the sharp GMP decline into the open offers less visible listing-pop cushion than the issue's earlier readings suggested
Long-term, growth-oriented equity investors	Suitable with caution — acceptable only if comfortable that the FY26/Q1 FY27 margin and growth trends are durable and that the valuation, already in line with peers, leaves room for multiple expansion rather than compression
Conservative / risk-averse investors	Less suitable — heavy US/geographic concentration, high attrition and structural GenAI-disruption risk sit outside a conservative risk tolerance
Institutional / QIB investors with sector expertise	Suitable with caution — best positioned to independently assess whether Fusion CX's AI-platform differentiation can sustain its premium return ratios as the broader CX industry faces GenAI-driven disruption

Overall View: Fusion CX enters the market with genuinely strong and improving financial performance — margin expansion, PAT more than doubling, and return ratios well ahead of its closest listed peers. However, the valuation case rests on a multiple that at least one independent brokerage explicitly describes as offering “little valuation comfort” relative to peers, and the grey market's own enthusiasm has cooled sharply in the days immediately before opening. Layer on the structural risks inherent to a people-intensive, US-concentrated CX business facing a generative-AI-driven



demand question mark, and this looks less like a clear-cut quality-at-a-discount story and more like a fundamentally sound business priced for continued execution with limited room for disappointment. We rate this issue NEUTRAL, selective and long-term-oriented only — not a broad-based subscribe-for-everyone or listing-gains candidate.



13. DISCLAIMER

This report has been prepared by Ganesh StockInvest, a SEBI-registered stock broking and research entity, for informational purposes only and is intended solely for the use of the recipient. It does not constitute, and should not be construed as, an offer, solicitation, invitation or recommendation to buy or sell any securities, including the equity shares of Fusion CX Limited discussed herein.

The information, opinions, and estimates contained in this report have been compiled from the Company's Red Herring Prospectus (RHP), stock exchange disclosures, and other publicly available sources believed to be reliable as of the date of publication. However, Ganesh StockInvest makes no representation or warranty, express or implied, as to the accuracy, completeness, or reliability of such information, and shall not be held liable for any loss arising from the use of this report.

Grey Market Premium (GMP) figures cited in this report are unofficial, unregulated indicators sourced from third-party grey-market trackers. They are not endorsed by SEBI, any stock exchange, or Ganesh StockInvest, are subject to change without notice, and must not be relied upon as a predictor of actual listing performance.

Investments in the securities market, including IPOs, are subject to market risks. Past performance, growth rates, or return ratios are not indicative of future results. Prospective investors are strongly advised to read the Company's RHP in its entirety, including the "Risk Factors" section, and to consult their own financial, legal and tax advisors before making any investment decision. The recommendation in this report reflects the views of Ganesh StockInvest's research desk as of the date of publication and is subject to change without prior notice.

Ganesh StockInvest, its analysts, and/or their associates may or may not hold positions in the securities discussed in this report. This document may not be reproduced, redistributed, or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose, without the prior written consent of Ganesh StockInvest.

GANESH STOCKINVEST | SEBI-Registered Research Analyst | This report is for private circulation and informational purposes only — not investment advice.