

## Company Overview

Fusion CX Limited is a global, technology-led Customer Experience (CX) and business process solutions provider operating across a unified, reportable segment of business process management services, delivering comprehensive omnichannel engagement across voice, email, chat, messaging, and social media channels alongside high-value AI Data Infrastructure Services. Moving deliberately away from traditional, low-margin BPO cost arbitrage, the company anchors its service delivery on a "human + tech" operating philosophy that emphasizes strategic value creation, deep personalization, and end-to-end customer lifecycle management spanning customer acquisition, customer care, order fulfilment, technical support, payments and collections, and customer retention. It maintains deep domain expertise across core client verticals, primarily telecom & utilities, healthcare & life sciences, high-tech growth & travel (HTT), BFSI, and retail, while providing advanced AI data operations including image and video labelling using bounding boxes and segmentation masks, teleoperations, and real-time robot intervention. The company's technology-led transformation into a productized, SaaS enabled provider is driven by its subsidiary, Omind (comprising Omind Technologies Inc. and Omind Technologies Private Limited), which develops proprietary platforms across conversational AI, marketing AI, quality automation, and workforce management, supplemented by third party integrations like MindSpeech (an AI-driven voice harmonization solution powered by sanas.ai that adjusts accents in real time to ensure multilingual clarity). Supported by a disciplined track record of inorganic expansion that has systematically scaled capabilities, client access, and international reach, Fusion CX executes its model across 40 delivery centers and two sales offices across 13 countries (including India, the United States, Canada, the Philippines, El Salvador, Colombia, Jamaica, Belize, Morocco, Albania, Kosovo, the United Kingdom, and Australia), delivering 24x7 multilingual support across 28 languages under flexible fixed-fee, transaction based, and outcome based pricing models. Overall, Fusion CX presents an integrated global delivery engine that is strategically shifting from cost-arbitrage BPO delivery to higher-value, software-enabled CX workflows. This dual engine of programmatic M&A execution and AI-driven lifecycle solutions underpins its competitive positioning across key international enterprise markets.

## Objects of the issue

The IPO consists of a fresh issue of Rs. 500 crores and an Offer for Sale of Rs. 202 crores. The company proposes to utilize the proceeds from the issue towards the following objects:

- ⇒ Repayment/prepayment, in full or in part, of certain outstanding borrowings availed by our (i) Company; (ii) certain Subsidiaries (direct and certain step-down subsidiaries)
- ⇒ Investment in our step-down subsidiaries, Omind Technologies Inc. and Omind Technologies Private Limited, for upgrading IT tools i.e. Arya and MindVoice; and
- ⇒ Pursuing inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes.

## Investment Rationale

### Proprietary R&D and Gen AI Platforms Drive Operational Scalability

Fusion CX continues to invest strategically in in-house R&D to shift from standard BPO delivery to high-margin, platform-driven customer experience (CX) management. Product development is anchored across hubs in Kolkata and Bengaluru via subsidiaries Omind USA and Omind India (acquired in December 2023). Furthermore, embedding proprietary tools directly into customer workflows creates high operational switching costs and deepens client relationships across multiyear contracts. This growing mix of software-led interaction management also generates non-linear operating leverage, allowing the firm to expand revenue without a proportional increase in headcount. Sustained IP commercialisation positions Fusion CX well to capture expanding enterprise outsourcing budgets as companies transition toward automated and generative AI solutions. The proprietary technology stack targets key operational efficiencies across the customer lifecycle through integrated platforms: Arya, a Gen AI-powered agent co-pilot and QA assistant that delivers live call guidance, compliance monitoring, and automated quality scoring to lift first-call resolution and agent productivity; MindVoice, an LLM-integrated conversational engine managing autonomous voice, chat, and messaging workflows for complex domains such as collections and scheduling alongside real-time sentiment analytics; Mind WorkPlace & Semantify, an end-to-end workforce automation suite cover-

### Issue Details

|                                   |                                 |
|-----------------------------------|---------------------------------|
| Offer Period                      | 14th Oct. 2026 – 16th Oct. 2026 |
| Price Band                        | Rs. 275 to Rs. 289              |
| Bid Lot                           | 51                              |
| Listing                           | BSE & NSE                       |
| Issue Size (no. of shares in Cr.) | 2.43                            |
| Issue Size (Rs. in Cr.)           | 702                             |
| Face Value (Rs.)                  | 1                               |

### Issue Structure

|        |     |
|--------|-----|
| QIB    | 75% |
| NIB    | 15% |
| Retail | 10% |

|      |                                                                                                           |
|------|-----------------------------------------------------------------------------------------------------------|
| BRLM | Nuvama Wealth Management Ltd.,<br>IIFL Capital Securities Ltd.,<br>Motilal Oswal Investment Advisors Ltd. |
|------|-----------------------------------------------------------------------------------------------------------|

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

| Particulars               | Pre Issue %   | Post Issue %  |
|---------------------------|---------------|---------------|
| Promoter & Promoter Group | 98.46         | 81.82         |
| Public                    | 1.54          | 18.18         |
| <b>Total</b>              | <b>100.00</b> | <b>100.00</b> |

(Assuming issue subscribed at higher band)

**Research Team - 022-61596138**

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ing hire-to-retire operations with built-in AI language and accent evaluation tools to accelerate talent acquisition; and MindSpeech, a strategic integration with sanas.ai delivering real-time accent adaptation to eliminate cross-border communication barriers for global enterprise clients. By integrating proprietary software with operational delivery, Fusion CX improves client retention, increases per-employee productivity, and builds long-term operating leverage.

## Diversified Vertical Footprint and Decadal Client Longevity

The company operates an industry-tailored delivery framework spanning high-growth and mission-critical enterprise verticals, mitigating cyclical exposure while driving specialized lifecycle management across key pillars: Telecom & Other Utilities, delivering end-to-end customer support covering provisioning, customer acquisition, billing, field operations, broadband support for first-responder and government networks, and on-site billing for Indian utility boards; High Tech Growth & Travel (HTT), supporting fintech, EV, SaaS, and cybersecurity domains (including proctoring and penetration testing) alongside customer engagement and disruption-handling workflows for global travel operators; BFSI, providing compliant first and third-party lifecycle servicing across retail banking, card management, capital markets outreach, and debt collections; Retail, executing omnichannel customer care spanning catalog orders, returns logistics, upsell management, and digital appointment scheduling; Healthcare & Life Sciences, delivering HIPAA-compliant solutions across revenue cycle management (RCM), payer member claims, EHR-integrated pharmacy coordination, and medical device warranty assistance; and AI Data Infrastructure Services, providing high-value niche capabilities including complex data labeling (bounding boxes, segmentation masks), teleoperations, and remote robot intervention support. Fusion CX's vertical diversification is reinforced by exceptional client stickiness, evidenced by an average relationship vintage of over 13 years across its Top 5 accounts and 11.46 years for its Top 10. This account longevity has supported disciplined wallet-share gains, with the Top 10 clients accounting for 52.17% of FY26 revenues versus 41.04% in FY24. Such deep operational integration creates substantial switching costs, protects annuity cash flows, and accelerates adoption of the firm's AI-led platforms across existing enterprise clients.

## Valuation

Fusion CX Limited is a global, technology-led Customer Experience (CX) and BPO provider operating across 13 countries with 40 delivery centers, delivering omnichannel lifecycle engagement and specialized AI Data Infrastructure Services. The company's long-term growth is anchored by its proprietary AI platform ecosystem (Arya, MindVoice, and Mind WorkPlace), deep vertical specialization across telecom, utilities, BFSI, and healthcare, and decadal client retention averaging over 11 years across its top 10 accounts. Fusion CX Limited delivered strong financial growth during FY24-FY26, achieving a Revenue from Operations CAGR of 35.4%, EBITDA CAGR of 99.5%, and Restated PAT CAGR of 116.4%, reflecting improving operating profitability and robust earnings growth. The company demonstrates strong capital efficiency, with RoE of 30.30% and RoCE of 27.16% in FY26, alongside a manageable Net Debt-to-Ebitda ratio of 0.6x. The company's robust revenue growth, improving operating margins, and healthy return ratios, coupled with rising enterprise demand for GenAI-enabled customer experience solutions, provide a favourable outlook for sustained earnings growth. **At the upper price band of Rs. 289 and FY26 diluted EPS of Rs.13.4 the company trades at a P/E multiple of approximately 21.6x which appears reasonable given its growth prospects and operating performance. Accordingly, we recommend a "SUBSCRIBE" rating for the issue.**

## Key Risks

- ⇒ Outstanding Litigation Involving the Group: Ongoing legal, regulatory, and tax proceedings pending against the company aggregate to Rs. 839.32 million, alongside claims against subsidiaries totaling Rs. 967.32 million. Any adverse ruling could trigger material cash outflows and operational disruptions.
- ⇒ High Client Concentration: Revenue remains heavily concentrated, with the top 10 customers accounting for 52.17% of FY26 revenues (and 49.84% in Q1 FY27), while the single largest client contributed 30.05% in FY26. The loss of, or budget cuts by, any key client would materially dent top-line performance and cash flows.
- ⇒ Cybersecurity and Data Privacy Exposure: Extensive processing of confidential consumer, health, and payment data leaves operations exposed to system outages, cyberattacks, and data breaches. Non-compliance with cross-border privacy laws could invite steep regulatory fines and client contract terminations.

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## Income Statement (Rs. in Crores)

| Particulars                                             | FY24       | FY25         | FY26         |
|---------------------------------------------------------|------------|--------------|--------------|
| <b>Revenue:</b>                                         |            |              |              |
| Revenue from operations                                 | 991        | 1,329        | 1,818        |
| <b>Total revenue</b>                                    | <b>991</b> | <b>1,329</b> | <b>1,818</b> |
| <b>Expenses:</b>                                        |            |              |              |
| Employee benefit expenses                               | 682        | 875          | 1,193        |
| Other expenses                                          | 235        | 279          | 329          |
| <b>Total expenses</b>                                   | <b>917</b> | <b>1,154</b> | <b>1,522</b> |
| <b>EBITDA</b>                                           | <b>74</b>  | <b>175</b>   | <b>296</b>   |
| Depreciation & amortization                             | 49         | 81           | 95           |
| <b>EBIT</b>                                             | <b>25</b>  | <b>94</b>    | <b>201</b>   |
| Finance costs                                           | 19         | 39           | 45           |
| Other Income                                            | 30         | 23           | 34           |
| <b>Restated profit before exceptional items and tax</b> | <b>37</b>  | <b>78</b>    | <b>189</b>   |
| Exceptional items                                       | 0          | 0            | 0            |
| <b>PBT</b>                                              | <b>37</b>  | <b>78</b>    | <b>189</b>   |
| Current Tax                                             | 7          | 9            | 22           |
| Tax pertaining to earlier years                         | 0          | 1            | 0            |
| Deferred Tax                                            | -6         | -7           | -2           |
| <b>Total tax</b>                                        | <b>0</b>   | <b>3</b>     | <b>19</b>    |
| <b>Net profit</b>                                       | <b>36</b>  | <b>74</b>    | <b>170</b>   |
| <b>Diluted EPS</b>                                      | <b>2.9</b> | <b>5.9</b>   | <b>13.4</b>  |

Source: RHP, BP Equities Research

## Cash Flow Statement (Rs. in Crores)

| Particulars                                                     | FY24       | FY25      | FY26      |
|-----------------------------------------------------------------|------------|-----------|-----------|
| Cash Flow from operating activities                             | 39         | 102       | 264       |
| Cash flow from investing activities                             | -62        | -64       | -83       |
| Cash flow from financing activities                             | 11         | -27       | -138      |
| <b>Net increase/(decrease) in cash and cash equivalents</b>     | <b>-12</b> | <b>12</b> | <b>43</b> |
| <b>Cash and cash equivalents at the beginning of the period</b> | <b>31</b>  | <b>20</b> | <b>38</b> |
| Effect of exchange rate changes on cash and cash equivalents    | 0          | 0         | 0         |
| Cash and cash equivalents from acquisition of subsidiaries      | 1          | 6         | 9         |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>20</b>  | <b>38</b> | <b>90</b> |

Source: RHP, BP Equities Research

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## Balance Sheet (Rs. in Crores)

| Particulars                                             | FY24       | FY25         | FY26         |
|---------------------------------------------------------|------------|--------------|--------------|
| <b>Assets</b>                                           |            |              |              |
| <b>Non-Current Assets</b>                               |            |              |              |
| Property, plant and equipment                           | 83         | 94           | 96           |
| Right-of-use assets                                     | 100        | 104          | 124          |
| Capital work-in-progress                                | 6          | 14           | 9            |
| Goodwill                                                | 88         | 288          | 362          |
| Other intangible assets                                 | 83         | 116          | 106          |
| Intangible assets under development                     | 12         | 0            | 0            |
| Financial assets                                        | 0          | 0            | 0            |
| i) Investments                                          | 3          | 4            | 4            |
| ii) Loans                                               | 16         | 14           | 9            |
| iii) Other financial assets                             | 13         | 24           | 40           |
| Deferred tax assets (net)                               | 14         | 27           | 31           |
| Non-current tax assets (net)                            | 15         | 8            | 10           |
| Other non-current assets                                | 2          | 2            | 2            |
| <b>Total Non Current assets</b>                         | <b>436</b> | <b>693</b>   | <b>793</b>   |
| <b>Current Assets</b>                                   |            |              |              |
| Financial Assets                                        |            |              |              |
| i) Trade receivables                                    | 254        | 332          | 375          |
| ii) Cash and cash equivalents                           | 20         | 38           | 90           |
| iii) Bank Balances other than Cash and Cash Equivalents | 3          | 8            | 14           |
| iv) Loans                                               | 1          | 34           | 72           |
| v) Other financial assets                               | 8          | 9            | 12           |
| Other current assets                                    | 45         | 28           | 30           |
| <b>Total current assets</b>                             | <b>332</b> | <b>450</b>   | <b>592</b>   |
| <b>Total Assets</b>                                     | <b>768</b> | <b>1,143</b> | <b>1,385</b> |
| <b>Equity and Liabilities</b>                           |            |              |              |
| Equity Share Capital                                    | 13         | 13           | 13           |
| Other equity                                            | 259        | 346          | 548          |
| <b>Total Equity</b>                                     | <b>271</b> | <b>358</b>   | <b>561</b>   |
| <b>Non-Current Liabilities</b>                          |            |              |              |
| Financial Liabilities                                   |            |              |              |
| i) Borrowings                                           | 71         | 74           | 80           |
| ii) Lease Liabilities                                   | 75         | 75           | 90           |
| iii) Other Financial Liabilities                        | 14         | 1            | 1            |
| Provisions                                              | 3          | 8            | 8            |
| <b>Total Non-Current Liabilities</b>                    | <b>163</b> | <b>158</b>   | <b>180</b>   |
| <b>Current Liabilities</b>                              |            |              |              |
| Financial Liabilities                                   |            |              |              |
| i) Borrowings                                           | 140        | 233          | 187          |
| ii) Lease Liabilities                                   | 31         | 35           | 46           |
| iii) Trade Payables                                     | 54         | 173          | 176          |
| Other financial liabilities                             | 60         | 118          | 153          |
| Other current liabilities                               | 40         | 52           | 56           |
| Provisions                                              | 1          | 1            | 2            |
| Current tax liabilities (net)                           | 9          | 15           | 25           |
| <b>Total Current Liabilities</b>                        | <b>334</b> | <b>627</b>   | <b>645</b>   |
| <b>Total Liabilities</b>                                | <b>497</b> | <b>785</b>   | <b>825</b>   |
| <b>Total Equity and Liabilities</b>                     | <b>768</b> | <b>1,143</b> | <b>1,385</b> |

Source: RHP, BP Equities Research

## Disclaimer Appendix

**Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

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**Corporate Office:**

4th floor,  
Rustom Bldg,  
29, Veer Nariman Road, Fort,  
Mumbai-400001  
Phone- +91 22 6159 6464  
Fax-+91 22 6159 6160  
Website- [www.bpwealth.com](http://www.bpwealth.com)

**Registered Office:**

24/26, 1st Floor, Cama Building,  
Dalal street, Fort,  
Mumbai-400001  
  
BP Wealth Management Pvt. Ltd.  
CIN No: U67190MH2005PTC154591  
  
BP Equities Pvt. Ltd.  
CIN No: U67120MH1997PTC107392