

IPO Report

Choice

**“Subscribe for Long Term” to
Fusion CX Ltd.**

AI-enabled, multilingual customer experience outsourcing for global enterprises.



Salient features of the IPO:-

- **Fusion CX Ltd.**, headquartered in Kolkata, is a customer experience (CX) outsourcing company founded in 2004. It manages voice, email, chat, social media and messaging interactions across the customer life cycle and also provides AI data infrastructure services. It serves 239 active clients from 40 delivery centres in 13 countries, with North America contributing 81.7% of FY26 revenue.
- The IPO comprises a fresh issue of Rs. 500cr and an OFS of Rs. 202cr by promoter entities P N S Business and Rasish Consultants. Of the fresh issue, Rs. 275.70cr will repay borrowings, Rs. 61.15cr will be invested in subsidiary Omind over FY27-FY29 to upgrade its AI tools Arya and MindVoice, and the balance will fund unidentified acquisitions and general corporate purposes.
- Pre-IPO secondary sale of 41.52 lakh promoter shares at Rs. 289 (Rs. 120cr) to Kotak Mahindra Life (Rs. 50cr), Ashish Kacholia (Rs. 35cr), Mukul Agrawal-backed Sanshi Fund-I (Rs. 25cr) and others.

Key competitive strengths:-

- Global delivery network — 40 centres, 13 countries, 28 languages, 24x7 support
- In-house AI and gen-AI platforms built through subsidiary Omind for CX automation
- Proven acquisition and integration track record — six deals since 2024
- Diversified verticals, with top 5 clients served for 13 years on average
- Agile, customer-centric approach with tailored CX solutions and quick turnaround
- Experienced promoters and management team, supported by 13,735 CX employees

Business strategy:-

- Retain clients, expand wallet share and deepen presence in new geographies
- Gen-AI led R&D — voice bots, chatbots and SaaS-based workflow tools
- Pursue strategic acquisitions for vertical depth and multilingual geographic reach
- Target high-value corporate accounts and grow through up-selling and cross-selling
- Right-shoring across onshore, nearshore and offshore centres to cut costs

Risk and concerns:-

- Largest customer 30.05% of FY26 revenue; top 10 customers 52.17%
- Contracts mostly under 24 months and terminable at short notice without penalty
- Acquisition-led growth — goodwill Rs. 362cr (26% of assets), earn-outs Rs. 65cr
- Litigation claims of Rs. 180.7cr against the Company and its subsidiaries
- 85% of revenue billed in USD with no hedging arrangements in place
- Gen-AI automation could displace agent work; digital solutions only 4.5% of revenue

Valuation Overview and IPO Rating

Fusion CX is a profitable, cash-generative CX outsourcer that has scaled quickly through acquisitions, serving mainly North American clients from a growing nearshore and offshore base, with in-house AI tools through Omind. Revenue has grown at a 35% CAGR over FY24-FY26, EBITDA margin has more than doubled to 16.3%, and operating cash flow has stayed ahead of PAT.

At the upper price band, the issue is valued at 24.6x FY26 post-issue earnings and 14.0x EV/EBITDA, below the peer averages of 26.3x and 15.5x; on Q1 FY27 annualised earnings the P/E is about 18.7x. The fresh issue will retire most borrowings, leaving the company net cash after listing.

The key risks are concentration — the largest customer is 30% of revenue — short, terminable contracts, growth that has relied heavily on acquisitions, and a 10% tax rate that may not last. The business also has to keep adapting as gen-AI automates routine agent work. Given the reasonable valuation and strong cash conversion, balanced against client and integration risks, we assign a “Subscribe for Long Term” rating.

Issue details	
Price band	Rs. 275 - 289 per share
Face value	Rs. 1 per share
Shares for fresh issue	1.818 - 1.730cr shares
Shares for OFS	0.735 - 0.699cr shares
Fresh issue size	Rs. 500.00cr
OFS issue size	Rs. 202.00cr
Total issue size	2.553 - 2.429cr shares (Rs. 702.00cr)
Bidding date	October 14 - 16, 2026
Implied MCAP at higher price band	Rs. 4,172.01cr
Implied enterprise value at higher price band	Rs. 4,139.35cr
Book running lead manager	Nuvama Wealth Management Ltd., IIFL Capital Services Ltd., Motilal Oswal Investment Advisors Ltd.
Registrar	KFin Technologies Ltd.
Sector	Customer experience (CX) outsourcing
Promoters	Pankaj Dhanuka, Kishore Saraogi, P N S Business Pvt. Ltd., Rasish Consultants Pvt. Ltd.

Category	Percent of issue (%)	Number of shares
QIB portion	75%	1.915 - 1.822cr
Non institutional portion (Big)	10%	0.255 - 0.243cr
Non institutional portion (Small)	5%	0.128 - 0.121cr
Retail portion	10%	0.255 - 0.243cr

Indicative IPO process time line	
Finalization of basis of allotment	Monday, 19th Oct. 2026
Unblocking of ASBA account	Wednesday, 21st Oct. 2026
Credit to demat accounts	Wednesday, 21st Oct. 2026
Commencement of trading	Thursday, 22nd Oct. 2026

Pre and post - issue shareholding pattern		
	Pre-issue	Post-issue
Promoter & promoter group	95.19%	78.94%
Public	4.81%	21.06%
Total	100.00%	100.00%
Retail application money at higher cut-off price		
Number of shares for retail	51	
Application money	Rs. 14,739 per lot	

Peer Comparison:-

Company name	FV (Rs.)	CMP (Rs.)	MCAP (Rs. cr)	EV (Rs. cr)	6M Return (%)	12M Return (%)	FY26 Revenue (Rs. cr)	FY26 EBITDA (Rs. cr)	FY26 PAT (Rs. cr)	FY26 EBITDA margin (%)	FY26 PAT margin (%)
Fusion CX Ltd.	1	289	3,672	4,139	-	-	1,818	296	170	16.3%	9.3%
Firstsource Solutions Ltd.	10	277	19,584	22,237	21.7%	-19.8%	9,556	1,605	674	16.8%	7.1%
eClerx Services Ltd.	10	1,861	17,512	17,159	25.4%	-8.6%	4,117	1,053	706	25.6%	17.1%
Alldigi Tech Ltd.	10	800	1,216	1,298	-5.0%	-10.9%	599	162	82	27.0%	13.7%
Inventurus Knowledge Solutions Ltd.	1	1,728	29,722	30,086	13.2%	12.1%	3,194	1,084	722	33.9%	22.6%
Sagility Ltd.	10	43.1	20,171	20,714	2.8%	-5.1%	7,193	1,765	925	24.5%	12.9%
Average										25.6%	14.7%

Company name	Total Debt	Cash	FY26 RoE (%)	FY26 RoCE (%)	P / E	P / B	EV / Sales	EV / EBITDA	MCAP / Sales	EPS (Rs.)	BVPS (Rs.)	D/E
Fusion CX Ltd.	557	90	30.3%	19.4%	21.6	6.6	2.28	14.0	2.02	13.4	44.1	0.99
Firstsource Solutions Ltd.	2,922	269	15.4%	17.0%	29.1	4.5	2.33	13.9	2.05	9.5	62.0	0.67
eClerx Services Ltd.	385	738	27.6%	34.0%	24.8	6.8	4.17	16.3	4.25	75.0	272.2	0.15
Alldigi Tech Ltd.	171	89	32.7%	28.0%	14.8	4.8	2.17	8.0	2.03	53.9	165.1	0.68
Inventurus Knowledge Solutions Ltd.	753	389	25.8%	32.0%	41.2	10.6	9.42	27.8	9.31	42.0	162.8	0.27
Sagility Ltd.	1,111	568	9.6%	13.0%	21.8	2.1	2.88	11.7	2.80	2.0	20.6	0.12
Average			22.2%	24.8%	26.3	5.8	4.19	15.5	4.09			0.38

Company name	5Y top-line growth (CAGR)	5Y EBITDA growth (CAGR)	5Y PAT growth (CAGR)	Average 5Y EBITDA margin	Average 5Y PAT margin	5Y Average RoE	5Y average RoCE	Avg 5Y Receivable days	Net Worth
Fusion CX Ltd.	24.9%	52.9%	40.3%	10.1%	5.6%	20.8%	7.4%	73	561
Firstsource Solutions Ltd.	12.7%	13.1%	5.8%	15.8%	8.0%	15.4%	16.0%	69	4,385
eClerx Services Ltd.	17.5%	12.3%	14.0%	26.8%	17.7%	25.8%	32.8%	71	2,561
Alldigi Tech Ltd.	17.2%	19.3%	22.9%	24.7%	13.3%	25.9%	27.4%	52	251
Inventurus Knowledge Solutions Ltd.	43.0%	38.1%	32.7%	33.7%	24.3%	31.5%	37.2%	63	2,800
Sagility Ltd.	67.1%	73.9%	-	23.3%	6.0%	4.4%	8.2%	145	9,659
Average	31.5%	31.3%	18.8%	24.9%	13.9%	20.6%	24.3%	80	

Note: Fusion CX figures are pre-issue at the upper price band (Rs. 289) on pre-offer shares; peer figures are FY26 consolidated at current market prices. Source: RHP, Choice Equity Broking

Key Highlights of the Company & Industry:-

- Fusion CX Ltd.** is a Kolkata-based **customer experience (CX) outsourcing company**, co-founded in 2004 by Pankaj Dhanuka and Kishore Saraogi, that handles voice, email, chat, social media and messaging interactions for enterprises across the customer life cycle — customer service (40.5% of FY26 revenue), customer acquisition (25.8%), order fulfilment support (14.7%), payments and collections, retention and technical support. It also provides **AI data infrastructure services** (data annotation and labelling, robot teleoperation). Promoters hold **95.19% of the pre-offer equity** after a pre-IPO secondary sale of 41.52 lakh shares in October 2026.
- The business is overwhelmingly US-facing. **North America contributed 81.7% of FY26 revenue** (US 73.5%, Canada 8.2%) against 69.5% in FY24, while India's share fell from 23.8% to 11.3%; **85.3% of FY26 revenue was billed in USD**. By vertical, **telecom and other utilities rose to 47.3% of FY26 revenue** from 30.9% in FY24, followed by high-tech growth and travel (13.9%), BFSI (13.5%), healthcare (13.1%) and retail (12.1%).
- Customer concentration is high and rising. **The largest customer contributed 30.05% of FY26 revenue** (14.35% in FY24) and 25.48% in Q1 FY27, and the **top 10 contributed 52.17%** (41.04% in FY24). Relationships are long-standing — the top 5 customers have been with the Company for **13.0 years on average** — and active clients increased from 190 in FY24 to 239 in Q1 FY27, including **22 Fortune 1000 companies**, with clients billing over US\$3 mn a year rising from 7 to 11.
- Growth has been largely **acquisition-led**. Since 2024 the Company has bought Ready Call Center (Belize), S4 Communications, Sequential Technology and Scribe.ology (USA), Skycom (El Salvador) and VA Platinum Offshoring (Australia), and the RHP attributes the FY25 and FY26 revenue growth primarily to these acquisitions alongside new customers. As a result, **goodwill rose from Rs. 87.6cr in FY24 to Rs. 362.2cr in FY26 (26% of total assets)**, earn-out liabilities stood at Rs. 65.2cr at FY26, and an earn-out dispute with the seller of Sequential Technology is in litigation.
- Revenue fell 10.3% in FY24 as low-margin contracts were exited, then grew from **Rs. 991.3cr in FY24 to Rs. 1,818.1cr in FY26 (35.4% CAGR)**. PAT rose from Rs. 36.3cr to **Rs. 169.8cr** and EBITDA margin (excluding other income) widened from 7.5% to **16.3%**; adjusted PAT, which excludes acquisition costs, ESOP costs, severance, onerous-contract provisions, customer-list amortisation and earn-out interest, was **Rs. 209.1cr (11.5% margin)**. Q1 FY27 revenue was Rs. 490.5cr with PAT of Rs. 55.7cr.
- Reported profit is supported by other income and a low tax rate. **Other income was Rs. 33.7cr in FY26 (17.8% of PBT)**, lifted by foreign exchange gains that rose Rs. 18.0cr year-on-year, and the **effective tax rate was only 10.3% in FY26** (4.4% in FY25 and 1.2% in FY24).

Key Highlights of the Company & Industry:- (contd.)

- Delivery runs through **40 centres in 13 countries in 28 languages**, combining onshore (North America), nearshore (Latin America) and offshore (India, Philippines) locations. The Company had **13,735 CX employees** (5,515 in India, 8,220 overseas) plus 3,829 field workforce in India for telecom and utilities operations as of June 30, 2026. **Voluntary attrition was 26.5% in FY26 and 31.2% in Q1 FY27**, while revenue per employee improved from Rs. 1.16mn in FY24 to Rs. 1.36mn in FY26.
- Margin expansion has come from a lower cost-to-revenue ratio on a people-heavy cost base: **employee costs fell from 68.8% of revenue in FY24 to 65.6% in FY26** and other expenses from 23.7% to 18.1%.
- Technology is built in-house through subsidiary **Omind**, which develops platforms for marketing AI, conversational AI, quality automation and workforce management, including **Arya** (a gen-AI agent co-pilot) and **MindVoice** (AI voice bots). Monetisation is still small — **digital solutions were 4.5% of FY26 revenue** (Rs. 82.4cr) — and the Company also integrates third-party tools such as MindSpeech for real-time accent harmonisation.
- Contracts are short-dated — mostly **under 24 months** (range 3-60 months) — and many can be **terminated at short notice without penalty**. Four of the FY25 top 10 customers and one of the FY26 top 10 terminated their contracts, which makes retention of key accounts, above all the largest customer, the central business risk.
- Cash generation is strong relative to earnings: **CFO was Rs. 264.2cr in FY26 (1.56x PAT)** and days sales outstanding improved from 94 in FY24 to 76 in FY26. Borrowings stood at **Rs. 266.9cr at FY26** (Rs. 238.1cr at June 30, 2026), in addition to lease liabilities of Rs. 135.6cr; **interest on borrowings was Rs. 26.2cr in FY26**.
- The industry itself is barely growing. Everest Group sizes the **CX market at Rs. 34.54 trillion (US\$360 bn) in 2025, rising only to Rs. 35.03 trillion by 2027**; outsourced CX (about 33% of the market) is expected to grow at a 2.58% CAGR as in-house CX shrinks, while **digital CX (Rs. 1,805.6 bn) is projected to grow at a 19.04% CAGR to Rs. 2,558.5 bn by 2027**. Growth for providers like Fusion CX therefore depends on share gains, acquisitions and the shift to AI-led services.
- Demand is anchored in North America, which is expected to account for **about 41.5% of global CX outsourcing demand by 2027**, and delivery is moving from onshore to **nearshore (Mexico, Colombia, Central America) and offshore hubs** for cost and time-zone alignment — a shift Fusion CX mirrors, with **onshore delivery falling from 58.2% of revenue in FY22 to 36.4% in FY26** as nearshore rose to 36.9%. The sector is consolidating through M&A (Capgemini-WNS for US\$3.3 bn, Startek-CCI Global, EXL-iMerit), and Everest flags client vendor consolidation, automation and in-house AI tools, and talent attrition as the key threats to Fusion CX's business. (Source: Everest Report)

Adjusted EBITDA:

Adjusted EBITDA (Rs. cr)						
Particulars	FY22	FY23	FY24	FY25	FY26	3M FY27
EBITDA	54.2	70.4	74.4	175.0	296.2	81.7
Acquisition Cost	0.1	0.3	0.5	6.0	3.5	0.4
Employee stock option compensation cost	-	-	1.0	3.0	5.0	0.7
Non-recurring employee benefits and severance costs	-	-	3.0	1.5	7.8	2.0
Specific provisions for onerous contracts	-	16.0	12.8	1.8	8.0	-
Adjusted EBITDA	54.2	86.8	91.7	187.4	320.5	84.9
Adjusted EBITDA Margin	7.2%	7.9%	9.3%	14.1%	17.6%	17.3%

Adjusted PAT:

Adjusted PAT (Rs. cr)						
Particulars	FY22	FY23	FY24	FY25	FY26	3M FY27
PAT	43.9	39.8	36.3	74.3	169.8	55.7
Acquisition Cost	0.1	0.3	0.5	6.0	3.5	0.4
Employee stock option compensation cost	-	-	1.0	3.0	5.0	0.7
Non-recurring employee benefits and severance costs	-	-	3.0	1.5	7.8	2.0
Specific provisions for onerous contracts	-	16.0	12.8	1.8	8.0	-
Depreciation on Customer List	4.9	6.4	6.5	12.4	15.4	3.4
Interest on Contingent Consideration	-	-	-	6.1	4.0	0.2
Total Adjustments	5.0	22.7	23.8	30.8	43.8	6.8
Tax Impact on Adjustment	(0.4)	(0.8)	(0.3)	(1.3)	(4.5)	(0.8)
Net Adjustment	4.5	21.9	23.5	29.5	39.3	6.0
Adjusted PAT	48.4	61.7	59.8	103.8	209.1	61.7
Adjusted PAT Margin	6.5%	5.6%	6.0%	7.8%	11.5%	12.6%

Revenue bifurcation:

Revenue by industry vertical (Rs. cr)								
Particulars	FY24	% share	FY25	% share	FY26	% share	3M FY27	% share
Telecom and other utilities	306.7	30.9%	578.2	43.5%	860.7	47.3%	213.4	43.5%
High-tech growth and travel (HTT)	231.4	23.3%	203.0	15.3%	252.4	13.9%	77.0	15.7%
BFSI	154.9	15.6%	218.7	16.4%	245.8	13.5%	69.4	14.1%
Retail	169.1	17.1%	188.8	14.2%	220.4	12.1%	65.3	13.3%
Healthcare	129.1	13.0%	140.6	10.6%	238.9	13.1%	65.3	13.3%
Revenue from operations	991.3	100.0%	1,329.3	100.0%	1,818.1	100.0%	490.5	100.0%

Revenue by service offering (Rs. cr)								
Particulars	FY24	% share	FY25	% share	FY26	% share	3M FY27	% share
Customer service	389.0	39.2%	540.3	40.6%	735.7	40.5%	209.0	42.6%
Customer acquisition services	319.4	32.2%	356.8	26.8%	469.7	25.8%	120.1	24.5%
Order fulfilment support	136.5	13.8%	171.1	12.9%	267.8	14.7%	56.1	11.4%
Payment and collections services	60.0	6.1%	93.4	7.0%	102.1	5.6%	23.6	4.8%
Customer retention services	15.8	1.6%	44.7	3.4%	94.1	5.2%	30.2	6.1%
Technical support	38.9	3.9%	44.0	3.3%	66.4	3.7%	20.8	4.2%
Digital solutions	31.7	3.2%	79.0	5.9%	82.4	4.5%	30.6	6.2%
Revenue from operations	991.3	100.0%	1,329.3	100.0%	1,818.1	100.0%	490.5	100.0%

Revenue by customer geography (Rs. cr)								
Particulars	FY24	% share	FY25	% share	FY26	% share	3M FY27	% share
India	235.8	23.8%	258.0	19.4%	205.2	11.3%	48.7	9.9%
North America - United States	503.4	50.8%	848.6	63.8%	1,337.1	73.5%	353.7	72.1%
North America - Canada	185.8	18.7%	152.9	11.5%	148.5	8.2%	36.6	7.5%
Latin America	4.3	0.4%	6.0	0.5%	67.5	3.7%	36.0	7.3%
Europe and Africa	49.1	5.0%	49.1	3.7%	54.5	3.0%	14.2	2.9%
Southeast Asia	12.9	1.3%	14.8	1.1%	5.3	0.3%	1.3	0.3%
Revenue from operations	991.3	100.0%	1,329.3	100.0%	1,818.1	100.0%	490.5	100.0%

Financial statements:

Restated Consolidated Statement of Profit and Loss (Rs. cr)							
Particulars	FY22	FY23	FY24	FY25	FY26	3M FY27	CAGR (FY22-FY26)
Revenue from operations	748.0	1,105.0	991.3	1,329.3	1,818.1	490.5	24.9%
Employee benefits expenses	(505.6)	(765.7)	(682.2)	(875.1)	(1,193.0)	(331.2)	23.9%
Other expenses	(188.3)	(268.8)	(234.7)	(279.2)	(329.0)	(77.5)	15.0%
EBITDA	54.2	70.4	74.4	175.0	296.2	81.7	52.9%
Depreciation & amortization expenses	(54.4)	(56.2)	(49.0)	(81.3)	(95.1)	(23.3)	15.0%
EBIT	(0.3)	14.2	25.4	93.7	201.1	58.4	-
Finance costs	(9.8)	(14.7)	(19.0)	(38.7)	(45.5)	(9.0)	46.6%
Other income	58.2	41.8	30.2	22.7	33.7	13.4	-12.8%
PBT	48.1	41.4	36.7	77.7	189.3	62.8	40.9%
Tax expenses	(4.2)	(1.5)	(0.4)	(3.4)	(19.5)	(7.1)	46.5%
PAT	43.9	39.8	36.3	74.3	169.8	55.7	40.3%

Balance sheet:

Restated Consolidated Statement of Assets and Liabilities (Rs. cr)							
Particulars	FY22	FY23	FY24	FY25	FY26	3M FY27	CAGR (FY22-FY26)
Equity:-							
Share Capital	3.1	12.6	12.6	12.6	12.6	12.6	41.5%
Other Equity	187.2	224.6	258.5	345.8	548.0	607.0	30.8%
Non-Current Liability:-							
Borrowings	37.3	38.2	70.9	73.8	79.8	89.2	21.0%
Lease Liability	27.2	44.3	75.0	75.0	90.1	79.5	34.9%
Other Financial Liability	4.3	-	13.6	1.1	1.4	0.8	-24.0%
Provisions	4.1	4.2	3.4	7.7	8.3	7.6	19.3%
Deferred tax liabilities (net)	0.1	0.0	-	-	-	-	-
Current Liabilities:-							
Borrowings	58.7	96.8	139.7	232.9	187.1	148.9	33.6%
Lease liabilities	15.8	17.3	31.5	35.1	45.5	45.7	30.3%
Trade Payables	50.7	71.0	53.5	173.1	176.1	150.4	36.5%
Other Financial Liability	39.7	51.6	59.5	117.6	153.0	147.4	40.1%
Other Current Liability	23.7	33.2	39.7	52.1	55.7	46.1	23.8%
Provisions	0.9	1.1	0.5	1.0	2.3	2.1	24.4%
Current tax liabilities (net)	17.9	8.3	9.5	15.5	25.3	30.4	9.0%
Total liabilities	470.9	603.2	768.0	1,143.3	1,385.1	1,367.8	31.0%
Non-Current Assets:-							
Property, Plant & Equipment	58.9	74.1	83.3	93.5	95.8	92.4	12.9%
Right of Use Assets	40.8	59.1	100.0	103.5	123.6	112.2	31.9%
Capital work-in-progress	1.6	4.7	6.5	13.6	8.7	9.0	51.9%
Goodwill	37.1	71.0	87.6	288.1	362.2	362.6	76.7%
Other Intangible Assets	33.4	40.2	83.0	115.7	106.4	101.8	33.6%
Intangible Assets Under Development	5.3	-	12.4	-	-	-	-
Financial assets - Investments	2.7	3.1	3.5	3.9	4.4	4.6	12.9%
Financial assets - Loans	10.9	28.0	15.8	13.6	9.0	4.0	-4.7%
Other Financial Assets	16.9	13.8	13.3	23.8	39.6	43.3	23.8%
Deferred tax assets (net)	6.7	8.1	14.1	27.2	30.9	31.5	46.5%
Non-current tax assets (net)	6.5	10.7	14.6	8.2	10.1	10.7	11.5%
Other non-current assets	0.5	2.3	1.9	2.2	2.0	1.0	43.4%
Current Assets:-							
Trade Receivables	140.5	218.1	254.0	332.2	375.1	409.9	27.8%
Cash & Cash Equivalents	73.2	30.6	20.1	37.9	89.6	38.8	5.2%
Bank Balance Other than Cash	5.4	1.4	3.0	7.6	13.9	11.4	26.5%
Financial assets - Loans	0.8	1.2	1.5	34.5	71.5	97.2	211.7%
Other Financial Assets	2.7	3.1	8.2	9.2	11.8	3.6	44.6%
Other Current Assets	26.8	33.7	45.1	28.4	30.5	33.9	3.3%
Total assets	470.9	603.2	768.0	1,143.3	1,385.1	1,367.8	31.0%

Cash flow statement:

Restated Consolidated Statement of Cash Flows (Rs. cr)							
Particulars	FY22	FY23	FY24	FY25	FY26	3M FY27	CAGR (FY22-FY26)
Cash flow before working capital changes	97.1	104.3	91.9	189.0	320.0	91.3	34.7%
Working capital changes	(21.8)	(57.5)	(44.8)	(87.0)	(42.8)	(65.2)	18.4%
Cash flow after working capital changes	75.3	46.8	47.1	102.0	277.2	26.2	38.5%
Cash flow from operating activities	66.4	29.2	39.3	102.4	264.2	23.2	41.2%
Purchase of fixed assets & CWIP	(34.7)	(36.7)	(28.4)	(31.5)	(19.7)	(4.0)	-13.2%
Cash flow from investing activities	(71.8)	(81.0)	(61.9)	(63.6)	(83.1)	(22.9)	3.7%
Dividend paid	(1.1)	(1.6)	(0.7)	(2.5)	(3.8)	-	36.1%
Cash flow from financing activities	(5.3)	6.0	11.0	(26.7)	(138.0)	(50.6)	125.6%
Net cash flow	(10.7)	(45.8)	(11.6)	12.1	43.1	(50.4)	-
Opening balance of cash	80.8	73.2	30.6	20.1	37.9	89.6	-17.2%
Effect of exchange rate changes on cash	1.0	1.0	0.1	0.1	(0.2)	(0.4)	-
Cash from acquisition of subsidiaries	2.1	2.2	1.0	5.6	8.8	-	43.2%
Closing balance of cash	73.2	30.6	20.1	37.9	89.6	38.8	5.2%

Financial ratios:

Financial ratios						
Particulars	FY22	FY23	FY24	FY25	FY26	3M FY27
Profitability ratios						
Revenue growth rate	-	47.7%	-10.3%	34.1%	36.8%	-
EBITDA growth rate	-	30.1%	5.6%	135.3%	69.2%	-
EBITDA margin	7.2%	6.4%	7.5%	13.2%	16.3%	16.7%
EBIT growth rate	-	NM	78.5%	268.5%	114.6%	-
EBIT margin	0.0%	1.3%	2.6%	7.0%	11.1%	11.9%
Restated adjusted PAT growth rate	-	-9.2%	-9.0%	104.9%	128.5%	-
Restated adjusted PAT margin	5.9%	3.6%	3.7%	5.6%	9.3%	11.4%
Turnover ratios						
Trade receivable turnover ratio	5.3	6.2	4.2	4.5	5.1	1.2
Trade payable turnover ratio	14.7	18.2	15.9	11.7	10.4	3.3
Fixed asset turnover ratio	5.3	6.2	3.5	4.1	5.4	1.6
Total asset turnover ratio	1.6	1.8	1.3	1.2	1.3	0.4
Working capital turnover ratio	17.8	43.5	294.6	-14.8	-15.8	20.6
Working Capital Days						
Trade receivables days	69	59	87	80	71	76
Trade payables days	25	20	23	31	35	28
Cash conversion cycle	44	39	64	49	36	48
Liquidity ratios						
Current ratio	1.20	1.03	0.99	0.72	0.92	1.04
Quick ratio	1.20	1.03	0.99	0.72	0.92	1.04
Total debt (Rs. cr)	182.9	248.1	390.2	535.5	556.9	511.6
Net debt (Rs. cr)	109.8	217.5	370.1	497.6	467.3	472.8
Debt to equity	0.96	1.05	1.44	1.49	0.99	0.83
Net debt to EBITDA	2.03	3.09	4.97	2.84	1.58	5.79
Net debt to equity	0.58	0.92	1.36	1.39	0.83	0.76
Cash flow ratios						
CFO to PAT	1.51	0.73	1.08	1.38	1.56	0.42
CFO to Capex	1.9	0.8	1.4	3.3	13.4	5.9
CFO to total debt	0.36	0.12	0.10	0.19	0.47	0.05
CFO to current liabilities	0.32	0.10	0.12	0.16	0.41	0.04
Return ratios						
ROIC (%)	-0.1%	4.0%	4.9%	14.3%	25.7%	6.9%
ROE (%)	23.0%	16.8%	13.4%	20.7%	30.3%	9.0%
ROA (%)	9.3%	6.6%	4.7%	6.5%	12.3%	4.1%
ROCE (%)	-0.1%	3.1%	3.9%	10.8%	19.4%	5.3%
Solvency and quality scores						
Altman Z-Score	6.88	6.01	4.67	3.53	3.80	4.16
Piotroski F-score (out of 9)	-	4	5	7	8	8
Per share data						
Restated adjusted EPS (Rs.)	3.5	3.2	2.9	5.9	13.4	4.4
DPS (Rs.)	0.09	0.12	0.06	0.20	0.30	-
BVPS (Rs.)	15.1	18.8	21.5	28.4	44.4	49.0
Operating cash flow per share (Rs.)	5.3	2.3	3.1	8.1	20.9	1.8
Free cash flow per share (Rs.)	-	-1.5	-0.7	21.7	20.7	-
Dividend payout ratio (%)	2.5%	3.9%	2.0%	3.4%	2.2%	-

IPO rating rationale

Subscribe: An IPO with strong growth prospects and valuation comfort.

Subscribe for Long Term: Relatively better growth prospects but with valuation discomfort.

Avoid: Concerns on both fundamentals and demanded valuation.

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