Fusion CX Limited

Red Herring Prospectus dated 8 October 2026 | Mainboard | ₹275 – ₹289 | Report date: 14 October 2026

ACFSL VIEW
UNRATED

Our reading: The growth is real: revenue rose 37% and profit more than doubled in FY26, and return on equity is about 30%. At ₹289 the price is about 25x post-issue FY26 earnings (19x on the June-quarter run-rate), in line with Firstsource and Sagility and below the 27x peer average. Against that, one unnamed client pays 30% of revenue and supplied about two-thirds of last year's growth, much of the rest was bought through acquisitions, and the company has been lending to promoter-group firms. ACFSL has not assigned a rating to this issue.

In Plain Words

What it does

Fusion CX runs call centres and customer-support teams for other companies, mostly in the US and Canada. When a US telecom or utility customer calls about a bill, a new connection or a complaint, the agent who answers may be sitting in Kolkata, Manila, San Salvador or Belize. It is paid per agent-hour, per transaction or per outcome, and 85% of its revenue is billed in US dollars.

What looks good

Revenue grew from ₹991 Cr to ₹1,818 Cr in two years and profit rose almost five-fold to ₹170 Cr, as the margin before interest, tax and depreciation (excluding other income) doubled to 16%. The June 2026 quarter (₹56 Cr profit) is running ahead of FY26. The IPO money repays about 86% of its borrowings.

What worries us

One client, not named in the RHP, pays 30% of revenue; its billing rose by ₹311 Cr in FY26, about two-thirds of the year's growth. Much of the rest was bought: goodwill from acquisitions is ₹363 Cr, more than half of net worth. Loans it has given out rose from ₹17 Cr to ₹101 Cr, including ₹78 Cr lent since FY25 to a promoter-group company, while it was itself borrowing. Staff turnover runs at 26–31% a year.

What to watch

Whether the top client's share falls, how much growth comes without acquisitions, whether the loans to group firms come back, and how the roughly ₹160 Cr set aside for still-unnamed acquisitions is spent.

ACFSL Research view based on the RHP; unrated. This is not a recommendation to subscribe. Figures are explained in the sections below.

Subscription Status – Day 1 (14 Oct 2026, 3:34 pm)

Category	Shares offered	Shares bid	Times	Bid value (₹ Cr)
QIB (ex-anchor)	72,87,197	14,586	0.00x	0.42
NII / HNI	36,43,598	12,58,170	0.35x	36.36
B-HNI (above ₹10 lakh)	24,29,066	6,78,657	0.28x	19.61
S-HNI (₹2–10 lakh)	12,14,533	5,79,513	0.48x	16.75
Retail	24,29,066	32,95,008	1.36x	95.23
Total	**1,33,59,861**	**45,67,764**	**0.34x**	**132.01**

Applications so far: about 56,701 in all; 55,772 retail (1.17x the 47,629 retail lots on offer), 738 S-HNI (0.43x) and 191 B-HNI (0.06x). Within QIB bids, DIIs ₹0.10 Cr and others ₹0.32 Cr; FIIs and mutual funds nil. Excludes the anchor portion. Source: as compiled by an IPO tracking site (supplied by the user); live figures, not final. Times recomputed by ACFSL from share counts.

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IPO at a Glance

Offer Period	14 Oct 2026 – 16 Oct 2026
Anchor Bidding	13 Oct 2026
Price Band (₹)	275 – 289 per share
Bid Lot	51 shares and in multiples thereof
Listing	NSE & BSE (Mainboard)
Issue Size (no. of shares)	2,42,90,656 at the upper band (2,55,27,272 at the lower band)
Issue Size (₹ Cr)	**702.00** (fixed ₹ amount)
Fresh Issue	₹500.00 Cr (1,73,01,038 shares at ₹289)
Offer for Sale	₹202.00 Cr (69,89,618 shares at ₹289) by two promoter companies
Face Value (₹)	1
Pre / Post-issue Shares	12,70,59,295 / 14,43,60,333 (at ₹289)
Basis of Allotment	19 Oct 2026 (tentative)
Refunds / Demat Credit	21 Oct 2026
Listing Date	22 Oct 2026 (tentative)
BRLMs	Nuvama Wealth Management, IIFL Capital Services, Motilal Oswal Investment Advisors
Registrar	KFin Technologies Ltd.

Application	Lots	Shares	Amount (₹)
Retail (Min)	1	51	14,739
Retail (Max)	13	663	1,91,607
S-HNI (Min)	14	714	2,06,346
S-HNI (Max)	67	3,417	9,87,513
B-HNI (Min)	68	3,468	10,02,252

Category (Reg. 6(2))	Share	Shares @ ₹289
QIB – total	≥ 75%	1,82,17,992
Anchor investors (60% of QIB)	45%	1,09,30,795
QIB – net (ex-anchor)	30%	72,87,197
Non-Institutional (NII)	≤ 15%	36,43,598
S-HNI (₹2–10 lakh, 1/3 of NII)		12,14,532
B-HNI (above ₹10 lakh, 2/3 of NII)		24,29,066
Retail (RII, up to ₹2 lakh)	≤ 10%	24,29,066
Total	**100%**	**2,42,90,656**

Amounts at the ₹289 upper band. Retail gets only 10% because the company does not meet SEBI's profit-track-record test (Reg. 6(1)) and comes under Reg. 6(2). No employee reservation.

Source: RHP cover page, The Offer, Offer Structure, Terms of the Offer (p. 1–3, 70, 495–500). The RHP leaves price and lot as [●]; the band and lot are as advertised, compiled by an IPO tracking site (supplied by the user) and checked against the RHP: ₹500 Cr ÷ ₹289 = 1,73,01,038 fresh shares, and 12,70,59,295 + 1,73,01,038 = 14,43,60,333 post-issue shares. Because both parts of the offer are fixed ₹ amounts, the share count is higher at the lower band. Category share counts are ACFSL calculations and match the tracker's reservation table; the anchor portion is about ₹315.9 Cr at ₹289. The tracker shows 69,89,619 OFS shares against ACFSL's 69,89,618 (two sellers × 34,94,809), a one-share rounding difference.

Valuation Snapshot

Metric	@ ₹275	@ ₹289
Post-issue market capitalisation (₹ Cr)	3,994	4,172
Post-issue shares	14,52,41,113	14,43,60,333
P/E on FY26 diluted EPS of ₹13.41 (pre-issue, RHP basis)	20.5x	21.6x
P/E on FY26 PAT, post-issue shares	23.5x	24.6x
P/E on Q1 FY27 PAT × 4, post-issue shares	17.9x	18.7x
P/E on FY26 pro forma PAT (incl. FY26-27 acquisitions), post-issue	21.1x	22.0x
EV / FY26 EBITDA (Jun-26 net debt less fresh proceeds)	11.2x	11.7x
Market cap / FY26 revenue	2.20x	2.29x
Price / NAV (₹48.35, Jun-26, pre-issue)	5.7x	6.0x
Price / post-issue NAV	3.6x (₹77)	3.7x (₹78)
Promoter holding after the issue	81.08%	81.82%

In simple terms: at ₹289 you pay about ₹25 for every ₹1 of Fusion's FY26 profit, or about ₹19 if the June quarter is repeated for a full year. Listed peers trade at 14x to 51x, with an average of 26.7x and a middle value of about 22x, so the price is neither cheap nor stretched. Peers such as eClerx and Sagility earn wider margins (26–28%) and have less dependence on one client. *P/E* = share price ÷ earnings per share. *EV/EBITDA* adds net debt to the share value and compares it with operating profit.

Source: RHP – Basis for Offer Price (p. 119–128), Restated Consolidated Financial Information (p. 60–61), Pro Forma Financial Information (FY26 pro forma PAT ₹189.39 Cr); ACFSL Research calculations. Net debt at Jun-26 = borrowings ₹238.1 Cr less cash and bank ₹50.2 Cr; lease liabilities of ₹125.3 Cr are excluded.

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Listed Peers (FY26, consolidated)

Company	Total income (₹ Cr)	Rev. growth	EBITDA mgn	Diluted EPS (₹)	NAV (₹)	P/E (x)	RoNW (%)
Fusion CX (at ₹289, pre-issue EPS)	1,852	36.8%	18.1%	13.41	43.73	21.55	30.74
Firstsource Solutions	9,564	20.6%	16.3%	9.56	61.80	22.27	15.00
eClerx Services	4,218	22.3%	28.0%	74.42	278.00	19.65	53.00
Alldigi Tech	608	9.6%	27.1%	53.96	235.00	14.12	29.00
Inventurus Knowledge Solutions	3,211	19.9%	34.2%	42.26	568.00	31.41	7.58
Sagility India	7,291	29.1%	25.8%	1.98	30.50	21.66	6.47
Hinduja Global Solutions	4,857	(2.2%)	15.1%	6.92	53.00	51.07	2.00
Peer average / median P/E						**26.65 / 21.97**	

Source: RHP – Basis for Offer Price, comparison with listed peers and KPIs (p. 120, 125–128). Peer prices are closing prices of 4 Sep 2026. Revenue growth and EBITDA margin from the RHP's KPI comparison. RoNW figures are as printed in the RHP. Median is an ACFSL calculation.

Objects of the Offer

Of the ₹702 Cr, **₹500 Cr is fresh capital** for the company and **₹202 Cr is an Offer for Sale (OFS)**. *OFS = existing holders selling their shares; that money goes to them, not to the company.* Here the sellers are the two promoter companies, P N S Business and Rasish Consultants (₹101 Cr each), whose average cost is just ₹0.12–0.13 a share. Of the fresh money, **₹276 Cr repays loans**, about 86% of the group's borrowings, and ₹61 Cr builds up the company's own AI tools. The rest, roughly ₹160 Cr before issue expenses, is for acquisitions that have not yet been identified and for general corporate purposes.

Object (Fresh Issue)	₹ Cr	FY27	FY28	FY29
Repay / prepay borrowings of the company and subsidiaries (Omind India, Fusion BPO Canada, Ameridial, O'Currance, S4 Communications)	275.70	275.70	–	–
Investment in Omind Technologies Inc. (USA) and Omind Technologies Pvt. Ltd. to upgrade the Arya and MindVoice AI tools	61.15	7.04	24.12	29.99
Unidentified acquisitions, other strategic initiatives and general corporate purposes (together ≤ 35% of gross; each ≤ 25%)	[●]	[●]	[●]	[●]
Net Proceeds	**[●]**			

Source: RHP – Objects of the Offer (p. 97–118). Outstanding borrowings at 31 Aug 2026: ₹299.46 Cr fund-based and ₹22.61 Cr non-fund-based. Money for overseas subsidiaries goes as unsecured inter-company loans at 8.5% repayable in five years. Issue expenses are [●] in the RHP.

Shareholding – Pre and Post Issue (at the upper band)

Shareholder	Pre-issue shares	Pre %	OFS shares sold	Post-issue shares	Post %
P N S Business Pvt. Ltd. (Promoter, selling)	6,42,89,000	50.60%	34,94,809	6,07,94,191	42.11%
Rasish Consultants Pvt. Ltd. (Promoter, selling)	6,08,15,800	47.86%	34,94,809	5,73,20,991	39.71%
Pankaj Dhanuka / Kishore Saraogi (Promoters)	–	–	–	–	–
Promoters & Promoter Group – total	**12,51,04,800**	**98.46%**	**69,89,618**	**11,81,15,182**	**81.82%**
Public – existing (57 holders, mainly employees)	19,54,495	1.54%	–	19,54,495	1.35%
Public – IPO allottees	–	–	–	2,42,90,656	16.83%
Total	**12,70,59,295**	**100.00%**	**69,89,618**	**14,43,60,333**	**100.00%**

Source: RHP – Capital Structure (p. 81–92). Post-issue holdings are [●] in the RHP; ACFSL calculations assume each seller sells ₹101 Cr ÷ ₹289 = 34,94,809 shares and full subscription. At ₹275 promoters would hold 81.08%. Fully diluted pre-issue capital is 13,00,32,648 shares, including 29.7 lakh vested ESOPs (2.3% dilution). No pre-IPO placement; the last share transfers by promoters were at ₹72.20 in Jan 2025 (400 shares).

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Company Overview

Fusion CX Ltd. was incorporated in Kolkata on 25 February 2004 as Xplore-Tech Services Pvt. Ltd. by **Pankaj Dhanuka and Kishore Saraogi**, and took its present name in 2024 before converting to a public company in March 2025. It is **a services business, not a manufacturer**: it runs customer-experience (CX) operations, the modern name for call-centre and back-office work, for companies that outsource how they sell to, serve and collect from their customers.

What it sells. Customer service is the largest line (40% of FY26 revenue), followed by customer acquisition such as tele-sales and lead generation (26%), order-fulfilment support (15%), payment and collections (6%), retention (5%), technical support (4%) and digital solutions (5%). It also offers newer AI data services: labelling images and video for AI models and remotely supervising robots. Contracts are priced per agent, per transaction or by outcome.

Whom it serves. Telecom and utility companies (water and power boards) bring in 47% of revenue, followed by hi-tech and travel (14%), BFSI (14%), healthcare (13%) and retail (12%). Customers in the US and Canada pay 82% of revenue and India only 11%, down from 24% in FY24. Fusion had 208 customers at June 2026, including 22 Fortune 1000 companies; named clients include Park West, Ameriflex, Ajio, Meesho, Arvind Fashion and Leonardo Hotels.

Where it works. 40 delivery centres in 13 countries: India (9 cities, mostly West Bengal), the Philippines, the US, Canada, El Salvador, Belize, Jamaica, Colombia, Morocco, Albania and Kosovo, with sales offices in the UK and Australia. Agents support 28 languages. Offshore centres (India, Philippines) are cheap; nearshore centres in Latin America share US time zones and now bring 37–40% of revenue. It had 13,735 CX employees at June 2026, up from 8,539 two years earlier.

Growth by acquisition. Much of the expansion has been bought: Ready Call Center (Belize) and S4 Communications (US) in 2024; Sequential Technology, Scribe.ology and Skycom (El Salvador/US) in 2025; VA Platinum (Australia/Philippines) in 2026. Letters of intent are signed for Impacx and Offshore MVP. Its tech arm **Omind** builds in-house AI tools such as Arya (a live coach and co-pilot for agents) and MindVoice.

Management. Pankaj Dhanuka is Chairman, MD and CEO; Kishore Saraogi is co-founder, COO and MD; Amit Soni is CFO and Barun Singh is Company Secretary. The promoters hold their shares through two family companies, P N S Business and Rasish Consultants.

Source: RHP – Our Business (p. 185–226), History and Certain Corporate Matters (p. 232), Our Management (p. 278), Basis for Offer Price KPIs (p. 121–122).

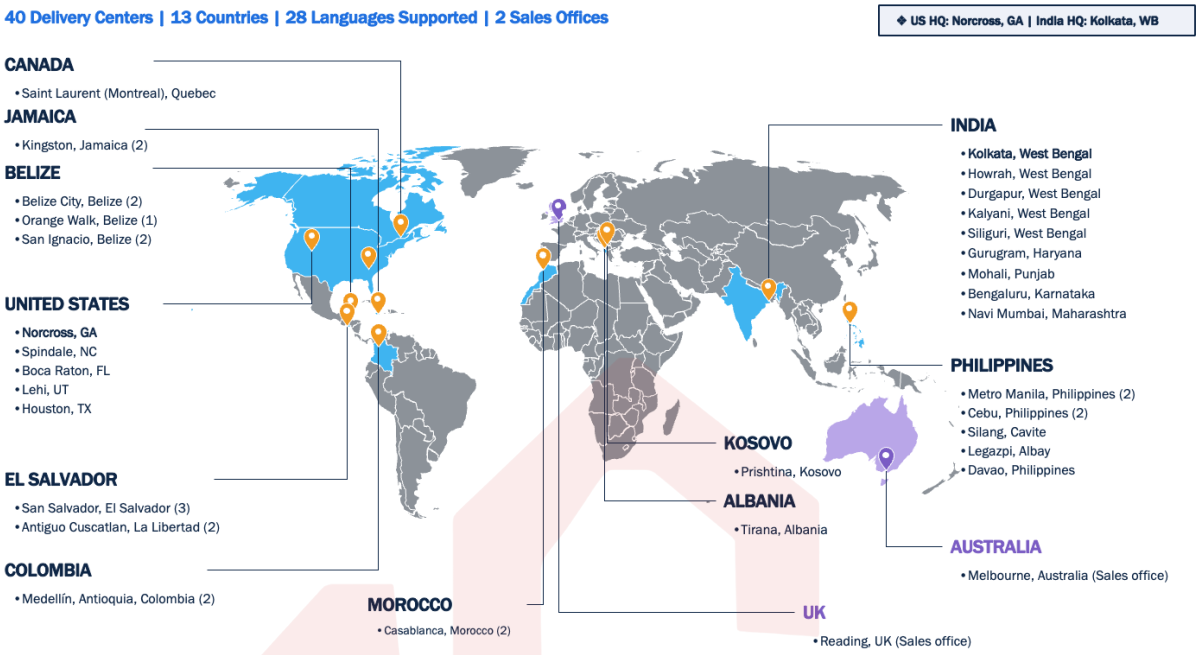
Company Snapshot

Incorporation	25 Feb 2004, Kolkata (CIN U72900WB2004PLC097921); public company since 13 Mar 2025
Registered Office	Plot Y9, Block EP & GP, Sector-5, Salt Lake, Kolkata 700091 (sub-leased from promoter-group firm Windows Technologies)
Business model	Outsourced customer-experience services: voice, email, chat, social and messaging; priced per agent, per transaction or per outcome
Promoters	Pankaj Dhanuka, Kishore Saraogi, P N S Business Pvt. Ltd., Rasish Consultants Pvt. Ltd. (98.46% pre-issue)
Scale (Jun-26)	40 delivery centres, 13 countries, 28 languages, 13,735 CX employees, 208 customers
Subsidiaries	Direct and step-down subsidiaries across Canada, US, UK, Australia, Philippines, Latin America, Morocco and Europe (see structure in RHP p. 205)
Dividend	₹3.78 Cr paid in FY26, ₹2.52 Cr in FY25

Source: RHP cover page, Our Business, Capital Structure, Risk Factors 25 and 51.

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Delivery Footprint



40 delivery centres and 2 sales offices in 13 countries, June 2026 (image from the RHP)

Revenue Mix – by Service Line and by Customer Location (₹ Cr, % of revenue)

Service line	FY24	FY25	FY26	Q1 FY27
Customer service	389.0 (39%)	540.3 (41%)	735.7 (40%)	209.0 (43%)
Customer acquisition (tele-sales, leads, cross-sell)	319.4 (32%)	356.8 (27%)	469.7 (26%)	120.1 (24%)
Order-fulfilment support	136.5 (14%)	171.1 (13%)	267.8 (15%)	56.1 (11%)
Payment and collections	60.0 (6%)	93.4 (7%)	102.1 (6%)	23.6 (5%)
Customer retention	15.8 (2%)	44.7 (3%)	94.1 (5%)	30.2 (6%)
Digital solutions	31.7 (3%)	79.0 (6%)	82.4 (5%)	30.6 (6%)
Technical support	38.9 (4%)	44.0 (3%)	66.4 (4%)	20.8 (4%)
By customer location				
United States	503.4 (51%)	848.6 (64%)	1,337.1 (74%)	353.7 (72%)
Canada	185.8 (19%)	152.9 (11%)	148.5 (8%)	36.6 (7%)
India	235.8 (24%)	258.0 (19%)	205.2 (11%)	48.7 (10%)
Latin America (El Salvador)	4.3 (0%)	6.0 (0%)	67.5 (4%)	36.0 (7%)
Europe, Africa & SE Asia	62.0 (6%)	63.8 (5%)	59.8 (3%)	15.5 (3%)
Revenue from operations	**991.3**	**1,329.3**	**1,818.1**	**490.5**

Source: RHP – Our Business (p. 185–188). Percentages are ACFSL calculations; the RHP's printed FY25 service-line percentages do not match its own ₹ figures. Billing is 85% in US dollars, 11% in rupees.

Financials (Restated Consolidated)

Key Drivers Behind the Numbers

- **Acquisitions and one large client drove revenue.** FY25 grew 34% mainly through the Ready Call Center and S4 Communications acquisitions; FY26 grew 37% with Scribe.ology and Infinity Outsourcing/Skycom added and new clients onboarded. The biggest single factor was Customer 1, whose billing rose from ₹142 Cr (FY24) to ₹236 Cr (FY25) and ₹546 Cr (FY26), from 14% to 30% of revenue.
- **Margins widened because overheads grew slower than revenue.** Staff cost stayed near two-thirds of revenue (66–69%), while other expenses fell from 24% to 18% of revenue. EBITDA excluding other income rose from 7.5% to 16.3% of revenue and held at 16.7% in the

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June 2026 quarter.

- **Profit more than doubled, helped by a low tax rate and currency gains.** PAT rose 129% to ₹170 Cr in FY26. Tax took only 10% of pre-tax profit (1% in FY24) thanks to deferred-tax credits, and other income included an ₹18 Cr foreign-exchange gain (losses in FY24–25). The company's 'adjusted' PAT of ₹209 Cr adds back acquisition, ESOP and severance costs.
- **Cash conversion improved, then dipped.** Operating cash flow rose to ₹264 Cr in FY26 (80% of EBITDA) as collection days fell from 94 to 76. In Q1 FY27 it was just ₹23 Cr, because receivables rose ₹38 Cr and payables fell ₹19 Cr.

Source: RHP – MD&A (p. 447–452), Risk Factors 2, 9 and 15, KPIs (p. 121).

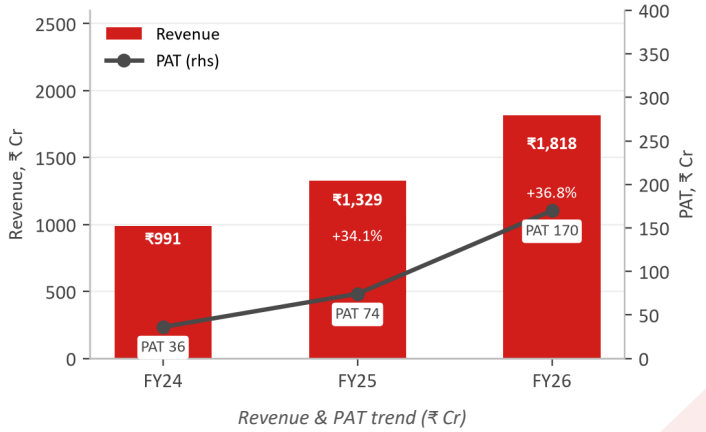
Income Statement (₹ Cr)

Particulars (₹ Cr)	FY24	FY25	FY26	Q1 FY27
Revenue from operations	991.3	1,329.3	1,818.1	490.5
Revenue growth %	–	34.1%	36.8%	–
Employee benefits expense	682.2	875.1	1,193.0	331.2
% to revenue	68.8%	65.8%	65.6%	67.5%
Other expenses	234.7	279.2	329.0	77.5
% to revenue	23.7%	21.0%	18.1%	15.8%
EBITDA (ex-other income)	**74.4**	**175.0**	**296.2**	**81.7**
EBITDA margin (ex-other income) %	7.5%	13.2%	16.3%	16.7%
Add: Other income	30.2	22.7	33.7	13.4
EBITDA (RHP definition)	**104.6**	**197.8**	**329.9**	**95.1**
EBITDA margin %	10.6%	14.9%	18.1%	19.4%
Less: Depreciation & amortisation	49.0	81.3	95.1	23.3
EBIT	**55.6**	**116.4**	**234.8**	**71.8**
EBIT margin %	5.6%	8.8%	12.9%	14.6%
Less: Finance cost	19.0	38.7	45.5	9.0
PBT	**36.7**	**77.7**	**189.3**	**62.8**
PBT margin %	3.7%	5.8%	10.4%	12.8%
Less: Tax (current + deferred)	0.4	3.4	19.5	7.1
Tax rate %	1.2%	4.4%	10.3%	11.3%
PAT	**36.3**	**74.3**	**169.8**	**55.7**
PAT growth %	–	104.9%	128.5%	–
PAT margin %	3.7%	5.6%	9.3%	11.4%
Adjusted PAT (RHP KPI)	59.8	103.8	209.1	61.7
EPS (₹, basic / diluted)	2.88 / 2.88	5.90 / 5.88	13.47 / 13.41	4.41 / 4.39

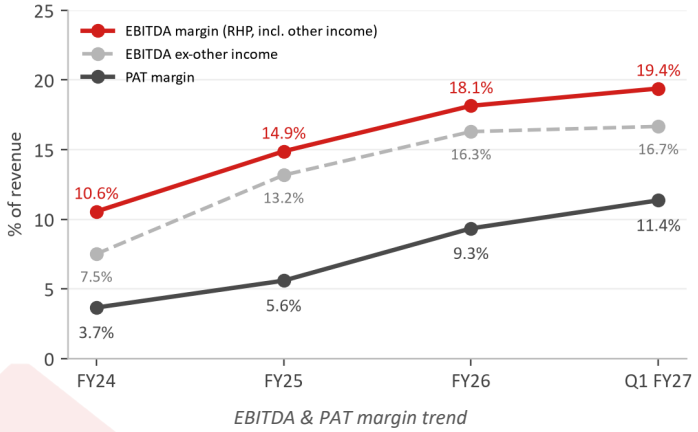
Source: RHP – Restated Consolidated Statement of Profit and Loss (p. 61), KPIs (p. 121). Fusion has no materials cost, so costs are shown line by line. EBITDA ties to the RHP KPI (PAT + tax + finance cost + D&A, which includes other income). Q1 FY27 = three months to 30 Jun 2026, not annualised. Converted from ₹ million.

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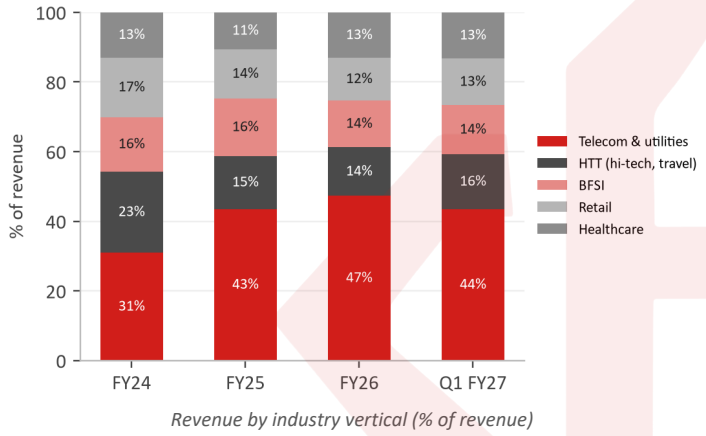
Charts



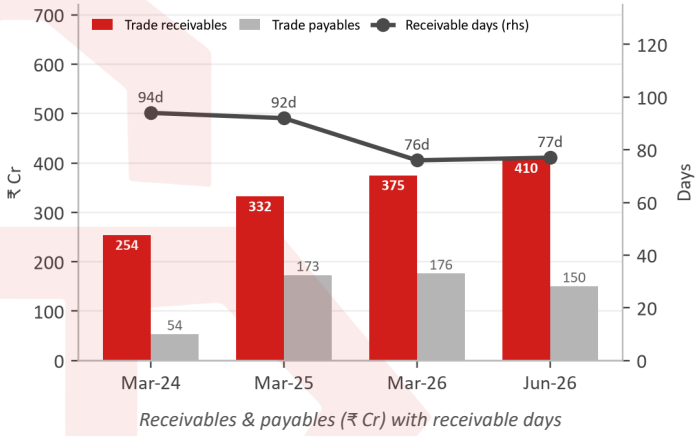
Revenue & PAT trend (₹ Cr)



EBITDA & PAT margin trend



Revenue by industry vertical (% of revenue)



Receivables & payables (₹ Cr) with receivable days

Source: RHP – Restated Consolidated Financial Information, Our Business (p. 185–186), KPIs (p. 121). Fusion is a service business with no inventory, so a revenue-by-vertical chart replaces the usual inventory chart. Receivable days are the RHP's certified DSO.

Working Capital and Leverage (₹ Cr)

Why this matters: a call-centre company pays its staff every month but waits for clients to pay its bills. *Receivable days* (how long a bill takes to be paid) fell from 94 to 76, which released cash. Debt is modest and most of it will be repaid from the IPO.

Particulars (₹ Cr)	Mar-24	Mar-25	Mar-26	Jun-26
Trade receivables	254.0	332.2	375.1	409.9
Receivable days (RHP DSO)	94	92	76	77
Trade payables	53.5	173.1	176.1	150.4
Payable days (on other expenses)	83	226	195	177
Loans given (current + non-current)	17.3	48.1	80.5	101.2
Gross borrowings	210.6	306.7	266.9	238.1
Cash and bank balances	23.1	45.5	103.5	50.2
Net debt	**187.5**	**261.2**	**163.4**	**188.0**
Net debt / EBITDA	1.8x	1.3x	0.5x	0.5x*
Lease liabilities	106.5	110.1	135.6	125.3
Total equity	271.1	358.4	560.6	619.6
Goodwill as % of equity	32%	80%	65%	59%

*Source: RHP – Restated Statement of Assets and Liabilities (p. 60), KPIs (p. 121), Summary of Related Party Transactions (p. 65–68). Payable days, net debt and ratios are ACFSL calculations; *Jun-26 uses Q1 EBITDA × 4. Payable days are measured on other expenses because salaries are not bought on credit. Loans given include ₹77.6 Cr lent to promoter-group company PKR Services Inc. since FY25.*

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Balance Sheet (₹ Cr)

Particulars (₹ Cr)	Mar-24	Mar-25	Mar-26	Jun-26
Property, plant & equipment incl. CWIP	89.7	107.2	104.5	101.4
Right-of-use assets (leased centres)	100.0	103.5	123.6	112.2
Goodwill	87.6	288.1	362.2	362.6
Other intangible assets (incl. under development)	95.5	115.7	106.4	101.8
Loans (non-current)	15.8	13.6	9.0	4.0
Investments, deferred tax and other non-current assets	47.4	65.4	87.1	91.0
Total non-current assets	**436.1**	**693.4**	**792.8**	**773.0**
Trade receivables	254.0	332.2	375.1	409.9
Cash and cash equivalents	20.1	37.9	89.6	38.8
Other bank balances	3.0	7.6	13.9	11.4
Loans (current)	1.5	34.5	71.5	97.2
Other current assets	53.3	37.6	42.3	37.5
Total current assets	**331.9**	**449.9**	**592.3**	**594.9**
Total Assets	**768.0**	**1,143.3**	**1,385.1**	**1,367.8**
Equity share capital	12.6	12.6	12.6	12.6
Other equity	258.5	345.8	548.0	607.0
Total equity	**271.1**	**358.4**	**560.6**	**619.6**
Non-current borrowings	70.9	73.8	79.8	89.2
Non-current lease liabilities	75.0	75.0	90.1	79.5
Other non-current liabilities and provisions	17.0	8.9	9.7	8.4
Total non-current liabilities	**162.9**	**157.7**	**179.6**	**177.1**
Current borrowings	139.7	232.9	187.1	148.9
Current lease liabilities	31.5	35.1	45.5	45.7
Trade payables	53.5	173.1	176.1	150.4
Other current financial liabilities	59.5	117.6	153.0	147.4
Other current liabilities, provisions and tax	49.7	68.6	83.2	78.6
Total current liabilities	**334.0**	**627.2**	**645.0**	**571.1**
Total Equity and Liabilities	**768.0**	**1,143.3**	**1,385.1**	**1,367.8**

Source: RHP – Restated Statement of Assets and Liabilities (p. 60). Minor lines grouped by ACFSL; converted from ₹ million. Goodwill jumped from ₹88 Cr to ₹288 Cr in FY25 with the Sequential and S4 acquisitions and is now 27% of total assets.

Cash Flow Statement (₹ Cr)

Particulars (₹ Cr)	FY24	FY25	FY26	Q1 FY27
Profit before tax	36.7	77.7	189.3	62.8
Depreciation and amortisation	49.0	81.3	95.1	23.3
Finance costs	19.0	38.7	45.5	9.0
Interest and dividend income	(2.8)	(2.9)	(6.9)	(2.3)
Credit-loss provisions and write-offs	8.3	7.8	16.1	7.5
Other non-cash items (ESOP cost, write-backs, FX)	(18.2)	(13.7)	(19.1)	(9.0)
Operating profit before working capital changes	**91.9**	**189.0**	**320.0**	**91.3**
Trade receivables	(14.4)	53.0	(24.7)	(37.6)
Trade payables	(17.1)	(139.1)	(13.5)	(18.7)
Other working-capital items	(13.3)	(0.9)	(4.6)	(8.8)
Income tax paid (net)	(7.9)	0.4	(13.0)	(3.0)
Net cash from operating activities (A)	**39.3**	**102.4**	**264.2**	**23.2**
Capex, net of asset sales	(25.8)	(30.6)	(16.2)	(3.8)
Acquisition of subsidiaries	(49.3)	–	(24.6)	–

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Particulars (₹ Cr)	FY24	FY25	FY26	Q1 FY27
Loans given (net)	12.0	(30.8)	(32.5)	(20.7)
Fixed deposits, interest, dividend and lease rent received	1.2	(2.2)	(9.9)	1.6
Net cash used in investing activities (B)	**(61.9)**	**(63.6)**	**(83.1)**	**(22.9)**
Borrowings raised / (repaid), net	51.1	42.4	(39.9)	(28.8)
Lease payments	(25.3)	(41.9)	(49.9)	(12.9)
Interest paid	(14.0)	(24.7)	(46.4)	(9.0)
Dividends paid / shares issued (ESOP, preference)	(0.7)	(2.5)	(1.9)	0.1
Net cash from / (used in) financing activities (C)	**11.0**	**(26.7)**	**(138.0)**	**(50.6)**
Net change in cash (A+B+C)	(11.6)	12.1	43.1	(50.4)
Cash acquired with subsidiaries and FX effect	1.1	5.7	8.6	(0.4)
Cash and cash equivalents – closing	**20.1**	**37.9**	**89.6**	**38.8**

Source: RHP – Restated Statement of Cash Flows (p. 62–63). Minor items grouped by ACFSL; converted from ₹ million. Over FY24–Q1 FY27 the company spent ₹74 Cr on acquisitions and lent out a net ₹72 Cr, while lease and interest payments took ₹224 Cr.

Key Risks

- **One client is 30% of the business.** Customer 1 brought in ₹546 Cr (30.1%) in FY26 and 25.5% in Q1 FY27, up from 14.4% in FY24. The top 10 clients are 52% of revenue. Contracts run from three to 60 months, some can be ended at short notice, and several top-10 clients left in each of the last three years.
- **Growth bought through acquisitions.** Six acquisitions in three years have lifted goodwill to ₹363 Cr and other intangibles to ₹102 Cr, together 34% of total assets and 75% of net worth. Any impairment would hit profit and net worth; two more acquisitions are under non-binding letters of intent.
- **Lending to promoter-group firms.** Loans given rose from ₹17 Cr to ₹101 Cr. The company lent ₹77.6 Cr to promoter-group company PKR Services Inc. since FY25 and also lends to Windows Technologies, from which it sub-leases its head office; it also has an unsecured loan to promoter Rasish Consultants. This happened while it was borrowing from banks.
- **Blank cheque for acquisitions.** Up to 35% of the fresh issue (about ₹160 Cr before expenses) goes to acquisitions and general purposes with no targets named, so investors cannot judge the price or fit in advance.
- **People cost and attrition.** Staff cost is 66–69% of revenue and voluntary attrition was 26.5% in FY26 and 31.2% in Q1 FY27. Wage inflation in India, the Philippines and Latin America that cannot be passed on would squeeze margins.
- **Currency, with no hedging.** 90% of revenue comes from outside India and 85% is billed in US dollars, with no hedges. FY26 profit included an ₹18 Cr FX gain (about 11% of PAT) after losses in FY24 and FY25; a stronger rupee would cut margins on fixed-rate contracts.
- **AI could shrink demand for agents.** Generative-AI chatbots and voice agents can replace routine calls. Fusion is investing ₹61 Cr of IPO money in its own tools, but clients may move volumes in-house or to automation.
- **Litigation and compliance.** Claims of ₹83.9 Cr against the company and ₹96.7 Cr against subsidiaries, plus unquantified US suits, including one by the seller of an acquired business (Sequential Technology International Holdings). The RHP also reports past delays in paying statutory dues.
- **Governance history.** The Chairman and MD's director ID was suspended from 2017 to 2019 over non-filings at another company. Promoters keep about 82% after the IPO, the OFS pays them at a cost of ₹0.12–0.13 a share, and most directors have no listed-company board experience.

Source: RHP – Risk Factors 1, 2, 8–10, 14–17, 22–25, 33, 38 and 49 (p. 19–58); Summary of Related Party Transactions (p. 65–68); Objects of the Offer (p. 97–98).

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