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CM RATING 43 /100

# OnEMI Technology Solutions

## New-age digital lender

### Catering to underserved mass market segment with Full-stack digital platform and proprietary technology

OnEMI Technology Solutions (Kissht) incorporated in 2016 is a technology-enabled lender in India, primarily offering digital loans through its mobile application for various consumption and business needs. With a tech-first, fully digital approach, it offers personal loans and loans against property (LAP) with instant approvals and minimal paperwork. The company maintains a highly granular loan book with over 2.87 million active customers and Rs 5955.75 crore in assets under management (AUM) at end December 2025.

The company provides swift, accessible and personalized credit solutions with focus on young individuals within the mass market segment which is aspirational, digitally connected and underpenetrated in credit. The company had 63.73 million registered users and served 11.17 million customers at end December 2025. The customers had an average age of 32 years and a median CIBIL score of 746 for 9MFY26. About 67.65% of customers earned monthly incomes ranging between Rs 25,000 to Rs 75,000, and 63.38% of customers resided in the top 50 cities in India.

The company uses various online and offline channels to acquire customers, including through digital marketing on search engines and social media platforms, partnerships with small businesses (shop owners and retail outlets), and collaborations with e-commerce players and loan aggregators. The company also acquires customers organically through word of mouth. Each channel significantly contributes to the growth of customer base, thereby creating a resilient and scalable customer acquisition model. The digital marketing accounted for 45.51% of new customer acquisition, merchant partnerships 23.28%, e-commerce 7.51% and organic acquisition 23.70% in 9MFY2026.

The company has appointed the former Indian cricketer, Sachin Tendulkar, as brand ambassador to build consumer trust and improve brand recall.

Risk management is foundational to business model. The company utilizes advanced data analytics, artificial intelligence (AI) and machine learning (ML)-led statistical models for risk management across processes from making credit decisions to collections. The multi-layered underwriting approach enables making well-calibrated lending decisions across diverse customer profiles. The processes are designed for speed and efficiency, allowing applicants to receive decisions instantly after submitting their information. At end December 2025, more than 85% of new customers were presented with loan offers within 10 minutes of initiating their application, and 90% of repeat customers received offers within six minutes.

The collections infrastructure is built on the back of proprietary Automated Collections System (ACS), along with a team of tele-callers and on-ground fleet-on-street. At end December 2025, collections team comprises 1,074 tele-callers, 8,291 field agents and 260 supervision staff covering over 17,000 pin codes across India. The company actively manage portfolio through early warning triggers that automatically curb approvals when pre-defined risk thresholds are breached.

The company operates a fully tech-enabled, highly scalable, cloud-hosted lending platform, with end-to-end ownership and control of product and technology. This includes Loan Origination System (LOS), Loan

Management System (LMS) and ACS. The platform manages the entire loan lifecycle. At end December 2025, the company is supported by an in-house team of 331 engineers and product specialists.

AUM comprises on-book loans, i.e., loans on the balance sheet of wholly owned subsidiary, Si Creva (an RBI regulated middle-layer NBFC), and off-book loans, i.e., loans on the balance sheet of lending partners. Subsidiary obtained ratings of A-/ Stable from Acuité Ratings, India Ratings and CRISIL. At end December 2025, on-book borrowings amounted to Rs 2047.52 crore, with a debt-to-equity ratio of 1.63x.

The company has delivered consistent growth in AUM from Rs 1267.93 crore at end March 2023 to Rs 4086.64 crore at end March 2025, growing at a CAGR of 79.53%. At end December 2025, AUM amounted to Rs 5955.75 crore.

The company has maintained asset quality with GNPA at 2.9% and NNPA at 0.38%, while the provision coverage ratio was strong at 86.88% at end December 2025. The capital adequacy ratio was healthy at 26.69% at end December 2025.

Ranvir Singh, co-founder and Chief Executive Officer, has over 20 years of experience across financial institutions in India and Southeast Asia. Krishnan Vishwanathan, co-founder and Chief Financial Officer, has over 18 years of experience in financial service and consultancy.

Global investors, such as Vertex Growth Fund and other leading venture capital firms have invested in Company. Investor backing showcases their trust in business model and supports continued investment in technology, product expansion, and operational scale-up.

## **The Offer and the Objects**

The initial public offer (IPO) consists of fresh issue of shares to raise Rs 850 crore through issuance of 5.25 crore equity shares at the lower band of Rs 162 per share (face value Rs 1 per share) and 4.97 crore equity shares at the upper band of Rs 171 per share.

The issue also consists of Offer for Sale (OFS) of 0.44 crore equity shares to raise Rs 71.92-75.92 crore. The promoters are not participating in the OFS. The promoter shareholding would decline to 24.8% from pre-IPO level of 35.2%

The issue is to be made through the book-building process and will open on 30 April 2026 and will close on 05 May 2026.

The company proposes to utilize Rs 637.5 crore from the net proceeds from the Fresh Issue towards augmenting the capital base of Subsidiary, Si Creva, to meet its future capital requirements arising out of the growth of business. In addition, the company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including enhancement of Company's brand name and creation of a public market for Equity Shares in India.

## **Strengths**

The company has robust base of 63.73 million registered users and served 11.17 million customers driven by efficient multi-channel acquisition strategy, which combines online and offline channels. There is high repeat usage with 50.62% of AUM at end December 2025 attributable to repeat customers.

The company has built a data-first architecture that integrates ML across risk, credit and collection workflows. The underwriting processes are supported by a team of 42 data scientists. The performance of underwriting models surpasses traditional credit bureau-based systems with use of behavioral signals, alternative datasets and ML algorithms to assess borrower credibility more comprehensively.

The company has built multi-tiered collection capabilities with insights from historical repayment patterns, application activity behavior and customer behavior. The risk management framework deploys automated early

warning triggers to monitor exposures in real time, with a focus on higher-risk segments and geographies.

The company has access to diversified and scalable funding sources. AUM is built on a balanced funding framework, comprising on-book and off-book loans. The company has a diversified lender base of 47 lenders at end December 2025, demonstrating low concentration risk and reliable liquidity.

The company has designed and developed core lending infrastructure, including Lead Generation System, LOS, LMS, ACS and merchant platform. This end-to-end ownership empowers developing, testing and launching new features and products, and enables to move from ideation to market launch within weeks.

The platform is hosted entirely on a scalable cloud-based architecture, enabling operation without the physical and operational limitations of traditional financial institutions.

India's retail lending sector is witnessing accelerated growth yet remains significantly underpenetrated compared to developed economies. India's household credit-to-GDP at 45.6% in the third quarter of 2025 remains well below the USA (68.0%) and UK (73.9%), indicating substantial headroom for expansion.

The mass-market segment remains the largest and fastest-growing cohort in India, driven by population growth and rising aspirations.

India's retail lending landscape is further transforming rapidly, fueled by digital adoption and supportive regulations.

Digital lending within the mass market segment is expected to surge 7x to Rs 4.1 trillion by Fiscal 2030, growing at a 48% CAGR.

## **Weaknesses**

A significant portion of AUM consists of unsecured loans at 94.23% of total AUM at end December 2025. The unsecured loans inherently carry a higher risk profile, as the absence of collateral increases the likelihood of non-recovery in the event of borrower default. Consequently, credit losses associated with unsecured loans are typically elevated in comparison to those arising from secured lending activities.

The company has to continue to innovate and further develop platform to attract new customers to sustain growth.

The company must continue to invest significant resources in research and development to enhance information technology and improve existing products and services.

A significant portion of AUM is attributable to the southern (35%) and western regions of India (26.47%) at end December 2025. Any adverse development in these regions may adversely affect business.

The company relies on collecting and analyzing data to enhance business performance and results and depend on the accuracy and completeness of information provided by customers.

The proper functioning of technology infrastructure is essential to conduct business. Specifically, satisfactory performance, reliability and availability of products, platforms, and services are critical to success and ability to attract and retain customers and provide adequate services.

The company has significantly higher share of off-book loan book at 48.87% through arrangements with certain third-party non-banking financial companies. Any premature termination of such lending arrangements may adversely affect business.

The fintech industry in India is continuously evolving, necessitating the enhancement of marketing strategies and experimentation with new methods to stay aligned with industry developments and customer preferences. This

evolution may not always be cost-effective compared to past marketing activities and could result in significantly higher marketing expenses.

Developing and launching offerings on platform may involve significant technical risks and upfront investments that may not generate the expected returns.

The company is dependent on digital marketing for the acquisition of customers (45.51% in 9MFY2026). Success depends in part on ability to attract customers through unpaid internet search results on search engines.

The company does not have any direct control over how a customer actually utilizes the loan, after disbursal.

## Valuation

PAT grew at a CAGR of 141% from Rs 27.67 crore to Rs 160.62 crore in FY2025. Further, PAT was Rs 199.27 crore in 9MFY2026 driven by effective revenue generation and cost management capabilities.

Annualized EPS on post-issue equity for 9MFY2026 works out to Rs 15.0. At the price band of Rs 162 to Rs 171, P/E works out to 10.8-11.4 times of annualized EPS for 9MFY2026.

Post-issue, the book value (BV) will be Rs 124.9, while adjusted BV (ABV) net of net stage 3 assets works out to Rs 124.2 per share at the upper price band. The scrip is being offered at price to Adj BV multiple of 1.4 times at the upper price band.

Among peer NBFCs, SBI Cards & Payments is trading at P/ Adj BV multiple of 4.2 times of adj BV at end December 2025 and Aye Finance at 1.5 times.

In terms of PE, SBI Cards & Payments is trading at 29.7 times its annualized EPS for 9MFY2026 and Aye Finance at 24.9 times.

OnEMI Technology Solutions have maintained stable asset quality with healthy return ratio delivering RoA of 5.6% and RoE of 15.9% for 9MFY2026

| <b>OnEMI Technology Solutions: Issue highlights</b> |               |
|---|---------------|
| For Fresh Issue Offer size (in no. of shares crore) |               |
| - On lower price band                               | 5.25          |
| - On upper price band                               | 4.97          |
| Offer size (in Rs crore)                            | 850.00        |
| For Offer for Sale Offer size (in Rs crore)         |               |
| - On lower price band                               | 71.92         |
| - On upper price band                               | 75.92         |
| Offer size (in no of shares crore)                  | 0.44          |
| Price band (Rs)                                     | 161-172       |
| Minimum Bid Lot (in no. of shares)                  | 87            |
| Post issue capital (Rs crore)                       |               |
| - On lower price band                               | 17.12         |
| - On upper price band                               | 16.85         |
| Post-issue promoter & Group shareholding (%)        | 24.8          |
| Issue open date                                     | 30-04-2026    |
| Issue closed date                                   | 05-05-2026    |
| Listing   | BSE, NSE      |
| <b>Rating</b>                                       | <b>43/100</b> |

## OnEMI Technology Solutions: Financials

|                             | <b>2303 (12)</b> | <b>2403 (12)</b> | <b>2503 (12)</b> | <b>2512 (9)</b> |
|-----------------------------|------------------|------------------|------------------|-----------------|
| Income from Operations      | 984.46           | 1674.45          | 1337.47          | 1559.90         |
| OPM (%)                     | 38.60            | 56.99            | 53.46            | 51.87           |
| OP                          | 379.96           | 954.25           | 714.98           | 809.05          |
| Other Income                | 17.05            | 25.86            | 15.22            | 24.03           |
| PBDIT                       | 397.01           | 980.11           | 730.20           | 833.08          |
| Interest (Net)              | 55.90            | 68.64            | 164.40           | 205.75          |
| PBDT                        | 341.11           | 911.47           | 565.80           | 627.33          |
| Provisions                  | 299.30           | 621.15           | 326.83           | 344.63          |
| Depreciation / Amortization | 17.86            | 22.88            | 22.70            | 16.27           |
| PBT before EO               | 23.95            | 267.44           | 216.26           | 266.44          |
| EO                          | 0.00             | 0.00             | 0.00             | 0.00            |
| PBT after EO                | 23.95            | 267.44           | 216.26           | 266.44          |
| Tax Expenses                | -3.71            | 70.15            | 55.64            | 67.17           |
| Net Profit                  | 27.67            | 197.29           | 160.62           | 199.27          |
| EPS (Rs) *                  | 2.7              | 19.6             | 15.0             | 16.6            |
| Equity                      | 10.1             | 10.1             | 10.7             | 12.0            |
| Adj BV (Rs)                 | 56.3             | 79.9             | 93.6             | 103.4           |

\* EPS and Adj BV are calculated on diluted equity as given for each year. Face Value: Rs 1, Figures in Rs crore  
Source: OnEMI Technology Solutions Issue Prospectus