

BONANZA WEALTH MANAGEMENT RESEARCH



IPO Note

29 April 2026

OnEMI Technology Solutions Ltd.- Subscribe

Company Overview

OnEMI Technology Solutions Ltd is a technology enabled NBFC focused on digital lending, primarily serving India's emerging mass market segment through its flagship platform, Kissh. Incorporated in 2016, the company provides unsecured personal loans digitally while also expanding into secured lending through its wholly owned subsidiary, Si Creva Capital Services, which offers Loan Against Property (LAP).

The company targets young, aspirational, digitally connected, and credit underpenetrated consumers largely India's emerging middle class by offering fast, accessible, and personalized credit solutions for consumption and business needs. As of Dec'25, OnEMI had c.28.7 lakh active customers with AUM of approximately Rs.5,956 crore, supported by a highly granular loan book. Kissh operates through a tech first, fully digital model with strong customer reach, supported by over 6.3 crore registered users, high app engagement, and expanding platform accessibility across Android and iOS.

Investment Rationale

- OnEMI operates as a scaled, technology first digital lending platform focused on India's underpenetrated mass market segment, with its Kissh ecosystem combining unsecured consumer credit and secured LAP offerings. Its large addressable market of young, aspirational, digitally connected borrowers positions it directly on India's structural formalization of retail credit.
- The company has built a powerful multi channel customer acquisition engine, with c.6.4 crore registered users, c.1.1 crore customers served, and c.28.7 lakh active borrowers as of Dec'25. Its online + offline to online (O2O) distribution model, including merchant led credit QR infrastructure, creates a wide funnel while improving customer stickiness, with repeat customers contributing c.50%+ of AUM.
- OnEMI's proprietary AI/ML-led underwriting architecture acts as a core competitive moat, integrating 400+ variables across customer profiling, fraud detection, credit decisioning, and collections. This data first infrastructure enhances underwriting precision, supports faster turnaround, and enables scalable risk adjusted growth.
- The company's highly granular loan book, backed by a median customer CIBIL score of 746 and strong middle income borrower profile, supports diversification while reducing concentration risk typically associated with unsecured lending models.
- Strong funding diversification, with 47 lending partners, reduces dependency on any single capital provider and supports liquidity resilience, which is critical for sustaining high-growth lending businesses.
- OnEMI has demonstrated strong execution, with AUM scaling from approximately Rs.1,268 crore in FY23 to approximately Rs.4,087 crore in FY25 (c.79.5% CAGR), reflecting both rapid market penetration and operating leverage.

Valuation

At the upper price band of Rs.171, OnEMI is valued at ~1.6x post-issue P/ABV, which appears reasonable given its strong growth trajectory and improving profitability profile. The company has delivered robust FY23-FY25 CAGR of c.15.8% in NII, c.29.6% in PPOP, and c.140.9% in PAT, supported by healthy NIM expansion and scalable digital lending economics. Asset quality remains relatively strong with GNPA/NNPA of 2.9%/0.4% as of Dec'25, reflecting disciplined underwriting despite operating in the mass market segment. **We assign a Subscribe rating and track this stock for upcoming results in FY27.**

IPO Details

Industry	BFSI
Issue Open Date	30 th April 2026
Issue Close Date	05 th May 2026
Price Band (Rs.)	162-171
Issue Size (Cr)*	Rs. 925.9
Issue Size *(Shares)	5,41,47,390
Bid Lot	87 Shares
Listing Exchanges	BSE and NSE
Face Value (Rs.)	Rs. 10/-

* At highest price band

Issue Details

Sale Type (Rs. Cr)	Offer for Sale – 75.9 Fresh Issue* – 850
Issue Type	Book Building
Book Running Lead Manager	JM Financial Ltd, HSBC Securities and Capital Markets (India) Pvt Ltd, Nuvama Wealth Management Ltd, SBI Capital Markets Ltd, Centrum Broking Ltd
Registrar	Kfin Technologies Limited
Issue structure	QIB: 50.0% Non Institutional: 15.0% Retail: 35.0%
Credit of Shares to Demat Account	07 th May 2026
Issue Listing Date	08 th May 2026

* At highest price band

Objective of Issue

Particular	Estimated utilization from Net proceeds (Rs Cr.)
To strengthen Si Creva's capital base to support future growth and lending expansion.	637.5
General corporate purposes [•]	-

Shareholding Pattern

Shareholding (%)	Pre(%)	Post*(%)
Promoter	35.2	24.8
Public & Others	64.8	75.2

* At highest price band

Business Highlights

- Strengthened digital lending platform focused on India's mass market, operates through Kissh, a technology-first lending ecosystem serving young, aspirational, and credit-underpenetrated customers, with c.6.37 crore registered users, c.1.12 crore customers served, and c.28.7 lakh active borrowers as of Dec'25.
- AUM stood at Rs.5,956 crore as of Dec'25, driven primarily by personal loans (c.94% of AUM) with growing diversification into secured lending via LAP.
- Multi channel model combining digital marketing, affiliate partnerships, embedded finance integrations, and a differentiated credit QR led offline to online strategy through c.52,000+ merchants.
- High repeat customer stickiness of the business, c.50%+ of AUM is driven by repeat users, reflecting strong lifecycle engagement, customer retention, and platform trust.
- Proprietary data first architecture supported by 42 data scientists and 39+ specialized models enables rapid underwriting, fraud control, personalized offers, and predictive collections.
- More than 85% of new customers receive loan offers within 10 minutes, while the PL journey is fully digital with zero paperwork.
- Operates through both on book lending via RBI regulated subsidiary Si Creva and off book partnerships, creating a capital efficient model with diversified revenue streams.
- Backed by 47 lenders with low concentration risk, supporting scalable growth while reducing funding dependency.
- Si Creva's 82 branch network across 7 states and 1 UT provides product diversification, larger ticket sizes, and improved portfolio resilience.
- Cloud native infrastructure integrated across sourcing, underwriting, servicing, and collections positions the company for profitability expansion as scale increases.
- Expansion into adjacent financial products such as insurance and savings products supports the long-term vision of becoming a broader financial services ecosystem.

Financials

Particular (Rs./Cr.)	FY23	FY24	FY25	1HFY26
NII	619	1142	830	710
PPOP	323	889	543	611
PAT	28	197	161	199
EPS	2.3	16.6	13.5	16.8
RoA (%)	3.3	12.9	7.1	-
RoE(%)	6.9	28.8	17.7	-

Risk & Concern

- A dominant share of AUM (~94%+) is concentrated in unsecured personal loans, exposing the company to elevated credit risk, higher default probability, and sensitivity to borrower stress in economic downturns.
- The company primarily serves young, emerging middle-income customers who may be more susceptible to income disruption, repayment delays, and consumption-led credit stress versus secured or prime borrowers.
- Revenue concentration around core lending products: Any slowdown in unsecured credit demand, regulatory tightening, or competitive pricing pressure could materially impact AUM growth, profitability and business momentum.
- Negative operating cash flows and working capital intensity: Historical negative operating cash flows, driven by aggressive loan book expansion and funding requirements, indicate dependence on continued capital access to sustain growth.

Graphs & Charts

Figure 1: NII Trend

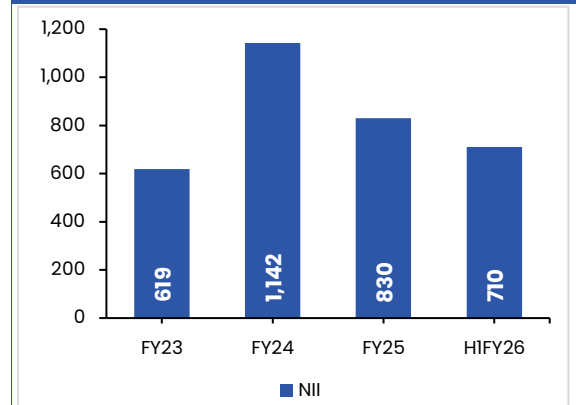


Figure 2: PPOP trend

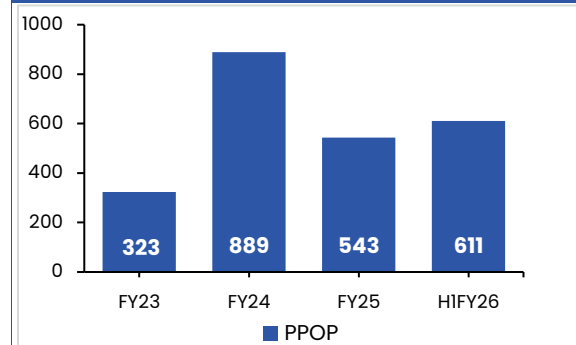


Figure 3: PAT Trend

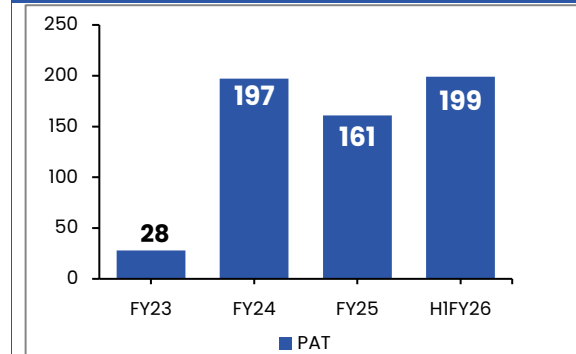
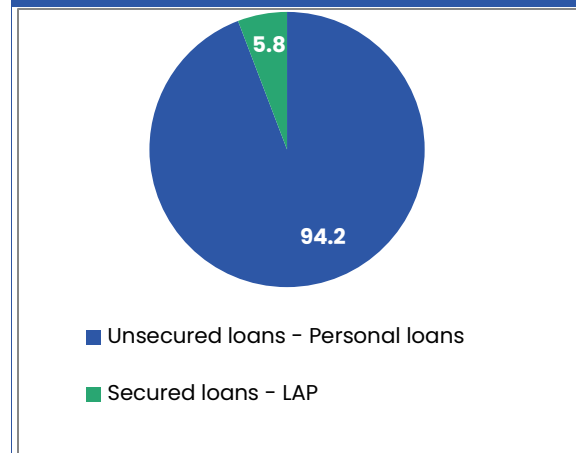


Figure 4: Revenue Mix for 9MFY26



Name	Designation
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