# PB Fintech shares plunge nearly 39% in two days; market value erodes ₹31,000 crore, MF investors lose ₹11,000 crore

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PB Fintech, the parent company of Policybazaar, lost around ₹31,400 crore in market capitalisation over the two trading sessions ended September 25, as its shares plunged nearly 39% during the period. The sell-off was triggered by the Insurance Regulatory and Development Authority of India's (IRDAI) proposed changes to insurance distribution commissions and expense limits.

PB Fintech shares suffered their worst single-day fall since their 2021 listing on Thursday, plunging 36%, followed by another 3.68% decline on Friday. The cumulative two-day loss climbed to nearly 39%, dragging its market capitalisation below ₹54,000 crore, from ₹85,320 crore at the end of trading on September 23, 2026.

On Friday, PB Fintech shares settled 3.68% lower at ₹1,165.50 on the BSE, with a market capitalisation of ₹53,933.83 crore. During the session, the counter plunged as much as 7.84% to hit a 52-week low of ₹1,115.10. At this level, the stock was down 43% from its 52-week high of ₹1,963, touched on December 9, 2025.

The sharp fall has also eroded nearly ₹11,000 crore in the value of mutual fund holdings in PB Fintech. MFs held 151.5 million shares of the company at the end of August, according to Prime Database. The holding, valued at ₹28,561 crore at the end of September 23, was worth around ₹10,914 crore after Friday's close.

The online insurance distributor is among the companies with the highest mutual fund ownership. As of August-end, MFs held around 33% of PB Fintech's total share capital.

In calendar year 2026, the large-cap fintech stock has lost 35.5%, while it has fallen over 20% in six months and more than 33% in the past one year.

## What fuelled the sell-off?

The sentiment was dented following IRDAI's proposed changes to expense-of-management (EOM) limits and commission structures, which brokerages said could significantly alter the economics of insurance distribution. The proposals have raised concerns over the revenue and earnings outlook for online insurance platforms such as Policybazaar.

The regulator has proposed lower expense-of-management (EOM) caps for life and general insurers, along with segment-level commission caps. The consultation also seeks to curb "dark patterns" on insurance websites, including practices that require customers to submit personal information before accessing product features, pricing and quality information.

Brokerages have sharply revised their estimates following the proposed framework. Jefferies retained its 'Buy' rating on PB Fintech but cut its target price to ₹1,540 from ₹2,050. The brokerage said the proposed changes could have a material near-term impact on earnings, with a 10% reduction in new-business commission rates potentially translating into a 10-12% decline in earnings.

Morgan Stanley highlighted a potentially sharper impact on PB Fintech's health business, estimating that its health business NPV could decline 60-70% under the proposed framework, while life insurance NPV could remain broadly stable.

Another global brokerage, HSBC, downgraded PB Fintech to 'Hold' from its earlier stance and cut its target price to ₹1,150 from ₹2,100. The brokerage lowered its FY28 and FY29 earnings-per-share estimates by 56% and 17%, respectively, citing the potential impact of lower take rates, partly offset by expectations of higher growth and cost savings.

## Regulatory move to dent online insurance revenue

Domestic brokerage Motilal Oswal Financial Services estimates that the proposed rules could reduce PB Fintech's core online insurance revenue by around 30% in FY28. If the company is unable to offset the impact through cost cuts or additional revenue streams, its earnings could fall by 46%, the brokerage said.

The brokerage projects that the value of PB Fintech's general insurance business could fall by 60-65% under the proposed framework. Since general and life insurance contribute roughly equally to its core online insurance revenue, the impact could translate into a 30% decline in revenue.

"If we cut our FY28 core online insurance revenue estimates by 30%, without factoring in any adjustments to expenses or additional revenue streams highlighted by the company, our earnings estimates would decline by 46%," Motilal Oswal said.

The brokerage added that a 20% reduction in employee and advertising costs could limit the earnings decline to around 30%.

From a technical perspective, Virat Jagad, senior technical research analyst at Bonanza, said the stock has witnessed a sharp breakdown on heavy volume, falling below the ₹1,312-1,365 support zone and all key EMAs. He said the RSI was near 23, indicating strong bearish momentum, and advised against fresh buying.

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