



**SMC Ranking**

★ ★ ☆ ☆ ☆ (2/5)

**Issue Highlights**

Industry	Fintech
Offer for sale (Shares)	557,230,051
Fresh Issue (Shares)	106,000,000
<b>Net Offer to the Public</b>	<b>663,230,051</b>
Issue Size (Rs. Cr.)	6300-6632
Price Band (Rs.)	95-100
Offer Date	4-Nov-25
Close Date	7-Nov-25
Face Value	2
Lot Size	150

**Issue Composition**

	In shares
Total Issue for Sale	663,230,051
QIB	497,422,538
NIB	99,484,508
Retail	66,323,005

**Shareholding Pattern (%)**

Particulars	Pre-issue	Post-issue
Promoters & promoters group	28.29%	27.81%
QIB	71.71%	69.51%
NIB	0.00%	1.61%
Retail	0.00%	1.07%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

\*calculated on the upper price band

**Objects of the Issue**

The Company Billionbrains Garage Ventures IPO proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Expenditure towards cloud infrastructure
2. Brand building and performance marketing activities
3. Investment in one of the Material Subsidiaries, GCS, an NBFC, for augmenting its capital base
4. Investment in one of the Material Subsidiaries, GIT, for funding its MTF business
5. Funding inorganic growth through unidentified acquisitions and general corporate purposes

**Book Running Lead Manager**

- Kotak Mahindra Capital Company Limited
- Morgan Stanley India Company Private Limited
- Citigroup Global Markets India Private Limited
- Axis Capital Limited
- Motilal Oswal Investment Advisors Limited

**Name of the registrar**

- MUFG Intime India Private Limited

**About the company**

Groww (incorporated in 2017) is a Bengaluru-based fintech company offering a direct-to-customer digital investment platform that enables retail investors to build wealth through diverse financial products. The platform allows investment in mutual funds, equities, derivatives, ETFs, IPOs, digital gold, and U.S. stocks, with its mobile app being especially popular among mutual fund investors. Groww also provides value-added services such as margin trading, algorithmic trading, NFOs, and credit solutions. Its business model focuses on customer acquisition and engagement through integrated financial offerings. As of June 30, 2025, Groww employed 1,415 professionals across its operations.

**Strength**

**Market Leadership and Brand Reach :** Groww has emerged as one of India's most trusted and preferred retail investing brands, with a strong presence across cities, towns, and villages. According to Redseer, it ranked highest in Google Trends search interest among the top 10 brokers (by NSE active clients) in Fiscal 2025. It also captured the largest share of new app downloads among the top five brokers—38.18% between Fiscal 2022 and June 2025—reflecting robust brand equity and customer trust. Supported by organic acquisition rates consistently above 81% (83.16% in Q1 FY2026), Groww benefits from low customer acquisition costs. Its reach spans 98.36% of India's pin codes, with 81% of Active Users residing outside the top six cities.

**Customer Retention and Engagement:** Groww's customer-centric approach fosters high engagement and loyalty. Through personalized notifications, educational content, and user-relevant insights, the platform ensures sustained participation. As a result, 77.70% of users who completed three years remained active, while first-quarter retention across cohorts ranged between 84.79% and 92.98%. Active Users spent an average of 65.5 minutes daily on the app in Fiscal 2025, with a DAU/MAU ratio of 56.29%. Despite brokerage fee hikes in October 2024, user growth and activity remained unaffected, underscoring strong price inelasticity. Groww accounted for 40.08% of NSE's net active user additions in Q3 FY2025, with retail cash ADTO share rising to 21.60%. Notably, users of two or more products exhibited a two-year retention rate of 88.50%, versus 60.00% for single-product users.

**User-Centric Product Design:** Groww's design philosophy emphasizes transparency, simplicity, and speed, creating a seamless experience for both beginners and power traders. "User Friendliness" remains its most lauded feature in Google Play reviews (FY2023–June 2025). Under the leadership of Promoter Lalit, the dedicated design team continuously refines interfaces based on customer feedback. Key features—color-coded visual cues, streamlined information hierarchy, uncluttered layout, and the integrated "Need Help?" support module—enhance accessibility and satisfaction.

**Technology-Driven Differentiation:** Groww's proprietary technology stack enables scale, efficiency, and reliability. Its systems can handle up to 50 million concurrent users and execute 50 million daily orders, with peak TPS matching India's UPI averages in FY2024. AI/ML integration powers seamless onboarding, in-house UPI transactions (77.84% of deposits in Q1 FY2026), and back-office automation via the Groww 'ORBIT' system. The Groww Lite disaster recovery solution and AI chatbot—resolving over 98,000 daily queries—strengthen resilience. Operating efficiencies have improved steadily, as "Cost to Serve" declined as a share of revenue, reinforcing scalability.

**Ownership-Driven, Entrepreneurial Culture:** Groww's pod-based, cross-functional structure encourages agility, innovation, and accountability. With 77.29% of employees covered under its ESOP plan, the company nurtures an ownership mindset aligned with its core principle—"Do the right thing for the customer." Employee immersion programs, including direct customer interactions and "Ab India Karega Groww" financial literacy workshops, ensure a deep understanding of user needs and reinforce its customer-first ethos.

**Scalable and Profitable Growth Model:** Groww's platform operates on customer-first, technology-led, and asset-light principles that drive robust unit economics. High engagement and cross-product adoption enhance revenue per user while maintaining low acquisition and servicing costs. Operating leverage from its digital model has reduced Adjusted Cost to Operate from 26.32% of revenue in FY2023 to 13.77% in FY2025. The asset-light structure ensures strong cash generation, supporting reinvestment in technology, product innovation, and market expansion.

## STRATEGY

**Continue Strengthening the Brand:** Groww aims to further solidify its position as an all-India "pull" brand synonymous with trust, transparency, and financial empowerment. The company plans to expand market share through targeted marketing campaigns and financial education initiatives designed to enhance brand recall and inclusivity. This organic, word-of-mouth-driven approach is expected to scale revenues without a proportionate rise in marketing expenditure, thereby improving operating leverage. As Groww's user base expands, the company intends to develop specialized offerings for distinct customer segments, including the upcoming "W by Groww" brand focused on the advisory and asset management needs of affluent investors.

**Expanding Product and Service Offerings:** Groww's product roadmap is driven by customer demand, profitability, and experience differentiation to enhance acquisition, retention, and monetization. Recent launches such as Margin Trading Facility (MTF), commodities derivatives, and an API trading platform (introduced in June 2025) cater to advanced investors seeking leverage and automation. The newly launched 'W' wealth management platform enables affluent users to track investments, access insights, and engage with wealth partners, with future plans for a hybrid model combining technology and relationship management. To strengthen portfolio diversification and liquidity, Groww has introduced Loans Against Securities (LAS) and Bonds as fixed-income products. The company aims to deepen wallet share and raise Average Annual Revenue Per User (AARPU) through continuous product innovation.

**Continued Investment in Technology:** Groww remains committed to strengthening its proprietary technology stack to deliver scalable, secure, and intuitive investing experiences. Supported by an in-house team of engineers, data scientists, and cybersecurity specialists, the company's technology priorities include:

- (i) Rapid innovation to simplify investing;
- (ii) Advanced AI and analytics for personalized insights and portfolio intelligence; and
- (iii) Robust compliance frameworks leveraging scalable tech solutions to meet evolving regulatory requirements.

**Strategic Acquisitions and Investments:** Groww actively pursues acquisitions and strategic investments to accelerate product diversification and revenue growth. The 2023 acquisition of Indiabulls Asset Management Company Private Limited enabled the creation of Groww AMC, marking its entry into the asset management business. To enhance offerings for affluent users, Groww is acquiring a wealth management firm to strengthen "W by Groww." The company also invests selectively in synergistic fintech players, including stakes in Digio (eKYC solutions, December 2022) and MSEI (currency derivatives brokerage, December 2024), reinforcing its broader ecosystem strategy.

## Risk Factor

- Adverse movements in financial markets, influenced by economic or policy changes, may impact business performance.
- Dependence on uninterrupted technology platforms exposes the company to risks from system failures or outages.
- Broking services contribute a major share of revenue (84.50% in FY2025); any slowdown could affect financial results.
- Frequent regulatory or policy changes may adversely impact operations and growth.
- Inability to acquire or retain customers could weaken financial performance.
- Sustaining profitability depends on continued revenue growth and expense control.
- Cybersecurity or data breaches could harm reputation and operations.
- Adverse performance of key subsidiaries may materially affect overall business and cash flows.

## Peer Comparison

Co_Name	Total Income	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Nuvama Wealth	4176.69	986.18	87.02	22.18	6.30	1125.71	10	7092.00	21874.21
Motil.Oswal.Fin.	8417.22	2501.64	63.07	14.73	3.33	293.69	1	978.00	36854.80
Angel One	5247.57	1172.08	106.68	17.82	3.71	671.81	10	2492.40	20881.85
Prudent Corp.	1133.48	195.65	28.18	49.59	14.53	175.88	5	2555.50	9701.59
360 ONE	3684.39	1015.30	18.47	36.50	5.25	205.85	1	1080.70	37060.98
Billionbrains Garage Ventures Ltd.	3805.33	1864.73	3.02	33.11	7.23	13.84	2	100.00	61735.97

\*Peer companies financials are FY25 based

\*\*\*Billionbrains Garage Ventures Ltd. Financial are based on TTM

## Valuation

Considering the P/E valuation, on the upper end of the price band of Rs.100, the stock is priced at pre issue P/E of 32.54 x on TTM EPS of Rs.3.07. Post issue, the stock is priced at a P/E of 33.11x on its EPS of Rs. 3.02. Looking at the P/B ratio at Rs.100 pre issue, book value of Rs. 12.33 of P/Bvx 8.11x. Post issue, book value of Rs.13.84 of P/Bvx 7.23x.

Considering the P/E valuation, on the lower end of the price band of Rs.95, the stock is priced at pre issue P/E of 30.91 x on TTM EPS of Rs. 3.07. Post issue, the stock is priced at a P/E of 31.45x on its EPS of Rs.3.02. Looking at the P/B ratio at Rs. 95 pre issue, book value of Rs. 12.33 of P/Bvx 7.70x. Post issue, book value of Rs.13.84 of P/Bvx 6.87x.

## Industry Outlook

The outlook for India's investment and wealth management industry is poised for significant growth, driven by strong macroeconomic tailwinds and a structural shift in household savings from physical to financial assets. Despite India being the fourth largest country globally by equity market capitalization as of June 2025, there remains a vast untapped opportunity, as active broking account penetration is only approximately 5% of the adult population. This low penetration compared to markets like the United States suggests a substantial runway for expansion. The total addressable market (TAM) for the Investment and Wealth Management sector is expected to grow dramatically, almost doubling in value from approximately ₹1.1 trillion as of Fiscal 2025 to between ₹2.2 trillion and ₹2.6 trillion by Fiscal 2030, according to the Redseer report. Although the growth in derivatives trading may moderate in the short term due to regulatory measures, the overall market is expected to witness continued growth as new users mature, adopt multiple products, and engage in more frequent transactions.

## Outlook

Groww is well-positioned to strengthen its leadership in India's retail investing ecosystem through customer-centric innovation, advanced technology, and product diversification. With a trusted brand, scalable digital platform, and expanding presence across segments, the company aims for sustainable growth and profitability. While regulatory, market, and cybersecurity risks remain, its strong execution capabilities, disciplined cost management, and focus on user experience support a positive long-term outlook.

## An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
BID/ISSUE OPENS ON	04-November-25
BID/ISSUE CLOSES ON	07-November-25
Finalisation of Basis of Allotment with the Designated Stock Exchange	10-November-25
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	11-November-25
Credit of Equity Shares to Demat Accounts of Allottees	11-November-25
Commencement of trading of the Equity Shares on the Stock Exchanges	12-November-25

## Annexure

### Consolidated Financials

#### Profit & Loss

Rs. in Cr.

Particulars	Period ended 30-Jun-25 (3 Months)	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)
Revenue from operations	904.40	3901.72	2609.28
Total expenditure	421.11	1529.34	2043.80
<b>Operating Profit</b>	<b>483.29</b>	<b>2372.39</b>	<b>565.48</b>
OPM%	53.44	60.80	21.67
Other Income	44.07	159.92	186.71
<b>Total Net Income</b>	<b>527.36</b>	<b>2532.31</b>	<b>752.19</b>
Interest	16.42	42.55	4.20
<b>PBDT</b>	<b>510.94</b>	<b>2489.76</b>	<b>748.00</b>
Depreciation	7.14	24.60	20.12
<b>Restated profit/(loss) before share of profit/(loss) of associates and joint ventures, exceptional item and tax</b>	<b>503.80</b>	<b>2465.16</b>	<b>727.88</b>
Share of profit/ (loss) of associates and joint ventures, net of tax	-0.63	-1.38	-6.68
<b>Restated profit/(loss) before exceptional item and tax</b>	<b>503.18</b>	<b>2463.78</b>	<b>721.20</b>
Exceptional Items	0.00	0.00	-1339.68
<b>PBDT</b>	<b>503.18</b>	<b>2463.78</b>	<b>-618.48</b>
Tax	124.81	639.41	186.97
<b>Profit &amp; Loss</b>	<b>378.37</b>	<b>1824.37</b>	<b>-805.45</b>

Balance sheet is on next page

## Balance Sheet

Rs. in Cr.

Particulars	As on 30-Jun-25	As on 31-Mar-25	As on 31-Mar-24
<b>Non-current assets</b>			
Property, plant and equipment	19.74	19.76	13.11
Capital work in progress	0.00	0.00	0.00
Goodwill	318.69	318.69	318.69
Other Intangible assets	43.61	43.62	43.67
Right-of-use assets	15.29	19.45	20.25
Financial assets			
(i) Investments	906.14	381.26	738.52
(ii) Loans	656.96	635.42	447.84
(iii) Other financial assets	16.27	15.87	9.68
Deferred tax asset (net)	23.60	16.39	44.28
<b>Total non-current assets</b>	<b>2000.30</b>	<b>1450.47</b>	<b>1636.05</b>
<b>Current asset</b>			
<b>Financial Assets</b>			
(i) Investments	2281.68	1525.57	709.87
(ii) Trade receivables	119.29	96.79	69.40
(iii) Cash and cash equivalent	61.45	361.11	307.89
(iv) Bank balances other than cash and cash equivalent	5067.97	3895.08	3374.28
(v) Loans	1489.11	1055.27	269.25
(vi) Other financial assets	1606.91	1619.02	1553.14
Current tax assets (net)	16.42	23.68	65.44
Other current assets	70.05	50.33	32.65
<b>Total current assets</b>	<b>10712.88</b>	<b>8626.85</b>	<b>6381.91</b>
<b>Total Assets</b>	<b>12713.18</b>	<b>10077.31</b>	<b>8017.97</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Debt securities	117.21	131.98	0.00
(ii) Borrowings	51.59	78.87	0.00
(iii) Lease liabilities	7.20	8.56	12.46
Provisions	11.47	9.39	113.74
Deferred tax liabilities (net)	0.00	1.47	0.00
<b>Total Non- Current liabilities</b>	<b>187.46</b>	<b>230.26</b>	<b>126.19</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
(i) Debt securities	59.44	60.40	0.00
(ii) Borrowings	272.50	273.12	24.06
(iii) Lease liabilities	9.97	13.22	10.38
Trade payables- Total outstanding dues of micro and small enterprises	1.91	1.13	0.55
Trade payables-Total outstanding dues of creditors other than micro and small enterprises	6093.22	4594.25	3915.64
(iv) Other financial liabilities	6.00	1.08	0.00
Other current liabilities	83.59	35.98	55.41
Provisions	3.55	3.63	3.37
Current tax liabilities (net)	0.00	8.80	1339.68
<b>Total - Current Liabilities</b>	<b>6530.17</b>	<b>4991.61</b>	<b>5349.09</b>
<b>Total Liabilities</b>	<b>6717.63</b>	<b>5221.87</b>	<b>5475.28</b>
Net worth represented by:			
Equity share capital	418.77	365.63	20.73
Instruments entirely equity in nature	70.00	44.19	44.19
Other equity	5506.78	4445.63	2477.76
<b>Total Equity</b>	<b>5995.54</b>	<b>4855.45</b>	<b>2542.68</b>

## RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★★
EXCELLENT	★★★★★

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