

**Rating: Subscribe for listing gain**

### Issue Offer

**Fresh issue of up to INR 1,060 crore and OFS up to INR 5,572.30 crore bringing the total issue size of up to INR 6,632.30 crore.**

#### Issue Summary

Price Band (INR)	95-100
Face Value (INR)	2
Implied Market Cap (INR crore)	61,736
Market Lot	150
Issue Opens on	Nov 4 <sup>th</sup> , 2025
Issue Close on	Nov 7 <sup>th</sup> , 2025
No. of share pre-issue	6,06,75,96,631
No. of share post issue	6,17,35,96,631
Listing	NSE / BSE

#### Issue Break-up (%)

QIB Portion	≥75
NIB Portion	≤15
Retail Portion	≤10

#### Book Running Lead Managers

Kotak Mahindra Capital Company Ltd.  
J.P. Morgan India Private Ltd.  
Citigroup Global Markets India Pvt. Ltd.  
Axis Capital Ltd.  
Motilal Oswal Investment Advisors Ltd.

#### Registrar

MUFG Intime India Private Limited

#### Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	28.29%	18.78%
Public & Others	71.71%	81.22%

#### Objects of the issue

	Exp. Amt (INR cr)
Expenditure towards cloud infrastructure.	152.50
Brand building and performance marketing activities	225.00
Investment in one of the Material Subsidiaries, GCS, an NBFC, for augmenting its capital base	205.00
Investment in one of the Material Subsidiaries, GIT, for funding its MTF business	167.50
Funding inorganic growth through unidentified acquisitions and general corporate purposes	-

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Billionbrains Garage Ventures Limited, operating under the brand Groww, is India's leading digital investment and wealth management platform offering a wide range of products such as equities, mutual funds, derivatives, bonds, margin trading, consumer credit, and wealth advisory through its subsidiaries Groww Invest Tech Pvt. Ltd. and Groww Creditserv Technology Pvt. Ltd. In FY25, the company reported revenue from operations of INR 3,901.72 crore, of which approximately 85.5% was derived from fees and commissions, 6.3% from interest income, and 8.2% from other operating revenues, resulting in a net profit of INR 1,824.37 crore with a margin of 44.9%. Groww serves 1.73 crore transacting users with total customer assets of INR 2.17 lakh crore, including INR 1.13 lakh crore in mutual fund AUM, and holds a 19.3% market share in retail cash trading and 11.4% in retail derivatives. The company's fully digital, India-focused model caters to investors across Tier 1-4 cities, including over 65 lakh first-time investors, supported by a scalable technology infrastructure capable of handling 5 crore concurrent users and 5 crore orders per day.

#### Investment Rationale

**Dominant Market Position with High Retention and Engagement :** Groww captured 40.08% of net NSE active user additions in Dec 2024 and its Retail Cash ADTO market share rose from 17.71% in Q2FY25 to 21.60% in Q3FY25. With an average user time of 65.5 minutes/day on the platform in FY25 and a DAU/MAU ratio above 56%. Additionally, 77.70% of users remain active after 3 years. This sustained engagement builds strong switching barriers and long-term monetization opportunities as users progress through multiple product categories.

**Diversified and Expanding Product Portfolio :** Groww continues to expand its offerings beyond equities and mutual funds into bonds, commodities, margin trading, and loans against securities (LAS). Its recently launched wealth management arm 'W by Groww' targets affluent customers seeking advisory-led solutions, and the Groww AMC business achieved INR 2,519.92 crore AUM as of Q1FY26, up from INR 706.83 crore as of Q1FY25. These initiatives enable Groww to capture higher wallet share per user and diversify revenue streams, making it as a full-stack digital wealth platform rather than a single-product brokerage.

**Asset-Light Model Driving Profitability and Cash Generation :** The company operates an asset-light, technology-led model, leading to strong operating leverage. Its Adjusted Cost to Operate declined from 26.32% of revenue in FY23 to 13.77% in FY25. Its unit economics are positive, with the platform generating high contribution margins as customer acquisition costs remain low over 83% of customers are acquired organically. This low CAC, coupled with high retention, enables the company to convert profits into free cash flow.

**Deep Pan-India Reach :** The company enjoys a 52.74% CAGR in active users between FY23 and Q1FY26. Moreover, its users are present across 98.36% of Indian pin codes, with ~81% of users outside the top 6 cities.

#### Valuation & Outlook:

The company plans to keep expanding its customer base by strengthening its brand and adding new products such as wealth management ("W by Groww"), bonds, commodities, and loans against securities. The TAM of India's wealth and investment management industry is expected to grow from INR 1.1 lakh crore in FY25 to INR 2.2-2.6 lakh crore by FY30. Penetration is still low, with just 16-18% of adults having demat accounts and about 5% active broking accounts in CY24, as opposed to 62% in the U.S. With a fast-growing retail investor base poised to increase from 6.6-7.2 crore to 12-13 crore users, with its extensive digital presence in 98.36% of Indian pin codes and dominance in active NSE users, the company is well positioned to capture this opportunity. Groww aims to use its strong tech platform and low-cost, asset-light model to reach more users across India and improve profitability. With revenue growing sharply at an 85% CAGR between FY23 and FY25 and profit margins improving to 45%, it expects to maintain steady growth through organic user additions, high customer retention, and rising average revenue per user. **At the upper band of INR 100, the issue is valued at a P/E ratio of 33.84x, based on a EPS of INR 2.96 per share. We are recommending a "Subscribe for listing gain" rating for this issue.**

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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