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IPO Note

Groww

Billionbrains Garage Ventures Ltd

Industry: Digital investment platform/ Broker

Rating

NEUTRAL

Date: 03 Nov, 2025

Billionbrains Garage Ventures Ltd (Groww)

Issue Highlights

Groww IPO is a book build issue of Rs. 6,632.30 crores. The issue is a combination of Fresh Issue and Offer for Sale (OFS) .

- The Fresh Issue consists of 10.60 crore shares aggregating to Rs. 1,060 crores at the upper end of the price band at Rs. 100 per share.
- The Offer for Sale (OFS) consists of 55.72 crore shares aggregating to Rs. 5,572.30 crores at the upper end of the price band at Rs. 100 per share.

Objects of the Offer are: The net proceeds of the Fresh Issue are to be utilised in the following manner:

Particulars	Rs. Cr
Expenditure towards cloud infrastructure	152.5
Brand building and performance marketing activities	225.0
Investment in GCS, an NBFC, for augmenting its capital base	205.0
Investment in GIT, for funding its MTF business	167.5
General corporate purposes	[•]
Total	**[•]**

The amount utilised for general corporate purposes shall not exceed 35% of the Gross Proceeds of the Fresh Issue.

04th Nov 2025 **ISSUE OPENS** to 07th Nov 2025 **ISSUE CLOSES**

ISSUE DETAILS	
Price Band	Rs. 95 to Rs. 100 per share
Face Value	Rs. 2 per share
Total Offer Size	66,32,30,051 shares (aggregating up to Rs. 6,632.3 Cr)
Fresh Issue	10,60,00,000 shares (aggregating up to Rs. 1,060.0 Cr)
Offer For Sale	55,72,30,051 shares of Rs. 2 (aggregating up to Rs. 5,572.3 Cr)
Issue Type	Book-building IPO
Minimum lot	150 shares
Listing on	BSE, NSE

Data Source: Company filings & CSEC Research

Date: 03 Nov, 2025

Outlook

- Groww is India's leading digital-first investing platform by active NSE clients, with 1.4 crore active users as of FY25. The app has 100+ Mn downloads—the only Indian investment app to cross that threshold.
- The Groww platform serves users across 98.4% of India's pin codes; ~81% reside outside top-6 cities, ~45% are under 30 and ~21% between 31–35; and 43% of new users opened their first demat account on Groww. A discount broking model aimed at individual investor and traders.
- The company has been able to make significant inroad in the 'Affluent Users (assets > Rs. 25 lakhs) segment which has grown to 33.2% of Total Customer Assets in Jun-25 (vs 20.3 % in FY23), which enhances higher AARPU.
- Groww offers a comprehensive suite—equities, F&O, mutual funds (including Groww AMC with 30 schemes), bonds, LAS, personal loans and the new API Trading platform for automation (launched Jun-25). Overall AARPU for multi-product users is 1.32× platform average and rose 1.86× since FY22.
- The new 'W for Wealth' app targets 3.7 lakh affluent clients managing Rs. 10,169 Cr of assets, offering unlisted equity, private equity, venture capital, real estate and infrastructure funds—segments previously restricted to HNIs. It is supported by 160 wealth partners and integrates PMS and AIF distribution.
- Groww runs a fully in-house technology stack, deploying AI and ML for real-time market intelligence, portfolio analytics and personalised notifications. AI-driven tools support technical and fundamental analysis and are being scaled into Wealth and Credit verticals to enhance advisory accuracy and cross-selling efficiency.
- Over 82–83 % of new customers are acquired organically (FY23–FY25), keeping marketing spend low and yielding short pay-back periods.
- The IPO is priced at ~33.8× FY25 PAT, at a premium of ~20% to the sector average. Having regard to the fact that Equity Broking and Wealth management business has low moat we believe valuation above industry average will be a challenge to sustain in long run. Heightened competition from peers such as Zerodha, Upstox and Angel One will pose further pressure on pricing. Product replicability, rapid innovation cycles and aggressive competition are foreseeable challenges.
- Having regard to aforesaid factors we have a "**NEUTRAL**" rating for Groww's IPO.

61,736
Market Cap (Rs. Crores) Post Issue

33.8
Post Issue PE Ratio

37.6%
Return on Net Worth (FY25 RoNW%)

27.8%
Promoter Shareholding Post Issue

Indicative Timeline

On or before

Finalization of Basis of Allotment	Mon, Nov 10, 2025
Unblocking of Funds	Tue, Nov 11, 2025
Credit of shares to Demat Account	Tue, Nov 11, 2025
Listing on exchange	Wed, Nov 12, 2025

IPO Reservation

QIB Shares	Not less than 75% of the Net Offer
HNI Shares	Not more than 15% of the Net Offer
Retail Shares	Not more than 10% of the Net Offer

Lot Size

Application	Lots	Shares	Amount
Retail (Min)	1	150	Rs. 15,000
Retail (Max)	13	1,950	Rs. 1,95,000
S-HNI (Min)	14	2,100	Rs. 2,10,000
S-HNI (Max)	66	9,900	Rs. 9,90,000
B-HNI (Min)	67	10,050	Rs. 10,05,000

Date: 03 Nov, 2025 | Data Source: Company filings & CSEC Research | Post Issue PER calculated with FY25 PAT

Company Overview

- Billionbrains Garage Ventures Ltd ("Groww") is a direct-to-customer (D2C) digital investment platform providing retail investors with a comprehensive ecosystem of wealth-creation and credit products. It is India's largest and fastest-growing investment platform by active users on NSE as of 30 June 2025 . Groww enables customers to invest and trade in equities (including IPOs), derivatives, bonds, and mutual funds—via both the Groww Mutual Fund and third-party AMCs—while also offering margin trading facilities (MTF), loans against securities (LAS), and personal loans. The company's technology-first design philosophy combines intuitive user experience, AI-driven personalisation, and in-house infrastructure to make investing simple, transparent, and accessible across India's urban and semi-urban population.
- Founded in 2016 by Lalit Keshre, Harsh Jain, Ishan Bansal and Neeraj Singh – former colleagues at Flipkart India – Groww emerged from the promoters' conviction that retail investing in India remained complex, geographically concentrated, and expensive. At the time, India had roughly 0.5 crore active NSE users (FY2016), underscoring the extremely low penetration of capital markets. The founders identified an opportunity to democratise investing through a technology-first approach, analogous to the digital transformations in retail, travel and food delivery. By 30 June 2025, the number of active users on NSE had expanded nearly nine-fold to 4.79 crore, reflecting both structural market deepening and the success of platforms such as Groww in expanding retail participation. As per Redseer (2025), Groww is the only Indian investment app to surpass 100 million cumulative downloads, positioning it at the forefront of the domestic digital-investment ecosystem. As of 30 June 2025, Groww had 1.4 crore active users on its platform.
- Groww's customer base comprises individual investors seeking long-term asset creation through capital-market instruments. As of June 2025, the platform had active users from 98.36% of India's pin codes, underscoring its deep penetration into non-metro and semi-urban markets. The demographic profile is distinctively young: ~45% of active users are under 30 years old and ~21% are aged 31–35. Approximately 43.2% of newly traded users (NTUs) in FY2024–FY2025 opened their first demat account on Groww, demonstrating its role as a market-entry platform for new investors. The user mix also reflects significant diversity – 0.33 crore female active users, customers spanning professions from entrepreneurs and public-sector employees to farmers and homemakers, and ~81% residing outside the Delhi-NCR and top-five metros.

- Customers are internally segmented into two cohorts based on Total Customer Assets (TCA) – i.e., assets invested through Groww and those tracked on its platform. Users with TCA below Rs. 25 lakhs are classified as Aspirational Users, typically younger (first-time investors with median age ~30 years), while those above Rs. 25 lakhs are Affluent Users (median age ~40 years). Affluent Users generate a higher Annual Average Revenue per User (AARPU) and constitute a rapidly expanding share of the platform's asset base. As of 30 June 2025, Affluent Users accounted for 33.2% of Total Customer Assets, up from 20.3% in FY2023, reflecting rising wallet share and maturity of Groww's customer cohort.
- Groww's engagement strategy centres on lifetime customer relationships rather than transactional activity. With a median active user age of ~31 years, the platform's user base offers a long revenue runway as investors progress along their financial journey and adopt multiple products. As of June 2025, 0.57 crore active users used more than one product, illustrating strong cross-selling potential. Customer acquisition is predominantly organic: in the three months ended June 2025 and 2024, and in FY2025, FY2024 and FY2023, 83.2%, 83.0%, 83.6%, 81.1% and 81.0% of new users were acquired without paid marketing. This has helped lower the "Cost to Grow" (marketing and promotion expenses) and shorten payback periods, supporting capital-efficient growth. From FY2023 to Q1FY2026, active users increased at a CAGR of ~52.7%, while Total Customer Assets expanded at a CAGR of ~91.1%, demonstrating accelerating monetisation relative to user growth.
- As of 30 June 2025, stocks (including cash balances) represented 45.4% of Total Customer Assets, with the balance invested in mutual funds. For the cohort acquired in Q1 FY2022, by FY2025 per-user assets had grown 5.36x, AARPU 1.86x, and over 53% were using two or more products.
- Groww's business model is anchored in two flywheels: (a) acquiring and retaining a rapidly growing customer base and (b) expanding each customer's product adoption and asset wallet share over time . New customers typically begin with Stocks or Mutual Funds and later adopt Derivatives, Bonds, MTF and credit products. As of June 2025, among users who started with stocks, 48.4 % used only stocks, 38.3 % added one more product, and 13.3 % adopted two or more additional products. Each cohort of existing customers has continued to expand assets on the platform, with new users consistently contributing 15–20 % of TCA annually (FY23–FY25). For customers active three years, average retention is 77.7 %, and AARPU for multi-product users is 1.32x higher than the platform average. In FY25, 80.8 % of revenue came from users acquired in prior years (vs 69.2 % in FY24), indicating steady cohort maturity and recurring income.
- The company's competitive advantage lies in its proprietary in-house technology stack, which supports up to 50 million simultaneous users and 50 million orders per day, with peak transactions per second comparable to UPI volumes (NPCI, FY24) . The company has developed core systems including Groww 'ORBIT' (back-office reconciliation and trade settlement), Groww UPI ("GUPI") for payments — which handled 77.8 % of deposit transactions in Q1 FY26 (up from 56.8 % a year earlier) — and Groww Lite (disaster-recovery trading portal). AI and ML are embedded across the stack: automated KYC onboarding, real-time payment validation, and chatbot support (handling ~98,500 queries daily in June 2025 vs 7,400 in June 2024). The technology-driven architecture has delivered clear operating leverage—"Cost to Serve" (software, servers, and transaction costs) declined from 15.85 % of revenue in FY23 to 12.55 % in FY24, 14.62 % in FY25, 12.23 % in Q1 FY25, and 14.80 % in Q1 FY26.
- Despite rapid scaling, Groww remains in the early stages of penetration within a large under-served market. According to Redseer (2025), only 16–18 % of Indian adults hold demat accounts and ~5 % maintain active broking accounts, compared with ~62 % in the US . India's Investment and Wealth Management TAM is estimated at Rs. 1.1 lakh crore (FY25) and projected to grow to Rs. 2.2–2.6 lakh crore by FY30, with users rising from 6.6–7.2 crore to 12–13 crores; and ARPU expanding from Rs. 15,900–17,200 to rs. 18,600–20,200. Groww aims to capture this opportunity through four core levers: (1) strengthening brand equity and organic reach; (2) launching new products targeting both affluent and aspirational segments ('W by Groww' wealth platform, bonds, commodities derivatives, API trading); (3) continued investment in technology and AI-driven analytics; and (4) strategic acquisitions to broaden product capabilities and AARPU. Notable transactions include the acquisition of Indiabulls AMC (2023), Digio (Dec 2022), MSEI (Dec 2024), and most recently Finwizard Technology Pvt Ltd ("Fisdom") for Rs. 961.05 crore in Oct 2025 — adding mutual fund distribution, insurance intermediation, and tax filing to its portfolio.

Capability Matrix

- Groww offers a comprehensive, technology-led wealth and investing ecosystem spanning broking, mutual funds, credit, wealth management and asset management. The company follows a "pull-based" model—focusing on user experience and organic adoption rather than aggressive selling. Every product is built on three core principles: transparency, simplicity, and speed. This philosophy, combined with Groww's unified design and in-house infrastructure, enables the platform to serve both first-time investors and advanced traders through a single seamless interface .

A. Broking Services

1) Stocks: Groww enables customers to invest and trade in equities listed on NSE and BSE, and to participate in IPOs (mainboard and SME). Within just four years of launch, Groww achieved market leadership by NSE active clients (Sept 2023) and held 23.66 % retail cash ADTO market share across BSE and NSE for the quarter ended June 2025 (up from 12.66 % in FY24 and 19.31 % in FY25). Key features include:

- DIY trading interface: intuitive "Order Cart" and integrated GUPI payments simplify execution; IPO applications and stock orders settle instantly with same-day withdrawals.
- Comprehensive analytics: stock pages provide fundamentals, ownership structure, analyst ratings, technical charts, and corporate disclosures.
- Advanced order types: Good Till Triggered (GTT), Intraday OCO, AMO, Stop Loss, DDPI (no TPIN), "Exit All" and "Cancel All" functionalities.
- Regulatory strength: operations through Groww Invest Tech Pvt Ltd (GIT), a SEBI-registered broker, DP with NSDL/CDSL, and Qualified Stock Broker (QSB)—subject to enhanced governance, risk and cybersecurity norms.

2) Derivatives: Launched in September 2021, Groww's derivatives platform allows trading in options and futures across equities, indices and commodities. Retail derivatives ADTO market share rose from 7.59 % in FY24 → 11.37 % in FY25 → 14.43 % in June 2025 . Advanced tools and safeguards include:

- Groww Terminal: option chains, payoff charts, liquidity indicators, basket orders, scalper mode.
- Risk management: "Safe Exit" auto-closing and "Pause Trading" controls mitigate emotional trading.
- Suitability screening: derivative eligibility verified via income, bank statements and total customer assets.
- Responsible design: "anti-nudge" alerts highlight risk exposure before execution.

B. Mutual Funds

- Groww offers investments across all AMCs in India, including its in-house Groww Mutual Fund. Investors can choose between SIPs and lumpsum routes. The platform supports direct-only mutual funds (no distribution fee to investors). As of June 2025, the company had a 13% market share in SIP inflows vs ~6 % in Jun 2023 and ~11 % in Jun 2024; and 1 in 3 new SIPs nationwide originated on Groww. The following capabilities have helped Groww rank among the top two digital distributors of mutual funds in India by investor inflows:
- Comprehensive fund pages: details on managers, returns, ratios and comparisons.
- Full digital control: start/step-up/edit/pause SIPs, track external holdings.
- Innovation in payments: pioneered Rs. 1 UPI Autopay mandate with ICCL for frictionless SIP setup.

C. Credit and Leverage Products

1. Margin Trading Facility (MTF): Allows investors to purchase approved securities by funding only a portion of trade value, with Groww financing the balance for up to T+5 days.

- MTF book: ₹ 1,035.77 crore as of 30 June 2025, implying 1.22 % market share.
- Transparent funding summary showing user contribution, financed amount, and interest cost.

2. Consumer Credit: Offered through the dedicated Groww Credit app, comprising:

- Personal Loans (since FY22) – distributed via partner banks/NBFCs and directly via Groww Creditserv Technology Pvt Ltd (GCS, NBFC license).
- Distribution model: average loan Rs. 71,000 with average tenure 15 months.
- On-balance sheet model: average loan Rs. 2.04 lakh with average tenure 27 months.
- Loan book: Rs. 1,163.91 crore; NPA 1.67 % (June 2025).
- Loans Against Securities (LAS) – launched Feb 2025, enabling instant liquidity by pledging mutual funds or stocks.
- Real-time underwriting powered by AI/ML models and account-aggregator data; 50th / 75th percentile disbursal time ~6 / 10 minutes.

D. Wealth Management (W by Groww): Following the acquisition of Finwizard Technology Pvt Ltd (FTPL) in Oct 2025, Groww entered the advisory-led wealth segment.

- Active customers: 0.37 million (as of Jun 2025).
- Assets under advisory: Rs. 10,169.39 crore.
- Relationship team: 160 Wealth Partners acting as dedicated RMs for Affluent Customers (TCA ≥ Rs. 25 lakh).
- Offerings span PMS, AIFs, insurance, tax filing and full-service broking. In Aug 2025, Groww launched the "W for Wealth" app—providing portfolio tracking, cross-asset insights, and RM connectivity for affluent investors.

E. Asset Management (Groww AMC):

- Groww entered the AMC business via the acquisition of Indiabulls AMC and Indiabulls Trustee Co. Ltd in May 2023.
- Product suite: 30 schemes (11 active, 19 passive – 14 equity, 5 debt, 2 commodity, 8 ETF, 1 hybrid).
- AUM grew from Rs. 706.83 crore in Mar 2024 to Rs. 2,519.92 crore in Jun 2025.
- Investors base also grew from 40,000 active users to 10.3 lakh active users.
- Innovation: first-in-industry Total Market Index Fund (750 stocks on NSE), Indian Railways PSU ETF, and Nifty Non-Cyclical Consumer Fund.

F. Technology and Platform Synergies:

- Across all product lines, Groww's in-house technology stack (ORBIT back-office, GUPI payments, AI chatbots, Groww Lite DR system) underpins its low-cost scalability, real-time compliance, and seamless cross-product integration. The unified app experience enables instant transitions between investing, borrowing, and wealth management, maximising customer retention and wallet share.

Risks

- **Dependence on Market Conditions and Investor Sentiment:** Groww's revenues are highly sensitive to the performance of Indian and global capital markets, which directly influence trading activity and investor sentiment. A downturn in equity markets or prolonged volatility can materially depress volumes and active user growth. For instance, the number of NSE active clients declined from approximately 3.8 crore in June 2022 to 3.1 crore in April 2023 amid global uncertainties such as the Russia–Ukraine conflict and monetary tightening by the US Federal Reserve. The Nifty 50 index fell from ~26,200 points at the end of September 2024 to ~22,100 points by early March 2025, a -16% decline driven by the US–China trade war, a hawkish rate stance, and energy-price shocks in the Middle East. Consequent weakness in retail participation led to net new demat account additions dropping to 0.67 crore in Q1 FY26 from 1.09 crore a year earlier (-39% YoY). Reflecting the same, Groww's New Transacting Users (NTUs) fell sharply from 0.17 crore million in Q1 FY25 to 0.08 crore in Q1 FY26 (–55 % YoY) and from 0.29 crore in FY22 to 0.24 crore in FY23. Such cyclical downturns directly pressure revenue, ARPU, and transaction throughput across the platform.
- **Technology Infrastructure and Platform Reliability:** Uninterrupted access to Groww's trading and investment platform is critical for user trust and execution continuity. Despite significant investment in infrastructure and monitoring, the company has faced several high-load disruptions and third-party failures. On 4 June 2024 (general-election result day), an hour-long slowdown occurred in payment processing due to an unprecedented spike in deposits; in August 2024, order placements in equities and derivatives were impacted for about 10 minutes owing to a firewall failure at a vendor site; in September 2023, an adapter-server hardware fault halted order execution for ~25 minutes; and in April 2023, a back-end glitch at a third-party server disabled viewing of F&O positions for roughly an hour. While all incidents were resolved without lasting financial loss, they prompted system upgrades and raised software, server and technology expenses as a share of total costs in Q1 FY26.
- **Regulatory and Policy Risks:** Groww operates in a tightly regulated environment overseen by SEBI, RBI, and stock exchanges, and is directly exposed to changes in capital-market and credit norms. In October 2024, SEBI increased index-derivative contract sizes from Rs. 5 – 10 lakhs to Rs. 15 – 20 lakhs and curtailed weekly expiries (effective November 2024), resulting in a 38.07% fall in daily notional turnover and a 36.31% decline in individual investor participation between June 2024 and June 2025. Additionally, the "True to Label" circular of 1 October 2024 capped broker pass-through fees, reducing Broking Transacting Users by 15.5 % (0.72 crore in Jun 24 to 0.61 crore in June 2025) and Derivatives Active Users by 28 % (0.19 crore in June 2024 to 0.14 crore in June 2025), while Fee and Commission income contracted -17.5 % YoY to Rs. 730 crore in Q1 FY26. In the NBFC segment, RBI's November 2023 directive raised risk weights on unsecured personal loans from 100 % to 125 % and on bank exposure to NBFCs by 25 bps, increasing Groww Creditserv's (GCS) funding cost. Such regulatory tightening can alter product economics, compress margins, and necessitate higher compliance expenditure.

- **Customer Acquisition and Retention:** The sustainability of Groww's growth is contingent on maintaining high user-acquisition momentum and engagement. Organic acquisition has remained strong at 81–83 % of new users between FY23 and FY25, but weakening market sentiment has led to slower onboarding and lower monetisation velocity. New Transacting Users (NTUs) declined -55% YoY in Q1 FY26 to 0.08 crore, mirroring the 39 % YoY drop in industry-wide demat account openings. With active users growing more slowly and trading intensity easing, ARPU compression and elongated payback cycles may limit operating leverage and revenue growth.
- **Subsidiary Losses and Capital Support Requirements:** Several subsidiaries continue to post losses, necessitating capital infusions that dilute consolidated profitability. In FY25, Groww Creditserv Technology Pvt Ltd (GCS) reported a profit of Rs. 6.7 crore after losses of Rs. -24.1 crore in FY24 and Rs. -2.8 crore in FY23. Conversely, Groww AMC Ltd recorded losses of Rs. -57.5 crore (FY25) andRs. -37.78 crore (FY24), Groww Trustee Ltd lost Rs. -1.28 crore (FY25), Groww Pay Services Rs. -14.02 crore, and Groww Wealth Tech Rs. -12.03 crore. A portion of the IPO proceeds—Rs. 205 crore—will be used to augment GCS's capital base, underscoring the continuing funding requirement.
- **Negative Operating Cash Flows and Working-Capital Intensity:** Groww has experienced negative operating cash flow due to the expansion of its loan book and increased asset balances. Net cash from operations stood at Rs. -137.9 crore in Q1 FY26 and Rs. -962.2 crore in FY25 versus Rs. +885 crore in FY24. The Q1 FY26 outflow stemmed from higher loans, Rs. 480.3 crore, and other financial assets of Rs. 391.7 crore. Investing cash flow was Rs. -837.5 crore (Q1 FY26) and financing inflow Rs. +675.7 crore. Sustained negative OCF could tighten liquidity and elevate leverage.
- **Competitive and Technological Disruption:** The Indian investment and wealth-management landscape is intensely competitive, featuring digital brokers, bank-led platforms and global fintechs. According to Redseer, peers include Zerodha, Upstox, Angel One, HDFC Securities, ICICI Securities, Nuvama Wealth, 360 One WAM, Prudent, Motilal Oswal, Interactive Brokers, XP Inc. and Robinhood. These players benefit from deep capital bases, broad customer reach and low cost of capital. Additionally, rapid deployment of AI-driven robo-advisory and algorithmic trading threatens Groww's differentiation on price and user experience. Internally, Groww's use of AI/ML in onboarding and support exposes it to risks such as model drift or algorithmic bias, which could invite regulatory oversight. Failure to sustain innovation or defend market share may materially impact growth and profitability.
- **Credit Portfolio and NBFC Exposure:** Groww's NBFC arm, GCS, extends unsecured personal loans and loans against securities, exposing it to borrower defaults and macro-economic risk. As of June 2025, GCS reported a gross loan book of Rs. 1,163.9 crore (Rs. 963.3 crore June 2024; Rs. 1,136.5 crore FY25), gross NPA of 1.67 % (vs 0.96 % June 2024) and Capital Adequacy (CRAR) of 46.44 %. Average loan size was Rs. .04 lakh with 27-month tenure. Rising NPAs (up 71 bps YoY) and potential macro shocks could require higher provisioning. Additionally, 57 pending legal cases for loan non-payments underscore operational exposure. Adverse movements in collateral values for LAS may further stress asset quality and capital ratios.
- **Margin Trading Facility (MTF) Liquidity Risk:** The MTF product allows leveraged equity purchases and has expanded rapidly, increasing exposure to liquidity shocks. The MTF book rose from Rs. 129.2 crore (Jun 2024) to Rs. 1,035.8 crore (Jun 2025) (+7.9x YoY), with interest income of Rs. 28.17 crore in Q1 FY26 (vs Rs. 0.95 crore a year earlier), constituting 3.12 % of revenue. Funding sources include Rs. 875.8 crore from internal accruals and Rs. 160 crore of external debt. Sharp market corrections could trigger margin shortfalls and customer defaults, pressuring Groww's liquidity and exchange obligations. Although no material losses have yet occurred, sustained volatility could erode customer confidence and capital adequacy.
- **Dependence on Credit-Distribution Partnerships:** Groww's consumer-credit distribution depends on five lending partners for personal loans and LAS products. Under this model, partners assume credit risk while Groww earns distribution fees. In Q1 FY26, average loan size was Rs. 0.71 lakh with 15-month tenure; FY25 partner disbursements totalled Rs. 1,428.6 crore (+39 % YoY) and credit revenue was Rs. 232.5 crore (vs ₹ 54.9 crore FY24). Termination or unfavourable renegotiation of partner agreements could increase customer-acquisition costs and reduce loan availability on the platform. Although a Fiscal 2024 termination had no material impact, similar events in future could adversely affect credit volumes and profitability.

Financials

Income Statement (Rs. Cr)	FY25	FY24	FY23
Revenue from Operations	3,901.7	2,609.3	1,141.5
Other Income	159.9	186.7	119.4
Total Income	**4,061.6**	**2,796.0**	**1,261.0**
Expenses	1,529.3	2,043.8	742.8
EBITDA	**2,372.4**	**565.5**	**398.8**
EBITDA Margin	*60.8%*	*21.7%*	*34.9%*
Depreciation	24.6	20.1	12.3
EBIT	**2,347.8**	**545.4**	**386.5**
Finance Cost	42.5	4.2	2.1
Restated profit/(loss) before share of profit/(loss) of associates and joint ventures and tax	**2,465.2**	**727.9**	**503.8**
Share of profit/ (loss) of associates and joint ventures, net of tax	-1.4	-6.7	-
Exceptional item (taxes)	-	-1,339.7	-
Restated profit/(loss) before tax	**2,463.8**	**-618.5**	**503.8**
Tax	639.4	187.0	46.1
PAT	**1,824.4**	**-805.5**	**457.7**
EPS (In Rs.)	3.3	-1.5	0.9

Balance Sheet (Rs. Cr)	FY25	FY24	FY23
Equity and Liabilities			
Share Capital	365.6	20.7	20.7
Instruments entirely equity in nature	44.2	44.2	44.2
Other Equity	4,445.6	2,477.8	3,251.9
Borrowings	566.1	46.9	31.0
Other Liabilities	4,655.7	5,428.4	1,460.0
TOTAL EQUITY AND LIABILITIES	**10,077.3**	**8,018.0**	**4,807.8**
Assets			
Fixed Assets	401.5	395.7	320.7
Investments	1,906.8	1,448.4	1,251.5
Cash & Cash Equivalents	4,256.2	3,682.2	1,661.0
Other Assets	3,512.8	2,491.7	1,574.5
TOTAL ASSETS	**10,077.3**	**8,018.0**	**4,807.7**

Ratios

Particulars	FY25	FY24	FY23
EBITDA Margin (%)	60.8%	21.7%	34.9%
Net Profit Margin (%)	46.8%	-30.9%	40.1%
Return on Net Worth (RoNW%)	37.6%	-31.7%	13.8%

Metrics

Particulars	FY25	FY24	FY23
NSE Active Clients (# Cr)	1.29	0.95	0.54
Active Users (# Cr)	1.39	0.94	0.54
Total Customer Assets (Rs. Cr)	2,16,812	1,21,376	47,804
Platform AARPU (Rs.)	3,339	3,530	2,541

Software, server and technology expenses

Particulars	FY25	FY24	FY23
Software, server and technology expenses	441	264	135
Total expenses	1,596	2,068	757
Software, server and technology expenses (% of total expenses)	27.6%	12.8%	17.9%

Revenue Bifurcation

Particulars	FY25		FY24		FY23	
	Rs. Cr	%	Rs. Cr	%	Rs. Cr	%
Broking Service	3,297	85%	2,360	90%	1,030	90%
Others	605	16%	249	10%	111	10%
Revenue from operations	3,902	100%	2,609	100%	1,142	100%

Data Source: Company filings & CSEC Research

Date: 03 Nov, 2025

Customer base metrics

Particulars	FY25	FY24	FY23
Broking Transacting Users (# Cr)	1.35	0.99	0.55
Derivatives Active Users (# Cr)	0.14	0.19	0.08
Fees and commissions income (Rs. Cr)	3,336	2,394	1,053

Peer Comparsion

Company	Market Cap (03-Nov)	PE Ratio	Revenue from Operations (FY25)	Profit after Tax (FY25)	Active Users (30-Jun-25)
	(Rs. Cr)		Rs. Cr	Rs. Cr	# Cr
Groww	61,736 (Post Issue)	33.8	3,902	1,824	1.39
Angel One Ltd	23,244	29.7	5,238	1,172	0.73
Motilal Oswal Financial Services Ltd	60,656	30.0	8,339	2,508	0.10

Industry Outlook

- **Industry & Market Overview:** India's investment and wealth-management industry stands at an inflection point, underpinned by income expansion, digital proliferation and the steady financialisation of household savings. The country's income distribution is shifting upwards, with the upper-middle, high-income and ultra-high-income cohorts (annual income > Rs. 8 lakh) projected to rise from 45.8 crore people in CY2024 (~32 % of population) to 60.8 crore (~40 %) by CY2029, a ~6 % CAGR. Private consumption is expected to grow 11 % CAGR to Rs. 332 lakh crore (US$ 4 trillion) by CY2029, equating to ~63 % of GDP. This structural income growth is expanding the investible surplus of India's middle class, reflected in mutual-fund SIP inflows that have more than tripled from Rs. 7,900 crore (Jun 2020) to Rs. 27,300 crore (Jun 2025). Mutual-fund AUM from B30 cities has grown 3.5x over the same period, contributing ~18 % of total AUM versus ~15 % in 2019. Concurrently, personal-loan outstandings now comprise nearly one-third of India's total credit, highlighting rising financial depth and formal credit participation .
- **Digital and Structural Enablers:** The digital revolution is the single most important enabler of inclusion. Average monthly data consumption per user has surged 87x (from 0.25 GB in FY2015 to 21.5 GB in FY2025) while data cost per GB has fallen 97 %, to one-fifth of the global average. Internet penetration has reached 56–59 % of the population (FY2025) and is projected at 65–75 % by FY2030, while 30–32 % of Indians already transact online—a figure expected to double by decade-end. UPI transactions grew from 13 billion (FY2020) to 186 billion (FY2025); India now accounts for ~50 % of all global digital transactions, with 450–500 million users and > 65 million merchants. The digital economy contributed ~11.7 % of GDP in FY2023 and is projected to reach ~20 % by FY2030, creating the backbone for digital-first financial platforms .
- **Capital-Market Deepening:** India has emerged as the world's fourth-largest equity market, with total market capitalisation of Rs. 462 lakh crore (Jun 2025) and ~17 % CAGR over two decades. NSE ranks third globally in trading volume, with cash-market ADTO of ~Rs. 95,500 crore (Q4 FY2025). Individual (non-promoter) shareholding in listed companies rose from ~12 % in FY2015 to ~18 % in FY2025, yet only ~4.8 crore Indians—about 5 % of adults—are active investors despite 66–68 crore Aadhaar-linked PAN holders, indicating a >10x penetration headroom .
- Household savings are gradually migrating from physical to financial assets. Financial assets now form 47 % of household savings (FY2024) versus 40 % in FY2012, while the share of equities and mutual funds within financial savings rose from ~5 % (FY2020) to ~17 % (FY2024). Equity inflows by domestic households and institutions have scaled from Rs. 11,000 crore (FY2020) to Rs. 61,100 crore monthly (FY2025). India's mutual-fund AUM-to-GDP ratio has improved from 10.9 % (FY2020) to 19.9 % (FY2025), but remains significantly below the US (~132 %), Japan (~60 %) and China (~27 %), highlighting multi-decadal growth potential.
- **Digital-First Investment Ecosystem:** Digital investment platforms have transformed the industry's structure. DIY, low-cost brokers now account for 76–78 % of NSE active clients (FY2025), up from ~38 % (FY2020) and ~6–8 % (FY2015). They contributed ~85 % of new client additions between FY2020 and FY2025. Direct mutual-fund plans—enabled by these platforms—comprise ~47% of AAUM and ~20% of SIP AUM (Mar 2025) versus ~45% and ~9% (Mar 2020). The mutual-fund industry's AUM reached Rs. 67 lakh crore (Mar 2025), ~19 % CAGR since FY2015, with 5.5 crore unique investors (4× since FY2015). SIP AUM has grown 41 % CAGR to Rs. 13.35 lakh crore (20 % of total AUM), and passive AUM rose 47.8 % CAGR to Rs. 11.47 lakh crore (17.5 % of industry AUM). SIP folios have expanded from 4.2 crore in Mar 2015 to 23.5 crore in Mar 2025. This digital diffusion has effectively democratised investing .
- **Broking and Trading Growth:** Retail broking has recorded one of the fastest digital adoption cycles globally. Retail cash-equity participation grew 33 % CAGR (FY2020–FY2025), while derivative customers expanded 8x to 10.6 million (FY2025). Individual turnover rose from Rs. 28 lakh crore (FY2016) to Rs. 193 lakh crore (FY2025), 23.9 % CAGR, with individuals now contributing > 34 % of cash-market volumes. Margin-trading books for brokers grew ~25 % YoY to Rs. 84,700 crore (Jun 2025). NSE active clients increased ~10x from 0.5 crore (Mar 2016) to 4.9 crore (Mar 2025), illustrating India's rapid retail participation trajectory .

Data Source: Company filings & CSEC Research

- **Wealth-Management Expansion:** Rising affluence is driving structural growth in discretionary and advisory products. PMS AUM has grown 16 % CAGR from Rs. 3 lakh crore (Mar 2015) to Rs. 13 lakh crore (Mar 2025), while AIF AUM has risen > 50x to ₹ 5.6 lakh crore over the same period, with registered AIFs increasing from 135 to 1,526. These segments cater to ~ 2 lakh HNI clients and are supported by evolving regulatory frameworks such as SEBI's Category I–III guidelines and Special Situation Funds. Distribution networks—private banks, IFAs and digital platforms—are deepening reach beyond metros .
- **Credit Penetration and Leverage Potential:** India remains under-leveraged relative to global peers. Household credit-to-GDP stood at 41.9 % (Dec 2024) versus ~69 % for the US and ~60 % for China. Personal-loan outstandings grew 12 % CAGR FY2024–FY2025, and bank credit secured by shares, bonds and mutual funds doubled to Rs. 10,000 crore (Mar 2025). Expanding credit access, supported by UPI 2.0, Aadhaar KYC and Account Aggregator integration, is expected to accelerate retail leverage and cross-product monetisation.
- **Total Addressable Market and Growth Outlook:** According to Redseer (2025), India's investment and wealth-management TAM is Rs. 1.1 lakh crore (FY2025) and projected to reach Rs. 2.2–2.6 lakh crore by FY2030, 15–17 % CAGR. Average revenue per user (ARPU) is Rs. 15,900–17,200 in FY2025 and expected to rise to Rs. 18,600–20,200 by FY2030, driven by multi-product adoption, premiumisation and deeper penetration across affluent and aspirational segments.
- **Global Benchmarking:** Globally, India's capital-market participation and wealth penetration remain at an early stage relative to developed markets, implying vast headroom for growth. The US has > 60 % of adults investing directly or indirectly in equities; Japan ~33 %; China ~15 %; and India ~5 %. Mutual-fund AUM-to-GDP ratios contrast sharply—India ~20 %, China ~27 %, Japan ~60 %, and the US ~132 %. Average ARPU for digital brokers in India (Rs. 16,000–17,000; US$ 190–200) remains a fraction of global peers such as Charles Schwab (US$ 1,100) and Interactive Brokers (US$ 900), underlining monetisation potential. Retail trading volume in India has grown 23–24 % CAGR since FY2016 versus 4–5 % CAGR for US retail volumes over the same period, indicating higher elasticity of retail participation to income growth. India's market-capitalisation-to-GDP ratio is ~115 % (FY2025) compared with ~170 % for the US and ~150 % for Japan, suggesting expansion capacity. Moreover, with ~66 crore demat-eligible PAN holders but only ~4.8 crore active accounts, India's participation ratio of ~7 % of the eligible base contrasts with ~80 % in the US and ~45 % in China. This under-penetration, coupled with the fastest-growing broadband user base globally and an evolving reg-tech and UPI ecosystem, provides a multi-decadal runway for financial-asset growth and underpins the scalability of digital-first brokers like Groww.
- To conclude, India's capital markets and wealth ecosystem are positioned for sustained double-digit expansion, supported by structural drivers such as rising income levels, deepening financialisation of savings, rapid digitisation, and a young, tech-native investor base. With the investment and wealth-management TAM expected to more than double from Rs. 1.1 lakh crore in FY2025 to Rs. 2.2–2.6 lakh crore by FY2030, India offers one of the most compelling long-term growth opportunities among emerging markets. Retail participation is expanding beyond metropolitan centres, digital infrastructure is enabling seamless access, and regulatory initiatives are progressively institutionalising transparency and investor protection. Against this backdrop, platforms such as Groww, with their scalable technology architecture, nationwide reach, and strong brand recall, are well placed to capture disproportionate share of the expanding profit pool across broking, mutual funds, credit, and wealth management segments—provided they sustain operational resilience, compliance rigour, and disciplined capital allocation.

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