



IPO Note

03rd November 2025

Company Overview

Billionbrains Garage Ventures Ltd. (Groww) is a direct-to-customer digital investment platform that enables wealth creation through a wide range of financial products and services. As of June 30, 2025, Groww is India's largest and fastest-growing investment platform by active users on the NSE. Through the Groww platform, customers can invest and trade in equities (including IPOs), derivatives, bonds, mutual funds (including Groww Mutual Fund), and other financial instruments. The platform also provides margin trading facilities and personal loans. Both the Groww mobile app and website offer users access to tools, insights, and market information to help them build effective investment and trading strategies. Groww's user-friendly interface and in-house technology platform are designed to enhance the overall investing experience. Its customer base spans individuals from diverse socio-economic backgrounds across cities, towns, and villages in India, each seeking to build financial assets by investing in capital markets. The company focuses on nurturing long-term customer relationships that extend beyond individual transactions by offering a seamless investing experience and addressing users' evolving financial needs over time. Its growth has been driven by strong customer acquisition, engagement, and retention, resulting in higher total customer assets, broader product adoption, and an increase in Annual Average Revenue Per User (AARPU). Groww's business model focuses on both expanding its customer base and deepening engagement with existing users. Growth is driven by efficient customer acquisition and sustained retention, while the depth of customer relationships is determined by users' willingness to trade, invest, and grow their assets through the platform. The company has consistently observed growth in Total Customer Assets contributed by both new and existing users each financial year. Strengthening customer relationships has led to multiple positive outcomes, including higher retention, deeper engagement, greater product adoption, and increased revenue potential. Groww's primary revenue streams include fees and commissions, as well as interest income from fixed deposits maintained with stock exchanges, personal loans, and margin trading facilities.

Objects of the issue

The company proposes to utilize the net proceeds towards funding the following objects:

- ⇒ Expenditure towards cloud infrastructure;
- ⇒ Brand building and performance marketing activities;
- ⇒ Investment in one of its material subsidiaries, Groww Creditserv Technology Private Limited (GCS), a non-banking financial company (NBFC), for augmenting its capital base;
- ⇒ Investment in one of its material subsidiaries, Groww Invest Tech Private Limited (GIT), for funding its margin trading facility (MTF) business; and
- ⇒ Funding inorganic growth through unidentified acquisitions and general corporate purposes.

Investment Rationale

Enhancing customer retention and engagement to drive long-term growth

At Groww, customer relationships extend well beyond the completion of a single transaction. The level of customer engagement with its products and services is a key indicator of their level of interest in the platform. The company believes that highly engaged users enable the development of long-term relationships, creating opportunities to introduce them to new products and services over time. Groww enhances customer engagement on its platform by providing relevant and easily accessible information, such as news updates, earnings announcements, and other market-related content, to cater to the needs and interests of customers and enable them to make informed investment decisions. The platform leverages personalized notifications, stories, feeds, and widgets to deliver tailored updates, which the company believes builds trust and strengthens lasting relationships with customers. In FY25, active users spent an average of 65.50 minutes per day on the Groww platform, engaging for various purposes such as reading news, checking watchlists, making investments, or monitoring portfolios. The company notes that customer association with Groww extends beyond mere trade execution, becoming a habitual activity. This engagement was further substantiated in October 2024, when Groww increased brokerage and other stock-related fees, including the introduction of a minimum transaction charge, yet observed negligible impact on customer acquisition and investing/trading activity. For the three-month period ended December 2024, Groww contributed 40.1% of the net addition in NSE active users. Additionally, as customers adopt more products offered on the platform, it reflects in higher retention and deeper engagement levels.

Issue Details

Offer Period	04 th Nov. 2025 - 07 th Nov. 2025
Price Band	Rs. 95 to Rs. 100
Bid Lot	150
Listing	BSE & NSE
Issue Size (no. of shares in mn)	663.2
Issue Size (Rs. in bn)	66.3
Face Value (Rs.)	2

Issue Structure

QIB	75%
NIB	15%
Retail	10%

	Kotak Mahindra Capital Company Ltd., J.P. Morgan India Pvt. Ltd., Citigroup Global Markets India Pvt. Ltd., Axis Capital Ltd., Motilal Oswal Investment Advisors Ltd.
BRLM	
Registrar	MUFG Intime India Pvt. Ltd.

Particulars	Pre Issue %	Post Issue %
Promoters and promoter group	28.3	18.8
Public	71.7	81.2
Total	100.0	100.0

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

Billionbrains Garage Ventures Limited

Leveraging in-house technology to deliver a differentiated and cost-efficient experience

Groww's in-house technology enables the company to deliver a seamless experience to its customers. With systems and infrastructure designed specifically to support its operations, Groww is able to respond quickly to changes driven by customer demand as well as regulatory and compliance requirements. This flexibility allows the company to maintain product velocity, foster continuous innovation, and ensure platform reliability and stability, thereby supporting business continuity. Groww consistently invests in technology to sustain a low-latency, high-throughput data processing system capable of efficiently managing customers' journeys on the platform. Its systems are built to handle approximately 50 million users simultaneously and execute around 50 million orders per day. The company has developed in-house technology across multiple operational areas and integrated artificial intelligence (AI) and machine learning (ML) into various business functions. AI/ML-powered onboarding enables quick and seamless account openings, while regular redesigns and refinements of platform modules enhance customer conversion and activation rates. The company operates its in-house UPI payment system, Groww UPI (GUPI), which is integrated across all products to enable fast and reliable transactions. GUPI reduces turnaround times and provides instant withdrawals for customers. Groww also manages its back-office operations through an in-house system called Groww ORBIT, which handles key functions such as money and order flows, trade reconciliations, ledger maintenance, and settlement processing. Customer support operations combine in-house AI automation with self-service features to improve efficiency and response times. Additionally, the company has developed Groww Lite, an in-house disaster recovery system that provides an alternate portal allowing traders to log in and exit or cancel open positions in case of a network or system issue. Groww's continued investment in technology not only enhances customer experience and platform reliability but also drives operating efficiencies, significantly reducing the marginal cost of serving incremental customers.

Valuation

Billionbrains Garage Ventures Ltd. (Groww) is a direct-to-customer digital investment platform offering various financial products and services. It is India's largest and fastest-growing investment platform by active users on the NSE, enabling customers to invest and trade in equities, derivatives, bonds, mutual funds, and other financial instruments. India's Investment and Wealth Management sector presents a significant opportunity, with its total addressable market projected to expand to approximately Rs. 2.2 - Rs. 2.6 trillion by FY30, growing at a CAGR of 15-17%. This growth is being driven by rising investor participation, increasing disposable incomes, and higher investible funds. The rise of digital-first platforms is further democratizing access to capital markets, empowering retail investors to manage their portfolios with ease through simplified content, information and tools. Groww is well-positioned to benefit from these structural tailwinds. Among the top five brokers by NSE active customers as of June 30, 2025, Groww recorded the highest share of new app downloads, accounting for 38.2% of total downloads from the beginning of FY22 to June 30, 2025. The company's focus on customer engagement is reflected in its efforts to provide relevant and easily accessible information, helping users make informed investment decisions. Its in-house technology capabilities, integrating artificial intelligence (AI) and machine learning (ML) across multiple business functions, enable superior customer experience while improving operational efficiencies. Financially, Groww has demonstrated strong growth, with revenue increasing at a CAGR of 84.9%, EBITDA at 143.9%, and PAT at 99.6% over the FY2023-25 period. Overall, the company is well-positioned for long-term sustainable growth backed by a strong business model, advanced technology, and customer retention capabilities, along with favorable industry tailwinds. **On the valuation front, at the upper band of the issue price range, the company is valued at a P/E of 31.3x based on FY25 earnings. Considering its strong financial performance, technological edge, and growth prospects, we recommend a "SUBSCRIBE" rating from a medium- to long-term investment perspective.**

Key Risks

- ⇒ Uninterrupted access to the company's technology platform is critical to its operations. System failures or interruptions could negatively affect the availability or performance of its website, mobile applications, or platform, thereby adversely impacting its business, financial condition, and results of operations. Additionally, any actual or perceived cybersecurity, data, or privacy breach could disrupt operations and damage the company's reputation and brand.
- ⇒ The company is required to maintain statutory and regulatory licenses, registrations, and authorizations for its operations and is subject to extensive compliance requirements. Failure to obtain, maintain, or renew such licenses, registrations, or authorizations, or to comply with statutory and regulatory obligations, could have a material adverse effect on its business, financial condition, and results of operations.
- ⇒ The company operates in a highly competitive environment, facing competition from existing players as well as emerging technologies such as artificial intelligence and machine learning. Inability to effectively compete with existing or new market participants could materially and adversely affect the company's business, financial condition, cash flows, and results of operations.

Billionbrains Garage Ventures Limited

Income Statement (Rs. in millions)

Particulars	FY23	FY24	FY25	Q1FY26
Revenue				
Revenue from operations	11,415	26,093	39,017	9,044
Total revenue	11,415	26,093	39,017	9,044
Expenses				
Employee benefits expense	2,868	11,880	3,152	1,366
Other expenses	4,560	8,558	12,142	2,845
Total operating expenses	7,428	20,438	15,293	4,211
EBITDA	3,988	5,655	23,724	4,833
Depreciation & amortization expenses	123	201	246	71
EBIT	3,865	5,454	23,478	4,762
Finance costs	21	42	425	164
Other Income	1,194	1,867	1,599	441
Exceptional item	0	-13,397	0	0
PBT and share of profit/(loss) of associates and joint ventures	5,038	-6,118	24,652	5,038
Share of profit/ (loss) of associates and joint ventures	0	-67	-14	-6
PBT	5,038	-6,185	24,638	5,032
Tax expense	461	1,870	6,394	1,248
Net Profit	4,577	-8,055	18,244	3,784
Diluted EPS	0.8	-1.5	3.2	0.6

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in millions)

Particulars	FY23	FY24	FY25	Q1FY26
Cash Flow from operating activities	5,478	8,850	-9,622	-1,379
Cash flow from investing activities	-3,706	-9,110	1,397	-8,375
Cash flow from financing activities	-55	37	8,757	6,757
Net increase/(decrease) in cash and cash equivalents	1,717	-223	532	-2,997
Cash and cash equivalents at the beginning of the period	1,499	3,288	3,079	3,611
Cash and cash equivalents at the end of the period	3,288	3,079	3,611	615

Source: RHP, BP Equities Research

Billionbrains Garage Ventures Limited

Balance Sheet (Rs. in millions)

Particulars	FY23	FY24	FY25	Q1FY26
ASSETS				
Non-current Assets				
Property, plant and equipment	139	131	198	197
Capital work-in-progress	1	0	0	0
Goodwill	2,768	3,187	3,187	3,187
Other intangible assets	5	437	436	436
Right of use assets	294	203	194	153
Financial assets				
(i) Investments	3,608	7,385	3,813	9,061
(ii) Loans	0	4,478	6,354	6,570
(iii) Other financial assets	1,120	97	159	163
Deferred tax assets	9	443	164	236
Total Non-Current Assets	7,944.06	16,360.54	14,504.67	20,002.95
Current Assets				
Financial assets				
(i) Investments	8,908	7,099	15,256	22,817
(ii) Trade receivables	362	694	968	1,193
(iii) Cash and cash equivalents	3,288	3,079	3,611	615
(iv) Bank balances other than cash and cash equivalents	13,321	33,743	38,951	50,680
(v) Loans	0	2,693	10,553	14,891
(vi) Other financial assets	13,609	15,531	16,190	16,069
Current tax assets (net)	158	654	237	164
Other current assets	488	326	503	701
Total Current Assets	40,134	63,819	86,268	107,129
Total Assets	48,078	80,180	100,773	127,132
EQUITY AND LIABILITIES				
Equity				
Equity share capital	207	207	3,656	4,188
Instruments entirely equity in nature	442	442	442	700
Other equity	32,519	24,778	44,456	55,068
Total Equity	33,168	25,427	48,554	59,955
Liabilities				
Non-Current Liabilities				
Financial liabilities				
(i) Debt securities	0	0	1,320	1,172
(ii) Borrowings (other than debt securities)	0	0	789	516
(iii) Lease liabilities	201	125	86	72
Provisions	44	1,137	94	115
Deferred tax liabilities (Net)	0	0	15	0
Total Non-Current Liabilities	245	1,262	2,303	1,875
Current Liabilities				
Financial liabilities				
(i) Debt securities	0	0	604	594
(ii) Borrowings (other than debt securities)	0	241	2,731	2,725
(iii) Lease liabilities	109	104	132	100
(iv) Trade payables	13,733	39,162	45,954	60,951
(v) Other financial liabilities	0	0	11	60
Other current liabilities	732	554	360	836
Provisions	91	34	36	36
Current tax liabilities (net)	0	13,397	88	0
Total Current Liabilities	14,665	53,491	49,916	65,302
Total Liabilities	14,910	54,753	52,219	67,176
Total Equity and Liabilities	48,078	80,180	100,773	127,132

Source: RHP, BP Equities Research

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

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Corporate Office:

4th floor,
Rustom Bldg,
29, Veer Nariman Road, Fort,
Mumbai-400001
Phone- +91 22 6159 6138
Fax-+91 22 6159 6160
Website- www.bpwealth.com

Registered Office:

24/26, 1st Floor, Cama Building,
Dalal street, Fort,
Mumbai-400001

BP Wealth Management Pvt. Ltd.
CIN No: U67190MH2005PTC154591

BP Equities Pvt. Ltd.
CIN No: U67120MH1997PTC107392