

September 30, 2025

## Groww Creditserv Technology Private Limited: Ratings reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term/Short-term fund-based/Non-fund based bank lines – Others	500.00	500.00	[ICRA]A (Stable)/[ICRA]A1; reaffirmed
Non-convertible debentures	200.00	200.00	[ICRA]A (Stable); reaffirmed
<b>Total</b>	<b>700.00</b>	<b>700.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

The ratings continue to factor in Groww Creditserv Technology Private Limited's (GCS) strong parentage, as it is a part of the Groww Group<sup>1</sup>, and its synergies with the Group's customer franchise. The shared brand name and strategic importance to the Group support ICRA's opinion that GCS would receive timely and adequate support (operational and financial) from the parent, as and when required. GCS is a wholly-owned subsidiary of Billionbrains Garage Ventures Limited (BGV) and the non-banking financial company (NBFC) arm of the Group.

The ratings also consider GCS' improved capitalisation, supported by the equity infusion of Rs. 300 crore in FY2025, adequate liquidity profile and low financial leverage. Nevertheless, ICRA notes that borrowings were limited in FY2025 due to tepid loan book growth amid increased industry-wide stress in the unsecured loans segment, resulting in tightened lending guardrails. Going forward, ICRA expects the leverage to increase due to the planned scale-up of the operations, although the company is likely to maintain a prudent capitalisation profile with an on-balance sheet gearing of ~2 times in the near term.

The ratings are, however, constrained by GCS' modest scale and nascent stage of operations. Further, the profitability profile remains modest, despite the company breaking even in FY2025, as it commenced lending operations only in February 2023. The headline asset quality metrics also witnessed some uptick due to the stress in the underlying borrower segments due to industry-wide issues on overleveraging in the retail segment. Going forward, the asset quality remains monitorable, given the inherent risk associated with the unsecured loans segment and the limited loan book seasoning.

ICRA takes note of the company's technology-enabled processes, leveraging an internal machine learning (ML) model-based scorecard to provide tailored offers to eligible customers. It launched loans against mutual funds (LAMF) in May 2025 and discontinued checkout finance (consumer durable loans; launched in September 2023) in FY2025. Further, GCS has certain new products in the pipeline, which could provide diversification benefits. The company remains susceptible to regulatory changes as well as technological risks, given its predominantly online presence and the evolving fintech landscape. Going forward, GCS' ability to scale up its operations profitably, while maintaining prudent capitalisation and good control on the asset quality, would remain critical from a credit perspective.

The Stable outlook on the long-term rating reflects ICRA's expectation that GCS will continue to benefit from the operational and financial support from the Group. Further, it is likely to maintain an adequate capitalisation profile, with support from the parent if required.

<sup>1</sup> BGV and its subsidiaries/associates are collectively referred to as the Groww Group or the Group

## Key rating drivers and their description

### Credit strengths

**Strong parentage** – GCS is the NBFC arm of the Groww Group. It is a subsidiary of BGV (rated [ICRA]AA- (Stable); holding company of the Groww Group, which houses the tech platform), providing personal loans and LAMF. The Group has a strong position in the equity broking industry and its key operating entity – Groww Invest Tech Private Limited {GIT; rated [ICRA]AA- (Stable)}, is the leading discount broker in the country in terms of National Stock Exchange (NSE) active clients. The Group's credit profile is characterised by an expanding customer base, healthy profitability and comfortable capitalisation. Given the shared brand name, common senior management and the strategic importance to the Group, ICRA believes that GCS will receive adequate and timely support (financial as well as operational) from the parent, as and when required.

**Improved capitalisation** – GCS' capitalisation was augmented by the equity infusion of Rs. 300.0 crore by the parent in FY2025. Aggregate capital infusion till March 31, 2025 stood at Rs. 678.2 crore. The capitalisation profile is characterised by a net worth of Rs. 658.1 crore, a capital-to-risk weighted assets ratio (CRAR) of 48.7% and a gearing of 0.7 times as on March 31, 2025. The borrowings are primarily in the form of intercorporate deposits from the parent, besides loans from banks and financial institutions. The net worth eroded slightly due to the loss-making operations till FY2024, although the company achieved breakeven in FY2025.

ICRA notes that GCS is targeting a rapid scale-up of its operations and would require capital in the near-to-medium term. However, it is also noted that BGV's net worth and liquidity reserves are meaningfully more than that of GCS, supported by the periodic raising of equity. Its consolidated net worth stood at Rs. 4,536.8 crore<sup>2</sup> as on March 31, 2025 while borrowings were low with a gearing of 0.1 times. Financial support from the parent group is expected to be forthcoming to help the scale-up while maintaining adequate capitalisation. GCS is expected to maintain a prudent capitalisation profile with an on-balance sheet gearing of ~2 times in the near term.

GCS' dependence on external borrowings has been limited till date, given the funding support (equity as well as debt) from the parent. Nonetheless, it has a track record of availing term loans from banks/financial institutions for funding the loan book growth. Further, it completed a pass-through certificate (PTC) transaction in July 2024 and plans to issue non-convertible debentures (NCDs) in the near term. ICRA notes that the cost of funds remains marginally high at present. In this regard, a meaningful diversification in the borrowing profile at competitive rates would augur well for the credit profile.

### Credit challenges

**Modest scale and nascent stage of operations** – GCS currently provides personal loans, leveraging an internal ML model-based scorecard to provide tailored offers to eligible customers. The company had launched checkout finance in September 2023, providing consumer durable loans across partner outlets. However, it discontinued the same in FY2025 as it was an offline lending model, which did not align with its core business strategy of building a scalable, technology first digital lending model. The company also launched loans against mutual funds in May 2025, which is yet to achieve scale, while loan against securities is likely to be launched in H2 FY2026.

The scale of operations remains modest, notwithstanding the rapid planned growth trajectory. GCS' assets under management (AUM) stood at Rs. 1,251.7 crore as on March 31, 2025 compared to Rs. 731.1 crore as on March 31, 2024. The distribution AUM (housed in BGV) stood at Rs. 1,363.0 crore as on March 31, 2025 compared to Rs. 1,091.9 crore as on March 31, 2024. However, the operations are still in a nascent stage and GCS' ability to scale up the same profitably while maintaining adequate asset quality remains monitorable.

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<sup>2</sup> Excluding goodwill of Rs. 318.7 crore; In FY2021, other income included Rs. 244.9 crore on account of the remeasurement of the previously held interest in the acquiree in the business combination, which is included in the net worth

**Subdued profitability; inherent asset quality risk due to underlying unsecured loan segment** – GCS started lending operations in February 2023 and achieved breakeven only in FY2025, posting a profit after tax (PAT) of Rs. 6.7 crore compared to a net loss of Rs. 24.1 crore in FY2024. However, the profitability remains subdued due to elevated operating expenses and higher credit costs amid the industry-wide stress in the unsecured lending segment. PAT/average managed assets (AMA) stood at 0.6% while the return on average net worth (RoE) was 1.3% in FY2025. Operating expenses comprise a sizeable payout on account of the software, server and technology services provided by the parent (BGV) and are likely to rationalise with the improvement in the scale of operations. GCS' ability to achieve a sustained improvement in the profitability trajectory will remain monitorable.

Further, the company remains susceptible to inherent asset quality risks, given the unsecured nature of the underlying loan segment. The reported headline asset quality metrics witnessed some uptick with the gross non-performing assets (GNPAs) increasing to 1.7% as on March 31, 2025 from 0.3% as on March 31, 2024 due to the stress in the underlying borrower segments owing to overleveraging. Credit costs increased to Rs. 67.4 crore in FY2025 (credit costs/AMA of 6.4%) from Rs. 13.3 crore (credit costs/AMA of 3.4%) in FY2024. Credit costs for FY2025 comprised write-offs of Rs. 32.7 crore (4.4% of opening AUM) and provisions of Rs. 34.6 crore. The provision cover on stage 3 loans stood at 86.9% as on March 31, 2025 while the overall provision cover was 4.2%. The solvency ratio, characterised by net NPA/net worth, stood at 0.5% as on March 31, 2025. Going forward, the asset quality trajectory would remain monitorable as the loan book seasons.

**Susceptible to regulatory changes and technological risks** – GCS is a digital lender using technology-enabled processes, leveraging an internal ML model-based scorecard to provide tailored offers to eligible customers. It uses the digital platforms – Groww and Groww Credit, for sourcing and monitoring loans. Further, the fintech lending space has witnessed multiple regulatory changes in recent years to enhance borrower as well as lender protection. Thus, the company's operations remain susceptible to regulatory changes and/or the impact of technological risks owing to its end-to-end digital presence.

### Liquidity position: Adequate

GCS' liquidity profile is characterised by positive asset-liability gaps (based on the asset-liability management profile as on March 31, 2025). The company had borrowings of Rs. 506.1 crore as on June 30, 2025, of which Rs. 83.5 crore falls due for repayment during October 2025 to March 2026. Inflow from the loan book is estimated at Rs. 201.3 crore for the same period. The liquidity profile remains supported by the track record of healthy collections besides on-balance sheet liquidity, comprising an unencumbered cash and bank balance of Rs. 9.1 crore and liquid investments of Rs. 11.1 crore as on June 30, 2025. Further, GCS has a Rs. 500-crore sanctioned intercorporate deposit limit from the parent – BGV (Rs. 209 crore outstanding as on March 31, 2025), which can be used for its daily requirements. Going forward, as the dependence on borrowings increases, the company is likely to maintain adequate liquidity backup in the form of undrawn lines and on-balance sheet liquidity. GCS also enjoys financial flexibility as it is a part of the Groww Group.

### Rating sensitivities

**Positive factors** – The ability to scale up its operations significantly while demonstrating healthy asset quality and profitability, besides building a diversified resource profile and maintaining comfortable capitalisation on a sustained basis will have a positive impact on the ratings. Additionally, an improvement in the parent's credit profile would be a credit positive.

**Negative factors** – A material change in the linkage with the parent and/or a significant deterioration in the Group's credit profile would be negative factors. Besides, sustained inability to improve the financial profile or the weakening of the capitalisation profile due to aggressive growth or profitability and asset quality pressure will be a credit negative.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Rating Methodology for Non-banking Finance Companies</a>
Parent/Group support	Billionbrains Garage Ventures Limited (BGV) GCS is a wholly-owned subsidiary of BGV and ICRA expects that the company will receive adequate and timely support (financial and operational) from the parent, if required.
Consolidation/Standalone	Standalone financials of GCS

## About the company

Groww Creditserv Technology Private Limited (GCS), incorporated in January 2021, is a non-deposit taking NBFC. The company received its NBFC licence from the Reserve Bank of India (RBI) in December 2022. It is a digital lender and provides personal loans and loans against mutual funds on the digital lending platforms – Groww and Groww Credit. It used to provide consumer durable loans<sup>3</sup> as well, though the same was discontinued in FY2025 as it was an offline lending model undertaken on an experimental basis. GCS is likely to focus on its core strategy of building a scalable, technology first digital lending platform.

GCS is a wholly-owned subsidiary of BGV. Currently, personal loans are provided by leveraging an internal ML model-based scorecard to make tailored offers to eligible customers. It had a loan book of Rs. 1,093.3 crore as on March 31, 2025, with personal loans accounting for ~97% and consumer durable loans for the balance (3%). Its net worth was Rs. 658.1 crore as on March 31, 2025, supported by an equity infusion of Rs. 300 crore by BGV in FY2025.

## About the parent

Billionbrains Garage Ventures Limited (BGV; formerly Billionbrains Garage Ventures Private Limited) was incorporated in January 2018 as a subsidiary of Groww INC. (based in Delaware, USA). Groww INC. was reverse merged into BGV in Q4 FY2024. It owns and operates the web and app-based technology platform – Groww and Groww Credit. It provides services like software designing, maintenance, testing and benchmarking, designing, developing computer software and solutions, building and organising software tools, and marketing and innovation of licensed software.

BGV is now the holding company of the Groww Group<sup>4</sup>, offering various financial services such as: i) stockbroking services, mutual fund distribution and depository services, margin trade funding (housed in GIT); ii) providing personal loans on digital lending platforms (housed in GCS); iii) management of the investment portfolio of the mutual fund and providing various administrative services to the mutual fund and trustee company (Groww Asset Management Limited); iv) online technological facilitation/business correspondence or partner service to banks, NBFCs, financial institutions, etc. (previously housed in Neobillion Fintech Private Limited; transferred to BGV w.e.f. April 1, 2024) and; v) providing payment gateway services and to carry business of electronic payment facilitation through internet-based solution and products and to provide financial intermediation, cross-border payments/transactions as per applicable regulations (Groww Pay).

## Key financial indicators (audited)

GCS – Standalone	FY2024	FY2025
Total income	53.7	202.5
PAT	(24.1)	6.7
Total managed assets	776.9	1,329.0
Return on managed assets*	(6.1%)	0.6%

<sup>3</sup> GCS had launched checkout finance in September 2023. It had tie-ups with ~80 outlets across Karnataka and Tamil Nadu for providing consumer durable loans

<sup>4</sup> BGV and its subsidiaries are collectively referred to as the Groww Group

GCS – Standalone	FY2024	FY2025
Reported gearing (times)	1.1	0.7
Gross stage 3	0.3%	1.7%
CRAR	38.4%	48.7%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; \*PAT/Average managed assets

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

### Rating history for past three years

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Sep 30, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Long-term/Short-term fund-based/Non-fund based bank lines – Others	Long term/Short term	500.00	[ICRA]A (Stable)/[ICRA]A1	Sep 26, 2024	[ICRA]A (Stable)/[ICRA]A1	-	-	-	-
Non-convertible debentures	Long term	200.00	[ICRA]A (Stable)	Sep 26, 2024	[ICRA]A (Stable)	-	-	-	-

### Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term/Short-term fund-based/Non-fund based bank lines – Others	Simple
Non-convertible debentures	Very simple*

\*Subject to change based on the terms of issuance

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

**Annexure I: Instrument details**

ISIN	Instrument name	Date of issuance / Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA	Long-term/Short-term fund-based/Non-fund based bank lines – Others	NA	NA	NA	500.00	[ICRA]A (Stable)/ [ICRA]A1
Yet to be placed	Non-convertible debentures	NA	NA	NA	200.00	[ICRA]A (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure II: List of entities considered for consolidated analysis**

Not applicable

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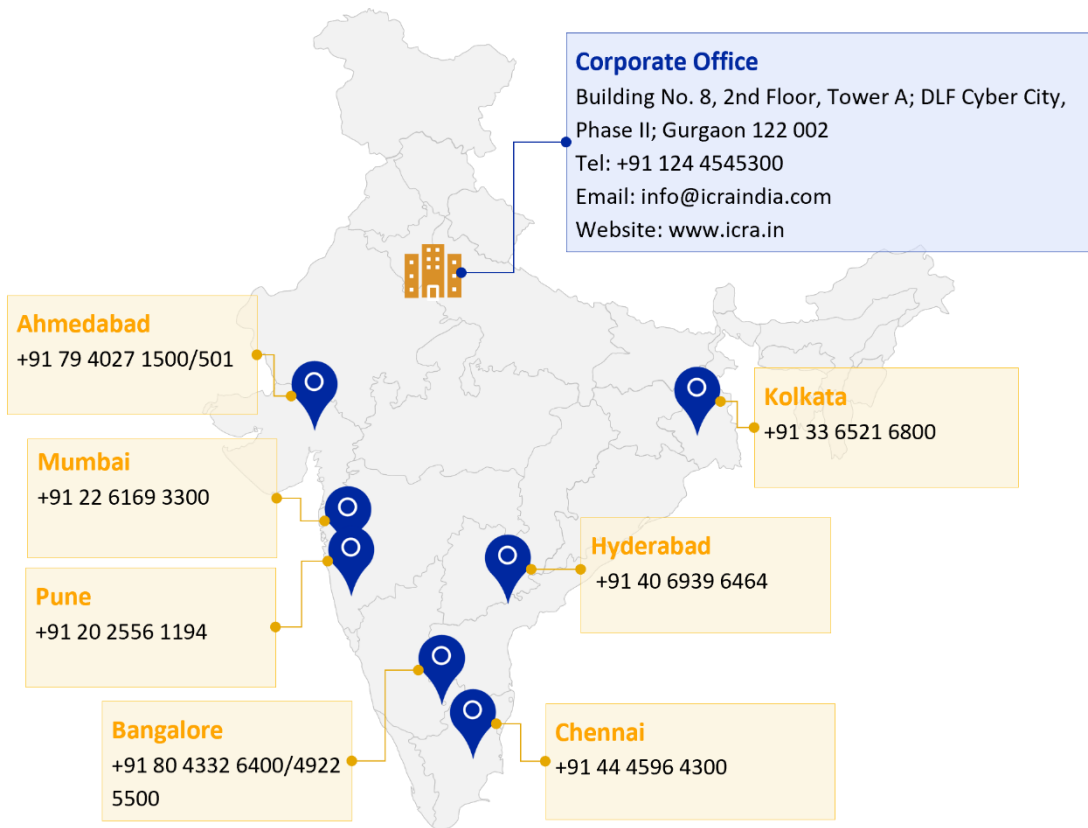
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