November 28, 2025

Billionbrains Garage Ventures Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Issuer rating	-	-	[ICRA]AA- (Stable); reaffirmed
Total	**-**	**-**	

Instrument details are provided in Annexure I

Rationale

To arrive at the rating, ICRA has considered the consolidated financials[1] of Billionbrains Garage Ventures Limited (BGV) while factoring in the support it is expected to provide to one of its subsidiaries – Groww CreditServ Technology Private Limited {GCS; the non-banking financial company (NBFC) arm of the Groww Group[2], rated [ICRA]A (Stable)/[ICRA]A1}. BGV is a direct-to-customer digital investment platform that owns and operates the web and application-based platforms – Groww and Groww Credit. Another subsidiary, Groww Invest Tech Private Limited {GIT; rated [ICRA]AA- (Stable)/[ICRA]A1+}, is a leading player in the securities broking industry[3]. It enjoys the highest market share in terms of National Stock Exchange (NSE) active clients since Q2 FY2024.

The rating continues to factor in BGV's strong market position in the securities broking industry through GIT, its healthy capitalisation and profitability trajectory and strong liquidity, notwithstanding the impact of regulatory changes on profitability in the past one year. BGV benefits from GIT's leading position in the equity broking segment. GIT, operating under the brand Groww, has emerged as a leading player in the securities broking industry in India as it made substantial client additions since FY2022 amid industry tailwinds and record retail investor participation in capital markets. It is a key contributor to BGV's standalone income stream for the services offered to GIT as well as other Group entities. The growth in BGV's standalone as well as consolidated operating profitability, so far, is largely attributable to GIT's earnings trajectory.

BGV's consolidated capitalisation was characterised by a net worth of Rs. 5,676.9 crore[4] and negligible gearing as on June 30, 2025. The net worth was supported by a $202-million Series F capital raise in H1 FY2026. While the capitalisation remains comfortable for the current scale of operations and the near-term growth plans, ICRA notes that the Group has initiated diversification into other lines of business, which would require capital outlay in the near-to-medium term (especially in the NBFC business housed under GCS). Further, a part of the funds was also utilised for the acquisition of the wealth management startup – Fisdom (Finwizard Technology Private Limited) in September 2025. Notwithstanding the proposed capital infusion to incubate the new businesses, the capital position is expected to remain comfortable.

The above positives are, however, offset by the currently high dependence of revenues on capital markets as the Group is in the early stage of diversifying into other business segments. Capital markets are inherently volatile and cyclical in nature and the majority of BGV's consolidated revenues accrue from GIT, which is the broking arm of the Group. Further, it remains susceptible to regulatory changes as well as technological risks, given its predominantly online presence and the evolving fintech landscape. Going forward, BGV's ability to maintain its leading position in the broking segment, while incubating the proposed businesses successfully, would remain critical from a credit perspective.

[1] List of entities considered for consolidation is as per Annexure II
[2] BGV and its subsidiaries/associates are collectively referred to as the Groww Group or the Group as per Annexure II
[3] GIT is engaged in the business of providing stock broking services (including mutual fund distribution), margin trade funding (MTF) and depository services
[4] 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

The Stable outlook on the long-term rating reflects ICRA's expectation that the Groww Group will maintain a strong market position in the equity broking business, which will continue to support its healthy profitability trajectory. Further, the capitalisation is expected to remain comfortable, notwithstanding the proposed investments required to incubate new businesses.

Key rating drivers and their description

Credit strengths

Strong market position in equity broking segment – The Groww Group enjoys a strong position in the equity broking segment through its key operating entity – GIT, which is a leading player in the securities broking industry. It is engaged in the business of providing stock broking services (including mutual fund distribution), MTF and depository services. It was ranked 1st in terms of NSE active clients, with a market share of ~27% as of October 2025. The company made significant client additions since FY2022, supported by industry tailwinds and record retail participation in domestic capital markets, a trend which continued in recent years. Supported by the expanding client base, GIT reported a sizeable improvement in broking volumes and income, resulting in expansion in its market share too. The continuous growth in derivatives volume since FY2023 has supported the company's overall market position and broking revenues further.

As GIT is the Group's flagship operating entity, its healthy performance augurs well for BGV's financial profile. Nonetheless, ICRA notes that the recent regulatory changes led to some moderation in the broking volumes and revenue trajectory in Q1 FY2026, although the ongoing increase in the customer base and market share expansion have cushioned the impact of regulatory changes to a certain extent. Further, the company announced revision in the brokerage rates in May 2025, which would augur well for revenues and profitability going forward. ICRA also notes that GIT's leading market position was achieved in a relatively short time span and the sustainability of the same will be a monitorable, given the evolving industry landscape.

Healthy capitalisation – BGV's net worth improved to Rs. 5,676.9 crore as on June 30, 2025 from Rs. 4,536.8 crore as on March 31, 2025 and Rs. 2,224.0 crore as on March 31, 2024. It was supported by the $202-million Series F capital raise in H1 FY2026. Borrowings remained negligible as on June 30, 2025. Previously, the Group had cumulatively raised over Rs. 1,900 crore till FY2024 and there were no accumulated losses as of June 2025. The net worth is primarily deployed in the broking business through margins placed at the exchanges, followed by certain amounts in the form of cash/bank balance and liquid investments (BGV held unencumbered liquid funds of over Rs. 3,016 crore as of June 2025 at the consolidated level). BGV held an equity investment of over ~Rs. 1,700 crore in Group companies, of which key investments include Rs. 568.9 crore in GIT, Rs. 678.2 crore in GCS and Rs. 349.5 crore in Groww Asset Management Limited as on March 31, 2025.

ICRA also notes that the Group has initiated diversification into other lines of business, which would require capital outlay in the near-to-medium term. The recent acquisition of the wealth management startup – Fisdom, besides the ongoing scaleup of the MTF book and the Group's foray into secured lending through loan against shares (LAS) and loans against mutual funds (LAMF) in GCS would require capital commitment in the near term. However, the recently concluded initial public offering (IPO), which includes fresh issue of Rs. 1,060 crore (gross) would support the growth capital requirements over the near-to-medium term. Thus, notwithstanding the proposed capital infusion to incubate the new businesses, the capital position is expected to remain comfortable. Despite the volatility likely to be imparted by the exposure to cyclical capital markets, cash accruals are expected to remain sizeable, augmenting the Group's capital base.

Healthy profitability – BGV's consolidated earnings profile was constrained till FY2022, given the limited vintage of the Group in the equity broking space. However, the core earnings profile improved thereafter, supported by the strong performance of the broking business. The company reported a return on net worth (RoNW) of 54.0% in FY2025 with a consolidated profit after tax (PAT) of Rs. 1,824.4 crore (PAT/net operating income (NOI) of 46.2%) compared to a loss of Rs. 805.5 crore in FY2024 and a PAT of Rs. 457.7 crore (PAT/NOI of 36.5% and RoNW of 16.2%) in FY2023. The earnings were impacted in FY2024 by a tax-related exceptional outgo following the reverse merger of Groww INC. (erstwhile ultimate holding company) with BGV. The consolidated PAT stood at Rs. 378.4 crore in Q1 FY2026 (PAT/NOI of 41.7% and RoNW of 29.6%[5]). While the profitability trajectory was impacted to a certain extent by the regulatory changes implemented from H2 FY2025, the profitability metrics remain healthy. ICRA notes that the operating profitability has remained strong and is on an improving trajectory, notwithstanding the impact of one-offs and regulatory changes. Further, the company has implemented measures like changing the brokerage rates, which would cushion the impact on profitability.

Credit challenges

Concentrated dependence on capital markets; presence in other capital market segments yet to be established – The Group's revenues are predominantly linked to the inherently volatile capital markets, given the strong presence of the flagship entity, GIT, in the equity broking segment. Thus, the profitability remains vulnerable to market performance. GIT's primary source of revenue remains retail broking, which accounted for over 90% of the NOI in FY2025 and FY2024, with interest income on fixed deposits and lending mainly accounting for the balance. However, the company forayed into MTF in FY2025. The MTF book increased to Rs. 1,035.8 crore as of June 2025 from Rs. 129.2 crore as of June 2024 (Rs. 601.9 crore as of March 2025), which has resulted in increased interest income in Q1 FY2026. While the Group has initiated diversification into other lines of business like secured lending through LAS and LAMF at GCS and the wealth management business through the acquisition of Fisdom, these businesses are yet to contribute significantly to its revenues and profitability. The share of broking revenues remains sizeable, especially from the futures & options (F&O) segment (over 80% of total broking income during FY2023-FY2025).

Further, the lending business (housed under GCS) is still in a nascent stage of operations. While it is expected to contribute to Group revenues going forward, a sizeable share of the Group's income will remain linked to the inherently volatile capital markets. Thus, any downturn in the capital markets or any adverse developments may impact its financial performance in the interim.

Ability to scale up new businesses profitably and achieve strong asset quality in the lending business – The Group has initiated diversification into other lines of business to tap cross-selling opportunities. This would require capital outlay in the near-to-medium term, especially for scaling up the lending business in GCS, the MTF book in GIT and the newly acquired wealth management business of Fisdom. Notwithstanding the proposed capital infusion, comfort is drawn from the Rs. 1,016-crore[6] inflow from the IPO and the sizeable liquidity buffers at the Group level as well as the healthy cash accruals. The new businesses are largely either in a nascent stage of operations or are yet to be launched. Initial losses, if any, during the gestation period or asset quality issues could impact the profitability to a certain extent, although the consolidated profitability is expected to remain healthy. The Group's ability to scale up these businesses profitably, while maintaining healthy asset quality and robust capitalisation, remains imperative.

Elevated competition, high dependence on technology, and evolving regulatory environment – Given the highly regulated nature of the industry, brokerage houses face significant regulatory risk. Ensuring compliance with evolving regulations is crucial. Recent regulatory changes, such as uniform exchange charges, increase in minimum holding value of basic service demat accounts, and measures to curb exuberance in the F&O segment, including rationalisation of weekly index derivatives and increased margins on expiry days, were introduced in FY2025. These, along with the hike in securities transaction tax, impacted capital market volumes and profitability. The sector is also characterised by intense competition and the entry of new players, leading to pricing pressure. However, the increasing financialisation of savings offers potential for expansion. Despite this, pressure on profitability during a downturn cannot be ruled out. Additionally, reliance on technology poses operational and reputational risks. Maintaining uninterrupted services remains crucial for customer experience.

[5] Annualised based on the Q1 FY2026 PAT and average of net worth as of June 2025 and March 2025

[6] Net of IPO-related expenses

Environmental and social risks

While financial institutions do not face any material physical climate risks, they are exposed to environmental risks indirectly through their portfolio of assets. Nonetheless, such risk is not material for BGV as 45-50% of its lending operations are primarily focussed on capital market-related lending. Further, its business activities are typically short-to-medium term in nature, which will allow it to adapt if required.

With regard to social risks, data security and customer privacy are among the key sources of vulnerability for financial institutions as material lapses could be detrimental to their reputation and invite regulatory censure. In this regard, while the company encountered three technical glitches in FY2025, it was not a material outlier compared to peers. Going forward, its ability to offer uninterrupted services will be imperative for maintaining customer experience. Moreover, it is noted that customer preferences are increasingly shifting towards the digital mode of transacting, necessitating the adoption of technological advancements, besides providing an opportunity to reduce the operating costs. BGV has been at the forefront of this transition, making investments to enhance its digital interface with its customers.

Liquidity position: Strong

BGV's unencumbered cash and liquid investments stood Rs. 3,016 crore as of June 2025 at the consolidated level. At present, the liquidity requirements are largely limited to the broking business for placing margin buffers at the exchanges and scaling up the MTF book, working capital requirements for maintaining the Groww platform and for growth requirements at GCS. ICRA notes that certain funds would also be required to capitalise the other proposed businesses apart from the MTF and lending business, which would require periodic support to fund the planned growth. The fresh issue of Rs. 1,060 crore (gross) from the IPO is expected to support the near-term growth capital requirements. The Group is expected to continue maintaining sufficient on-balance sheet liquidity to support its new ventures as well as for the working capital requirements of the broking business and growth capital for the MTF and lending business. In this regard, the healthy profitability and resultant cash accruals are expected to augur well for the Group's liquidity profile.

Rating sensitivities

Positive factors – A meaningful and profitable diversification of the revenue profile, while maintaining a strong capitalisation and profitability trajectory, would be a positive factor. Maintaining good control on the asset quality in the lending business will also remain imperative.

Negative factors – A significant decline in revenue from the broking business or increase in leverage, leading to the weakening of the financial performance, would be a negative factor. Inability to scale up the proposed businesses profitably, impacting the capital profile, and/or any sustained asset quality pressure in the lending business would also be a credit negative.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Stockbroking & Allied Services
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the rating, ICRA has considered the consolidated financials of BGV while factoring in the ordinary and extraordinary support that is expected to be extended to its subsidiary – GCS (NBFC arm of the Group).

About the company

Billionbrains Garage Ventures Limited (BGV) is a direct-to-customer digital investment platform and the holding company of the Groww Group[7]. It was initially incorporated in January 2018 as a subsidiary of Groww INC. (based in Delaware, USA). Groww INC. was reverse merged into BGV in Q4 FY2024, making BGV the holding company of the Groww Group. BGV owns and

[7] *BGV and its subsidiaries are collectively referred to as the Groww Group*

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. Additionally, the online credit distribution business was transferred to BGV from its wholly-owned subsidiary – Neobillion Fintech Private Limited.

Groww Group offers various financial services such as: i) stockbroking services, mutual fund distribution and depository services, MTF (housed under GIT); ii) providing personal loans on digital lending platforms (housed under 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; transferred to BGV w.e.f. April 1, 2024) and; v) providing payment gateway services and to carry on the 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)

BGV – Consolidated	FY2024	FY2025	Q1 FY2026
Net operating income	2,759.7	3,945.9	906.8
Profit after tax	(805.5)	1,824.4	378.4
Net worth*	2,224.0	4,536.8	5,676.9
Total assets*	7,699.3	9,758.6	12,394.5
Gearing (times)	0.0	0.1	0.1
Return on average net worth	(30.6%)	54.0%	29.6%^

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; *Adjusted for goodwill of Rs. 318.7 crore; ^Annualised based on the Q1 FY2026 PAT and average of net worth as of June 2025 and March 2025*

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					
				FY2025		FY2024		FY2023	
	Type	Amount rated (Rs. crore)	Nov 28, 2025	Date	Rating	Date	Rating	Date	Rating
Issuer rating	Long term	-	[ICRA]AA- (Stable)	Sep 26, 2024	[ICRA]AA- (Stable)	Mar 01, 2024	[ICRA]AA- (Stable)	-	-
						Jan 23, 2024	[ICRA]AA- (Stable)		

Complexity level of the rated instruments

Instrument	Complexity indicator
Issuer rating	Not applicable

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	**Issuer rating**	NA	NA	NA	-	[ICRA]AA- (Stable)

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership as on June 30, 2025	Shareholding as on June 30, 2025	Consolidation approach
Billionbrains Garage Ventures Limited	Holding company	NA	Full consolidation
Groww Invest Tech Private Limited (formerly Nextbillion Technology Private Limited)	Subsidiary	100%	Full consolidation
Groww Asset Management Limited	Subsidiary	100%	Full consolidation
Groww Trustee Limited	Subsidiary	100%	Full consolidation
Groww Pay Services Private Limited	Subsidiary	100%	Full consolidation
Groww Wealth Tech Private Limited	Subsidiary	100%	Full consolidation
Groww Serv Private Limited	Subsidiary	100%	Full consolidation
Neobillion Fintech Private Limited	Subsidiary	100%	Full consolidation
Billionblocks Finserv Private Limited	Subsidiary	100%	Full consolidation
Groww Insurance Broking Private Limited	Subsidiary	100%	Full consolidation
Groww IFSC Private Limited	Step-down subsidiary	100%	Full consolidation
Saafe Fintech Solutions Private Limited (formerly Dashboard Financial Holdings Private Limited)	Associate	34.66%	Limited consolidation
Groww CreditServ Technology Private Limited	Subsidiary	100%	Limited consolidation*

*Source: Company; As on June 30, 2025; *In line with ICRA's analytical approach*

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ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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