

November 28, 2025

Groww Invest Tech 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	108.00	108.00	[ICRA]AA- (Stable)/[ICRA]A1+; reaffirmed
Commercial paper	500.00	500.00	[ICRA]A1+; reaffirmed
Non-convertible debentures	400.00	400.00	[ICRA]AA- (Stable); reaffirmed
Total	1,008.00	1,008.00	

*Instrument details are provided in Annexure I

Rationale

The ratings continue to factor in Groww Invest Tech Private Limited's (GIT) strong market position in the equity broking segment¹, its comfortable capitalisation, strong liquidity, and healthy profitability. These positives are, however, partially offset by the company's high dependence on capital markets, which are inherently volatile and cyclical in nature. Moreover, a sizeable share of the revenues is from the futures and options (F&O) segment (~73% of the net operating income (NOI) in FY2025), which is facing industry-wide pressure on trading volumes following the regulatory changes in the last one year.

GIT has emerged as one of the leading players in the securities broking industry in India as it had made substantial client additions since FY2022 amid industry tailwinds and record retail investor participation in capital markets. The continued growth in its client base has been supporting the increase in its broking volumes and earnings, as witnessed till FY2025. The company reported strong profitability with a return on net worth (RoNW) of 38.4% in FY2025 and 40.3% in FY2024. While there was some moderation in the profitability in Q1 FY2026 due to regulatory changes, ICRA expects the profitability trajectory to remain healthy backed by continued customer onboarding and market share gains.

GIT's capitalisation profile remains comfortable with a net worth of Rs. 1,402.3 crore and gearing of 0.5 times as on June 30, 2025. ICRA notes that the borrowings have increased since the company forayed into the margin trading facility (MTF) business in FY2025, though the financial leverage remains low. Borrowings would increase further over the medium term to support the scaleup in the MTF book. However, the financial leverage is expected to remain modest.

GIT is the flagship operating entity of the Groww Group² and a wholly-owned subsidiary of Billionbrains Garage Ventures Limited (BGV), which houses the Group's tech platform. It remains strategically important for BGV and is a key contributor to its income stream for technology and other services availed. BGV's consolidated net worth stood at Rs. 5,676.9 crore³ as on June 30, 2025 with negligible borrowings. ICRA notes that the Group has initiated diversification into other lines of business, which would require capital outlay in the near-to-medium term. Nonetheless, the capital position is expected to remain comfortable and ICRA expects management and financial support from the Group to be forthcoming to GIT, as and when required.

ICRA notes that GIT remains susceptible to regulatory changes as well as technological risks, given its predominantly online presence and the evolving fintech landscape. Going forward, its ability to sustain the momentum of client additions while improving its revenues and profitability and maintaining comfortable capitalisation would remain important from a credit perspective.

¹ Leading position in terms of National Stock Exchange (NSE) active clients as of October 2025

² BGV and its subsidiaries/associates are collectively referred to as the Groww Group or the Group

³ 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 GIT will continue to maintain a strong market position in the equity broking business, which will support its healthy profitability trajectory and comfortable capitalisation.

Key rating drivers and their description

Credit strengths

Strong market position in equity broking segment – GIT enjoys a strong position in the equity broking segment. It has emerged as one of the leading players in the securities broking industry in the country. It was ranked 1st in terms of National Stock Exchange (NSE) active clients as of October 2025, with a market share of ~27%. The company made significant client additions since FY2022, aided by industry tailwinds and record retail participation in domestic capital markets, a trend which continued in subsequent 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. Nonetheless, ICRA notes that the recent regulatory changes led to some moderation in the broking volumes and revenue trajectory in Q1 FY2026, although the impact was partially offset by the revision in the brokerage rates announced by the company in May 2025. Further, the ongoing increase in the customer base and market share expansion have cushioned the impact of regulatory changes to a certain extent. ICRA also notes that GIT's leading market position has been achieved in a relatively short time span and the sustainability of the same will be monitorable, given the evolving industry landscape.

Comfortable capitalisation – GIT's capitalisation remains comfortable, characterised by a net worth of Rs. 1,402.3 crore and low gearing of 0.5 times as on June 30, 2025. The net worth is primarily deployed in margins placed at the exchanges, followed by certain amounts in the form of cash/bank balance and liquid investments. While the company has sanctioned overdraft facilities, these are backed by fixed deposits that are used for intermittent, short-term funding requirements. GIT forayed into the MTF business in FY2025, which has resulted in some uptick in the borrowings, though the financial leverage remained low at 0.5 times as on June 30, 2025. Nonetheless, ICRA notes that the borrowings would increase from the historical levels as the MTF book scales up, though the financial leverage is expected to remain modest in the near-to-medium term. Further, the Group has earmarked Rs. 167.5 crore of the IPO proceeds, primarily for scaling up the MTF book. The scaleup would be funded through a combination of own funds and borrowings (including from BGV).

BGV has infused over Rs. 500 crore of equity capital in GIT till date. It is also noted that BGV's net worth and liquidity reserves are meaningfully more than that of GIT. BGV's consolidated net worth stood at Rs. 5,676.9 crore as on March 31, 2025 with negligible borrowings at the consolidated level. ICRA notes that the Group has initiated diversification into other lines of business, which would require capital outlay in the near-to-medium term. Nonetheless, BGV's consolidated capital position is expected to remain comfortable and ICRA expects GIT to receive management and financial support from the Group, as and when required.

Healthy profitability – Supported by the scaleup in broking volumes and earnings amid the expanding client base, GIT reported strong profitability with an RoNW of 38.4% in FY2025 compared to 40.3% in FY2024. However, the profitability moderated slightly in Q1 FY2026 due to the impact of regulatory changes, though the impact was partially offset by measures like the increase in the brokerage rates announced by the company in May 2025. Further, the ongoing increase in the customer base and market share expansion have cushioned the impact of regulatory changes to a certain extent.

GIT's earnings profile was constrained till FY2022, given its limited vintage in the broking space. However, it improved thereafter as it made significant client additions from FY2022. It reported a profit after tax (PAT) of Rs. 421.8 crore on a NOI of Rs. 3,648.9 crore in FY2025 (PAT/NOI of 11.6%) compared to Rs. 297.8 crore and Rs. 2,551.1 crore, respectively, in FY2024 (PAT/NOI of 11.7%). Nonetheless, ICRA notes that the revenues and profitability moderated in Q1 FY2026 with a PAT of Rs. 93.4 crore on NOI of Rs. 831.3 crore (PAT/NOI of 11.2%) due to the industry wide impact derivatives volume following the measures implemented by the regulator, though the same is expected to remain healthy. Further, it is noted that GIT's

profitability at the standalone level remains constrained by the elevated cost-to-income ratio. A sizeable portion of the operating expenses is on account of the software, server and technology services availed from BGV.

At the consolidated level, BGV reported a PAT of Rs. 378.4 crore in Q1 FY2026 compared to Rs. 1,824.4 crore in FY2025 and a loss of Rs. 805.5 crore in FY2024. The loss at the consolidated level was on account of a one-time tax outgo related to the reverse merger of the erstwhile ultimate parent company – Groww INC. (domiciled in USA) into BGV. GIT is the key contributor to the consolidated profitability, which remains healthy despite the moderation in Q1 FY2026.

Credit challenges

High dependence on F&O broking income; exposure to inherently volatile capital markets – GIT's revenues are predominantly linked to the inherently volatile capital markets, given its strong presence 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 MTF accounting for the balance. Within broking, the share of F&O broking revenues remains sizeable (over 80% of the gross broking income during FY2023-FY2025). The trading activity in the F&O segment was impacted in recent quarters, following the implementation of regulatory measures. Given the inherent sensitivity of this revenue stream to regulatory developments, the possibility of moderation cannot be entirely ruled out. Additionally, MTF demand is also linked to market performance. Thus, the revenue profile and profitability remain susceptible to market performance in the medium term, given the cyclical nature of the broking industry and the limited diversification in GIT's revenue profile. Nonetheless, ICRA notes that the MTF book has 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). In this regard, ICRA notes the company's focus on increasing the share of broking revenues from the cash segment and scaling up the MTF book (considering the expanding client base and penetration opportunities).

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 account, 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 important for customer experience.

Liquidity position: Strong

GIT's funding requirement is primarily for placing margin buffers at the exchanges and for scaling up the MTF book. The company had placed aggregate margins of Rs. 6,470 crore on the exchanges as of June 2025, of which ~Rs. 800 crore was own funds. It had unencumbered cash and liquid investments of Rs. 525.5 crore as on June 30, 2025 while the aggregate debt outstanding was Rs. 768.3 crore⁴. The on-balance sheet liquidity is adequate to cover the outstanding debt obligations. Besides, GIT had unutilised, fund-based bank lines of ~Rs. 180 crore and intraday lines of Rs. 100 crore, which can be used in case of exigencies. Further, it had short-term loan assets (in the form of MTF) of Rs. 1,035.8 crore as on June 30, 2025, which can be liquidated at short notice if required.

Rating sensitivities

Positive factors – A meaningful and profitable diversification of the revenue profile, while maintaining a strong capitalisation and profitability trajectory, would have a positive impact. An improvement in BGV's credit profile will also remain imperative.

⁴ Includes loans from BGV. External debt outstanding was Rs. 263.8 crore

Negative factors – A significant decline in GIT’s revenue or an increase in the leverage, resulting in the weakening of the financial profile, would be a negative factor. Moreover, a deterioration in the credit profile of the parent or any weakening in the strategic importance to the parent will be a credit negative.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Stockbroking & Allied Services
Parent/Group support	Billionbrains Garage Ventures Limited GIT is a wholly-owned subsidiary of BGV. ICRA expects that the company will receive adequate and timely support (financial and operational) from the parent, if required.
Consolidation/Standalone	Standalone

About the company

Groww Invest Tech Private Limited (GIT), incorporated in May 2016, is one of the leading discount brokers in the country with 1.2-crore active NSE customers as of October 2025. It offers equity broking services in the cash as well as derivatives segment, besides mutual fund distribution. It forayed into MTF in FY2025. The company was previously known as Nextbillion Technology Private Limited. It is a wholly-owned subsidiary of BGV. GIT started business as a direct mutual fund investment platform. Subsequently, it obtained registration from the Securities and Exchange Board of India (SEBI) as a stockbroker. GIT is registered with the NSE and the Bombay Stock Exchange (BSE). Its registered office is in Bengaluru, Karnataka.

About the parent

Billionbrains Garage Ventures Limited (BGV) is a direct-to-customer digital investment platform and the holding company of the Groww Group⁵. 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 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)

GIT – Standalone	FY2024	FY2025	Q1 FY2026
Net operating income	2,551.1	3,648.9	831.3
Profit after tax	297.8	421.8	93.4
Net worth	887.4	1,309.5	1,402.3
Total assets	4,684.3	6,485.1	8,419.4
Gearing (times)	0.0	0.4	0.5
Return on average net worth	40.3%	38.4%	27.1%

Source: Company, ICRA Research; All ratios as per ICRA’s calculations; Amount in Rs. crore

⁵ BGV and its subsidiaries are collectively referred to as the Groww Group

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)	Nov 28, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Short-term fund-based/Non-fund based bank facilities	Short term	-	-	-	-	Jul 13, 2023	[ICRA]A1+	-	-
				-	-	Jan 23, 2024	[ICRA]A1+	-	-
Long-term/Short-term fund-based/Non-fund based bank lines – Others	Long term/Short term	108	[ICRA]AA-(Stable)/[ICRA]A1+	Sep 26, 2024	[ICRA]AA-(Stable)/[ICRA]A1+	Mar 01, 2024	[ICRA]AA-(Stable)/[ICRA]A1+	-	-
				Jan 24, 2025	[ICRA]AA-(Stable)/[ICRA]A1+	-	-	-	-
Commercial paper	Short term	500	[ICRA]A1+	Sep 26, 2024	[ICRA]A1+	Mar 01, 2024	[ICRA]A1+	-	-
				Jan 24, 2025	[ICRA]A1+	-	-	-	-
Non-convertible debentures	Long term	100	[ICRA]AA-(Stable)	Sep 26, 2024	[ICRA]AA-(Stable)	-	-	-	-
				Jan 24, 2025	[ICRA]AA-(Stable)	-	-	-	-
Non-convertible debentures	Long term	300	[ICRA]AA-(Stable)	Jan 24, 2025	[ICRA]AA-(Stable)	-	-	-	-

Complexity level of the rated instruments

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

*Subject to change once the terms are finalised

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	NA	NA	NA	108	[ICRA]AA- (Stable)/ [ICRA]A1+
NA	Commercial paper	NA^	NA	NA	500	[ICRA]A1+
INE0HQR07012	Non-convertible debentures	Jan 31, 2025	10.00%	July 31, 2026	100	[ICRA]AA- (Stable)
NA	Non-convertible debentures^	NA	NA	NA	300	[ICRA]AA- (Stable)

Source: Company; ^Yet to be placed

[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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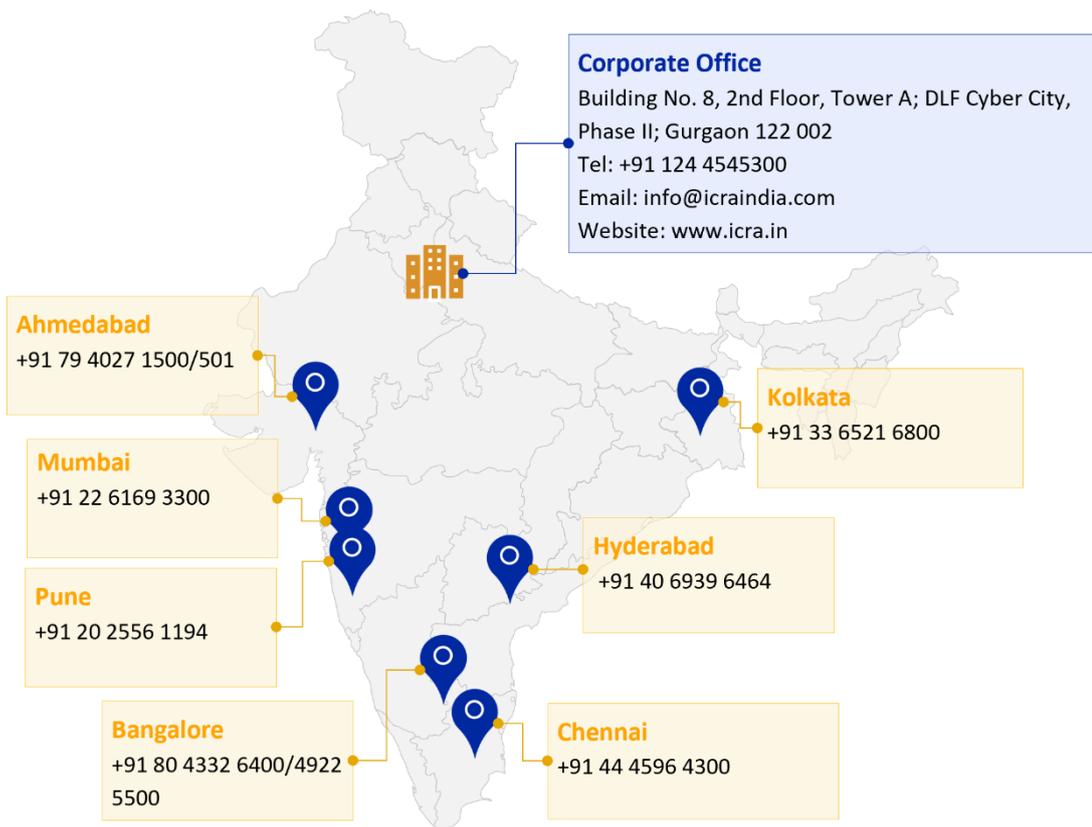
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