RATING RATIONALE

21 July 2026

STRATEGIC FINVEST PRIVATE LIMITED

Brickwork Ratings assigns the rating at BWR BBB-/Stable for the Proposed Bank Loan Facilities of Rs. 50.00 Crores of Strategic Finvest Private Limited

Particulars

Facilities**	Amount(Rs.Crores)	Tenure	Rating
Fund Based Bank Facilities (Proposed)	**50.00**	**Long Term**	**BWR BBB-/Stable (Assignment)**
Grand Total	**50.00**	**(Rupees Fifty Crores Only)**	

*Please refer to BWR website **www.brickworkratings.com/** for the definition of the ratings
** Details of Bank Loan Facilities are provided in Annexure-I

RATING ACTION/ OUTLOOK: ASSIGNMENT/ STABLE

Brickwork Rating assigns the long-term rating at BWR BBB-/Stable for the proposed Bank Loan facility amounting to Rs 50.00 crores of Strategic Finvest Pvt Ltd (SFPL or the "Company"). BWR has relied upon the information/ clarification provided by SFPL, audited financial performance up to FY25, provisionals for FY26, and projections for the ensuing two years, and the information available from the public sources.
The rating assignment reflects the experience of its promoters and skilled management, which has enabled the company to develop a technology-driven platform providing working capital solutions to its borrowers. The Rating also factors in the company's adequate capitalisation as of 31 March 2026 and its differentiated business model, aided by anchor-based sourcing alongside data-backed underwriting frameworks, which have maintained comfortable asset quality during its early operational phase.

The ratings are, however, constrained by the company's limited track record and relatively small scale of operations. Achieving steady growth and operational scale over the medium term remains critical for the company to optimize its operating cost structure and improve profitability.
During FY2026, SFPL expanded its loan book to ₹83.00 crore (approx), supported by healthy cumulative disbursements of ₹380.00 crore. Despite this rapid expansion, the company has managed credit risks efficiently, with the Gross NPA ratio at 0.82%, and NNPA ratio at 0.36%

The "Stable" outlook reflects expectations that Strategic Finvest will successfully execute its equity expansion in the FY 26-27, maintain its excellent asset quality via FLDGs, and leverage its low cost of funds to achieve the projected profitability targets as the loan book scales.

KEY COVENANTS OF THE FACILITY RATED

The terms of sanction of the rated facilities include standard covenants normally stipulated for such facilities

KEY RATING DRIVERS

Credit Strengths-:

Promoters support assuring adequate capitalization and an experienced management team:

SFPL's operational strategies are supported by its promoters, Mr. Piyush Jain and Ms. Swati Pokharana, who bring over a decade of institutional experience in investment banking and corporate financial operations. The leadership is further strengthened by a team of fifteen Key Managerial Personnel (KMPs) executing risk, compliance, and technology verticals. Further, the management team benefits from the knowledge and experience of Mr. Bhavesh Gupta (Senior Advisor & Chief Mentor) and Mr. Vikram A. G. (Director). Further, Mr Subhash and Mr. Vikram's subject expertise in the fintech space assures stability over the medium term. All three above possess over two decades of experience in the financial services and fintech ecosystems. The experienced management team supports the SFPL's execution capability and client relationships.

The Capital adequacy ratio (CRAR) of 25.08% as on 31 March 2026 was supported by the promoters, who have injected approximately ₹90.00 crore through a mix of equity and inter-corporate deposits (ICDs). This capital buffer provides a comfortable cushion to fund the company's near-to-medium-term growth phase.

Given the fast-churning nature of the loan book, SFPL would require additional equity to grow its book. To support the transition to a larger asset book, the promoters have formally committed to injecting incremental capital as required in the form of equity or ICDs. Furthermore, the management has committed to a conservative leverage policy, aiming to maintain the overall gearing ratio below 3.0 times over the medium term. BWR expects SFPL to maintain reasonable capital buffers and a low leverage ratio over the near-to-medium term.

Niche Business Model Continues to Evolve and Scale:

Strategic Finvest Pvt Ltd caters to the MSME segment by providing working capital financing and supply chain financing, with an average loan tenure of ~90 days . The business model carries high reliance on partnering with corporates with an established track record of operations, who in turn become the lead generation/nodes for SFPL, to source its key distributors and retailers SFPL aims to focus on providing short-term supply chain financing to retailers of such distributors. Moreover, SFPL also offers working capital term loans upto 1 year, based on the vintage of a particular dealer or retailer within SFPL's ecosystem. Since September 2025 (onboarding of new promoters), SFPL's lending relationships with more than 40 anchors, provides access to a wider set of distributors and a retailer base of more than 55000 end users.

Credit Risks-:

Portfolio Seasoning and Asset Quality Monitorables Amid Aggressive Scaling
The company caters to customers in the MSME sector, providing unsecured lending, which is highly susceptible to economic downturns. Asset quality will be a key monitorable. However, the anchor-based approach provides SFPL with a significant volume of past transaction data of supply chain distributors with the respective anchors, which enables better credit assessment. There is a stop-supply agreement with the anchor, which acts as a risk mitigant, aiding delinquency control. Furthermore, credit risk is mitigated as these exposures are backed by First Loss Default Guarantees (FLDG) from ecosystem nodes, ensuring high recovery prospects.

Because the working capital term loans run for a significantly longer duration, their performance across a full, multi-year economic cycle is entirely unproven.

Despite rapid scaling, asset quality is pristine. Gross NPA stood at a marginal 0.82% (₹0.67 crore on an ₹83 crore book) in FY26, with Net NPA contained at 0.36%. There have been zero write-offs to date. While short-term performance can look flawless during benign economic conditions, longer-tenor MSME loans are structurally vulnerable to macro-economic downturns and cash flow disruptions.

Low Profitability and Low Returns due to Early-Stage Setup and High Technology Costs:

Strategic Finvest Private Limited (SFPL) exhibits muted return and profitability metrics, primarily attributed to the early-stage nature of its operations and a high initial operating expense overhead. During the review period, a significant portion of the company's cost structure was driven by the maintenance and operation of its technological infrastructure.

As the company expands its market footprint, these technology-maintenance costs are projected to escalate in absolute terms. Furthermore, the operational workforce is expected to expand manifold to support higher business volumes, which will put near-term pressure on the company's operating leverage.

Consequently, the current return on capital employed (ROCE) at 2.69% and return on assets (ROA) at 3.65% remain low. In a highly competitive digital lending and fintech landscape, the company's ability to absorb these rising administrative and headcount costs while driving down its cost-to-income ratio remains a key monitorable

ANALYTICAL APPROACH AND APPLICABLE RATING CRITERIA: STANDALONE
For arriving at this rating, BWR has considered the standalone financial profile of SFPL and applied its rating methodology as detailed in the Rating Criteria below (hyperlinks provided at the end of this rationale)

RATING SENSITIVITIES

Positive:

- A substantial increase in the scale of operations at the lending activity in terms of portfolio size to the extent of Rs 300 crores and franchise,
- An increase in operational efficiencies, leading to substantial growth in profits while maintaining its asset quality with GNPA ratios below 3%.

Negative:

- Decline in scale of operations and profitability below the estimated levels of FY27
- Weakening of operational parameters, and gearing (excluding ICD or Quasi equity) exceeding 3 times.

LIQUIDITY: ADEQUATE :

As of the 30th June 2026, the company has no debt repayment obligations due within the next year. However, it proposes to borrow ₹100 crore during FY 2026–27. As of March 31, 2026, the available free cash stands at ₹6 crore. Furthermore, the Asset Liability Management (ALM) report as of March 31, 2026, indicates no cash flow mismatches, supported by the company's focus on short-term loans

Environment, Social, and Governance: Not Applicable

ABOUT THE ENTITY

Strategic Finvest Private Limited, incorporated on 27 March 1996, is a RBI registered NBFC - ICC (Base Layer) focused on digitally driven MSME and retail financing. Mr. Piyush Jain and Ms. Swati Pokharna have acquired M/s Strategic Finvest Pvt Ltd in FY2025-26. The company, through its tech platform QuID Pe app, is engaged in the business of supply chain finance, providing working capital solutions across brands, distributors, retailers, and MSMEs. The company has built a strong ecosystem with 40 + large anchor partnerships and onboarded 55,000 + dealers/retailers on its platform with a reach of over 1 million + retailers.

The company primarily focuses on industries such as FMCG, FMCD, electronics, apparel, and other fast-moving consumer businesses. Preference is given to distributors dealing in established brands such as HUL, P&G, Nestlé, and Nivea, as these products have faster inventory movement.

Strategic Finvest Pvt Ltd was acquired as an operating vehicle to commence lending operations while the necessary regulatory approvals were being obtained under Quid Social. Following receipt of the approval from RBI for the change in control, the company now proposes to transfer the ownership of the NBFC to Quid Social through a share-swap arrangement over the next three to four months.

KEY FINANCIAL INDICATORS

Parameters	Units	FY24	FY 25	FY26
Result Type		Audited	Audited	Provisional
AUM	Rs crores	2.46	19.03	82.60
Total revenue from operations	Rs crores	0.19	0.73	11.86
Adjusted TNW*	Rs Crores	3.32	24.26	84.22
Adjusted Debt	Rs Crores	0	0	15
Gearing	Times	NA	NA	0.17x
CRAR	%	NA	27.80%	25.08%
GNPA	%	NA	0.00%	0.82%
NNPA	%	NA	0.00%	0.36%

***Quasi Equity (ICDs from Promoters Company) is included in Adjusted TNW**

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: There was no non-cooperation with other CRAs

Any Other Information: None

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

Sr. No.	Facilities	Type	Current Rating (May 2026)		Rating History for the past 3 years		
			Amount Rs crores	Rating	FY 2025	FY 2024	FY 2023
1	Fund Based (Proposed)	Long Term	50.00	BWR BBB-/ Stable (Assignment)	NA	NA	NA
Total			**50.00**	**Rupees Fifty Crores Only**			

COMPLEXITY LEVELS OF THE INSTRUMENTS: Simple
For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- **General**
- **NBFC Criteria**
- **Approach to Financial Ratios**

Analytical Contacts	
Sonali Namitraj Mittal **Associate Director** **sonali.mittal@brickworkratings.com**	**Hemant Sagare** **Director - Ratings** **hemant.sagare@brickworkratings.com**
media@brickworkratings.com	**CustSupport@brickwrokratings.com**

Strategic Finvest Private Limited
ANNEXURE-I
Details of Bank Loan Facilities rated by BWR:

Sr. No.	Name of the Bank/ Lender	Type of Facilities	Long Term (Rs crores)	Short Term (Rs crores)	Total	Complexity**
1	-	-	-	-	-	-

**http://www.brickworkratings.com/download/ComplexityLevels.pdf

Note: these are proposed loans

ANNEXURE II
INSTRUMENT DETAILS: NA

ANNEXURE III
List of entities consolidated: NA

List of instruments and regulators

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Instrument/Activity	Regulator
Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA-
Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) [1]	SEBI
Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)-[1]	SEBI
Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)-[1]	RBI
Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs -[2]	RBI
External Commercial Borrowings and other similar borrowings	RBI
Certificates of Deposit	RBI
Fixed Deposits raised by NBFC's, Banks, HFCs, Fis	RBI
Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, Fis	MCA
Inter Corporate Deposits/Loans extended by Corporates	MCA
Borrowing programme -[3]	-
Issuer Ratings [4]	-
Credit Ratings for Capital Protection Oriented Schemes (by Mutal Funds and AIFs)	SEBI
Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
Listed Security Receipts	SEBI
Unlisted Security Receipts	RBI
Independent Credit Evaluation (ICE)	RBI
Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	RBI
Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	~~MCA~~
Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) -[1]	Investor-side Regulator such as IRDAI, PFRDA[5]
Monitoring Agency	SEBI
Research activities, incidental to rating, such as research for Economy, Industries and Companies [6]	NA

1. Includes securitisation transactions involving assignee payout, acquirer's payout.
2. Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
3. The rated instrument may involve the issuance of different instruments, such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), BWR shall separately capture the rated quantum details along with the names of respective regulators.
4. There is no instrument being rated, and hence, the Regulator of the Instrument is not applicable.
5. These ratings were assigned during the regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor side regulators have been included.
6. Permitted by SEBI vide SEBI Master Circular for CRAs

Grievance Management: For any grievances relating to rating of instruments regulated by SEBI, please contact **sebigrievance@brickworkratings.com.** Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available
For any grievances relating to rating of instruments regulated by other FSR (Financial Sector Regulators), please contact **grievance@brickworkratings.com**

About Brickwork Ratings
Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI]. BWR is the 5th agency to get a credit rating registration in India in 2009 and its corporate office in Bengaluru. It has a country-wide presence with representatives in 150+ locations. Canara Bank is Brickwork’s strategic partner and promoter.
Brickwork offers credit ratings of Bank Loan, Non- convertible/convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has also rated NGOs, Educational Institutions, Hospitals, Urban Local Bodies and Municipal Corporations.

Disclaimer

Nature of Ratings & Information: BWR ratings are opinions on the relative ability of an entity/instrument to meet its financial obligations and are based on information obtained from issuers and other sources believed to be reliable. BWR does not conduct audits, due diligence, or independent verification of such information and does not guarantee its accuracy, adequacy, or completeness. Ratings are current only as of the date of publication and may be revised based on new or unavailable information.

No Advice or Recommendation: Ratings, reports, and related communications are not investment advice and do not constitute recommendations to buy, sell, or hold securities, or to sanction, renew, or disburse credit facilities. They do not represent offers or solicitations for any transaction. Users must rely on their own independent judgment and professional advice. Access to or use of these materials does not create any client relationship with BWR.

Liability, Usage & Regulatory Framework: This content is published for the purpose of dissemination of information as required under applicable laws and regulations. BWR holds exclusive copyright over the content. It may be used with appropriate credit to BWR, provided that the content is not altered or modified in any way that could change its meaning or intent. BWR retains the exclusive right to distribute or share its rating rationales, directly or indirectly, through any print, digital, or electronic media. All reports are provided on an “as is” basis without warranties of any kind, express or implied, including but not limited to merchantability, fitness for a particular purpose, or non-infringement. BWR and its affiliates shall not be liable for any direct, indirect, incidental, or consequential losses or damages arising from the use of these reports. Ratings are subject to continuous surveillance and may be revised, suspended, or withdrawn at any time without notice. These reports are intended for use within India only. BWR operates under SEBI Regulations and Code of Conduct.

For more information on policies and ratings, please visit our website **www.brickworkratings.com**