

RATING RATIONALE

17 Mar 2026

General Investment and Commercial Corporation Ltd

Brickwork Ratings assigns the long term rating of proposed bank loans amounting to Rs. 100.00 crores, of General Investment and Commercial Corporation Ltd.

Particulars:

Facilities#	Amount Rs Cr	Tenure	Rating*
	Present		
Fund Based: Proposed Bank Loan (Term Loan)#	100.00	Long Term	BWR BB-/Stable (Assignment)
Total	100.00	Rupees One Hundred Crores Only	

*Please refer to BWR website www.brickworkratings.com/ for the definition of the ratings

#Details of facilities rated are provided in Annexures I

RATING ACTION/OUTLOOK: ASSIGNMENT/ STABLE

Brickwork Ratings assigns the long term rating for proposed bank loans of Rs. 100.00 Crores at BWR BB-/Stable, of General Investment and Commercial Corporation Ltd, as tabulated above.

The assignment of rating to the proposed bank loans factors in the comfortable capitalization relative to the existing scale of operations, reflected in a Net worth of Rs 113.43 crores, healthy capitalisation CRAR of 124.41%, adequate liquidity with LCR of 701%, high yielding margins, technological readiness, the company’s asset quality which is marked by nil slippages with GNPA and NNPA at zero percentage and experienced board and management team. The rating is however constrained by the scale of assets under management for which the company is in the revamping stage and the results of the same shall be seen over the medium term. The ability of the company to have steady collections post disbursals shall be monitorable. BWR notes the company’s current scale of AUM and its projected growth as a key monitorable on the optimum utilisation of capitalisation, improve earnings, have lower delinquencies, seasoning of the portfolio, are yet to be seen.

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED :

For proposed Bank Term Loans : The proposed Bank Term Loans are yet to be sanctioned and shall have the standard covenants applicable to such facilities. The proposed bank term loans shall be utilised for onward lending purposes.

KEY RATING DRIVERS:

Credit Strengths -:

Comfortable Capital Adequacy, Asset Quality & Secured portfolio: : The entity maintains a massive CRAR of 124.41%, providing a significant buffer for loss absorption and aggressive growth without the need for immediate capital infusion. The entire loan book is 100% Secured, hence shall be able to recover the risk of total principal loss. The portfolio operates at a uniform 18% ROI, which is a comfortable interest margin for a base-layer NBFC

Diverse Footprint and Technological Readiness: The company plans to scale its business growth from the 83 representative offices opened in October 2025 within the state of Karnataka across Tier II, III, and IV areas and provides a diversified physical network for local MSME sourcing. The adoption of an app to digital transformation and scalable operations. The Company established in 1940, carries 85 years of financial legacy and brand trust, originated by promoters of the erstwhile Syndicate Bank.

Credit Risks-:

Asset Concentration (LAP) and High Ticket-Size Risk: Over **45% of the book** is concentrated in **Loan Against Property (1,327.13 total)**, making the entity vulnerable to real estate market corrections. The book comprises ~ **64%** of loans being **10 Lakhs & above**. This reflects relatively low granularity compared to as expected in a retail/MSME-focused NBFC.

Under-Utilized Liquidity: The balance sheet shows **361,335,497 in Cash & Bank Balances**. Keeping this much cash at lower yields (compared to the 18% lending rate) drags down the overall Return on Equity (ROE).

Operational Overload: Opening 83 representative offices in a single month presents a significant management and "Burn Rate" challenge; these representative offices will require rapid AUM growth to cover their fixed operational costs.

Refinancing vs. Growth: A significant portion of the book—379.05—is categorized as Debt Swapping/Consolidation, which suggests the entity is taking over existing loans rather than originating fresh, productive MSME capital.

**ANALYTICAL APPROACH AND APPLICABLE RATING CRITERIA:
STANDALONE**

To arrive at its ratings, BWR has taken a standalone view of General Investment and Commercial Corporation Limited. BWR has applied its rating methodology as detailed in the Rating Criteria below (hyperlinks provided at the end of this rationale).

RATING SENSITIVITIES :

Positive :

- **Capital Infusion:** Timely execution of the **Rs 100 crore rights issue** by March 2026, which would maintain the **CRAR fairly on a higher side**.
- **Loan Book :** Achieving the projected loan book of over Rs 500 crores by March 2027

- **Asset Quality Maintenance:** Demonstrating stable collection efficiency and low NPAs as the loan book scales from **Rs 29 crores to Rs 500 crores** by March 2027.
- **Granularity:** A shift in ticket size distribution toward the **2–10 Lakhs** segment (currently only ~36% of the book) to reduce individual borrower risk.

Negative :

- **Execution Risk:** Failure to scale the loan book at the projected pace, leading to high operational "burn" from the **83-branch network** without corresponding income.
- **Asset Quality Slippage:** Rising delinquencies as the entity expands into **Tier II–IV areas**, particularly if recovery relies too heavily on local representatives rather than centralized credit control.
- **Concentration Risk:** Persistent reliance on the **Loan Against Property (LAP)** segment, which currently accounts for over **45% of the portfolio**.

LIQUIDITY : STRONG

LCR of **701%** as on 31 Dec 2025 is exceptionally high, far exceeding the typical regulatory minimum of 100%. This indicates a massive liquidity surplus, meaning the entity can cover its expected monthly obligations seven times over. As per ALM statement of 31 Dec 2025, there were no negative cumulative mismatches across the maturity buckets. With a **CRAR of 124.41%** and an **LCR of 701.01%**, GICC Ltd is prioritized for safety and regulatory compliance over aggressive asset utilization.

ABOUT THE COMPANY

Macro Economic Indicator	Sector	Industry	Basic Industry
Financial Services	Financial Services	Finance	Non Banking Financial Company (NBFC)

Established on 17th April 1940 by Late Sri Upendra Ananth Pai, one of the founder-promoters of the erstwhile Syndicate Bank, GICC Ltd is among the oldest companies incorporated in pre-Independence India. What began with the primary objective of financing under hire purchase and leasing has today evolved into a trusted Non-Banking Financial Company (NBFC) with a strong legacy of reliability, innovation, and integrity.

Registered with the Reserve Bank of India under Certificate No. B-02-00074 dated 14th September 2004, the entity is empowered to carry on a wide range of non-banking financial activities. Guided by its founding principles, the entity continues to blend tradition with modern financial practices, serving individuals and businesses while upholding a legacy of over eight decades of financial stewardship. The promoters are well known in the financial sector, having realised the potential and the need for adequate credit at MSME level they have ventured to scale up the NBFC activity

Key Financial Performance - General Investment and Commercial Corporation Ltd

Particulars	Units	FY23	FY24	FY25	H1FY26
		Audited	Audited	Audited	Unaudited
Loan Book	Rs.in Crores	3.75	4.39	5.08	11.97
Total Income	Rs.in Crores	0.30	0.49	0.86	0.99
PAT	Rs.in Crores	0.20	2.26	0.68	0.82
Total Borrowings	Rs.in Crores	5.75	3.66	3.84	9.00
Net Worth	Rs.in Crores	3.65	5.91	6.45	113.43
Gearing Ratio	Times	1.58	0.62	0.60	0.08
GNPA	%	Nil	Nil	Nil	Nil
NNPA	%	Nil	Nil	Nil	Nil

COMPLEXITY LEVELS OF THE INSTRUMENTS: Simple

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY: There is no outstanding Rating under Non-Cooperation from other CRAs

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

Sl. No.	Instrument/Facility	Current Rating (March 2026)			Rating History		
		Type	Amount (Rs. in Crs)	Ratings	2025	2024	2023
1	Proposed - Bank Term Loan facility	Long term	100.00	BWR BB-/ (Stable) (Assigned)	—	—	—
Total			100.00		Rupees One Hundred Crores Only		

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Banks and Financial Institutions](#)
- [NBFC](#)

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General Investment and Commercial Corporation Ltd

ANNEXURE-I

Details of Bank Loan Facilities rated by BWR:

Sr No	Name of Bank / Financial Institution	Type of facility	Long Term (In crs)	Short Term (In crs)	Total (In crs)	Complexity
1	Proposed facility	Term Loan	100.00	0.00	100.00	Simple
	Total		100.00	0.00	100.00	

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

ANNEXURE -II

Details of NCD Instruments - Not applicable

ANNEXURE -III

List of entities consolidated - NA

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