

Rating Rationale

Brickwork Ratings assign BWR BBB- / A3 ratings for the Bank Loan facilities aggregating ₹ 64.90 Cr of AGI Infra Limited

Brickwork Ratings has assigned the following **Ratings¹** for the Bank Loan Facilities of AGI Infra Limited (AGIIL or the ‘Company’): as

Facility	Present Limits (₹ Cr)	Tenure	Present Rating
Term Loan (Fund Based)	63.90	Long Term	BWR BBB- (Pronounced as BWR Triple B minus) (Outlook:Stable)
BG (Non-Fund Based)	1.00	Short Term	BWR A3 (Pronounced as BWR A Three)
Total	64.90	INR Sixty Four Crores Ninety Lakhs only	

BWR has essentially relied upon the audited financials upto FY 16 , projections for FY 17 and FY 18 , publicly available information and information/clarifications provided by the Company.

The rating of the long-term bank facilities of AGI Infra Limited (AGIIL) derive strength from the experience of the promoters and management team with their established track record, project progress including major approvals in-place healthy booking status and adequate financial profile. The rating is, however, constrained by company’s small scale of operation, geographical concentration risk, inherent risk associated with the real estate industry. BWR also notes that company has future projects in pipeline such as AGI PRIDE and AGI Smart City

Background:

Incorporated in May 2005, AGI was set up as GI Builders Private Ltd by Mr Sukhdev Singh. The name of the company was changed to the present one in 2011. . AGI got listed on the Bombay Stock Exchange in March 2015. Presently, AGI is developing a group housing project ‘Jalandhar Heights’ at , Jalandhar, Punjab The company has already executed and completely delivered Phase I and Phase II and is currently developing Phase III which is expected to be completed by April 2018. AGI is also developing a shopping-cum commercial complex named ‘AGI Business Centre’ at Garha Road, Jalandhar. AGI is also developing JALANDHAR HEIGHTS-2 which is expected to completed by October 2019. The overall booking status of all projects is ~83 %

Management Profile:

The Company is currently being managed by Mr. Sukhdev Singh (Managing Director), Mrs Salwinderjit Kaur, Mr. Anuj Bansal , Mr. Manjit Singh and Mr. Atul Mehta.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Financial Performance:

Net Sales increased from ₹ 40.59 crores in FY15 to ₹ 60.58 crores in FY16. PAT increased from ₹ 2.84 crores in FY15 to ₹ 3.90 crores in FY16. The net worth of the company increased from ₹28.47 Crores in FY 15 to ₹32.25 Cr in FY16.

Rating Outlook

The outlook is expected to be stable over the next twelve months. The Company's ability to adopt appropriate strategies for timely completion of its project including controlling costs, maintaining competitive pricing and margins, timely execution and saleability of the project along with the timely recovery of receipt/advances from the customers remain the key rating sensitivities.

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