

AGI Infra Limited

October 13, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	58.00	CARE BBB+; Stable	Assigned
Long-term bank facilities	142.00 (Enhanced from 40.00)	CARE BBB+; Stable	Reaffirmed
Fixed deposit	78.00	CARE BBB+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of rating assigned to bank facilities of AGI Infra Limited (AGI) continues to derive strength from experienced promoters with long track record of operations in the real estate sector, regulatory approvals in place, low reliance on debt with financial closure already been achieved for the ongoing projects, satisfactory sales velocity resulting in moderate inventory hangover period and comfortable capital structure with satisfactory cash coverage ratio.

However, the rating is constrained by moderate saleability risk with high reliance on customer advances, risk of geographical concentration and susceptibility of the real estate market to economic cycles.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Timely and successful completion of the on-going projects and achievement of collection above ₹400 crore in the next 12 months.
- Inventory hangover (number of months required to sell unsold inventory given trailing 12 months average sales trend) to remain at or below 12 months on a continued basis.

Negative factors

- Substantial delay in collection of committed receivables, leading to further availment of debt.
- Significant time and cost overrun leading to reduction in profitability of projects.

Analytical approach: Standalone

Outlook: Stable

The 'Stable' outlook indicates that CARE Ratings Limited (CareEdge Ratings) expects the company to remain stable, given satisfactory sales velocity, collection levels and low reliance on debt.

Detailed description of key rating drivers:

Key strengths

Experienced promoters with long track record of operations in the real estate sector

The company's promoters have been engaged in developing residential and commercial projects for around two decades and have developed ~90.45 lsf of real estate space over the years. The company has a strong developmental track record and brand recognition in the Jalandhar real estate market since 2005. The developer has undertaken projects mainly in the residential segment and only a few projects in commercial segments.

Regulatory approvals in place for on-going projects

Per the management, all major necessary regulatory approvals for the ongoing projects are in place. Land has already been acquired and building permit has been obtained for all on-going projects. The company has received approvals from the appropriate authority(s), which include height clearance, water, electricity, fire & emergency, environmental clearance, among others. All projects have been registered under Punjab Real Estate Regulation Act.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Low reliance on debt for ongoing projects with financial closure already been achieved

The company is currently developing ten residential projects with a total cost of ₹2,022 crore. The funding is structured with ₹150 crore in debt (7% of the project cost), ₹216 crore from promoter contributions (10% of the project cost), and ₹1,656 crore from customer advances (81% of the project cost). As on June 30, 2025, five projects (Jalandhar Heights-3, Jalandhar Heights-3 Ext, Smart Homes II, Jalandhar Heights-4 and Sky Villas) have been financed with bank funding of ₹150 crore. The company has secured financial closure for the entire debt portion and has been disbursed ₹75 crore by June 2025.

Comfortable capital structure with satisfactory cash coverage ratio

Overall gearing stood comfortable at 0.47x as on March 31, 2025 (0.61x as on March 31, 2024) considering limited reliance on term debt for funding projects. Of the five-debt funded ongoing projects, the company has availed debt for only three projects, including AGI Smart Homes II (₹25 crore), AGI Sky Villa (₹40 crore), and Jalandhar Heights-3 (₹20 crore). Average cash coverage ratio for the entire tenure of debt repayment for ongoing and upcoming projects, (including Fixed Deposit of ₹78 crore is expected to be raised, of which ₹1.10 crore is already raised), remains satisfactory at above 2.5x. Per the management, these fixed deposits will be subscribed by individual investors, with 20% of the amount kept as a bank deposit equivalent to the amount likely to mature within the next 12 months.

Key weaknesses

Moderate saleability risk with high reliance on customer advance although satisfactory sales velocity, resulting in moderate inventory hangover period

Of a total saleable area of 129 lakh square feet, the company has sold ~67 lakh square feet (52% of the total saleable area) by June 30, 2025, for a sale consideration of ₹1,903 crore. Of this amount, ₹754 crore has been received by June 30, 2025. The committed customer receivables of ₹1,149 crore cover ~86% of the outstanding debt of ₹70 crore and pending cost of ₹1,272 crore as of June 30, 2025.

For nine months ending July 2025, the company collected ₹295 crore (compared to ₹182 crore in the previous year), reflecting average monthly collections of ₹30 crore. With 82% of the project cost being financed through customer advances, the project is exposed to risks such as liquidity issues, project delays, and cost overruns. However, the company's sales velocity remains satisfactory, with 67 lakh square feet sold from ongoing projects (41.37 lakh square feet sold as of December 31, 2024). This helps mitigate some of the concerns. Consequently, months to sell the remaining inventory stand at a moderate 24 months, compared to balance construction period ranging from 12-48 months.

Project execution risk for ongoing and upcoming projects

As on June 30, 2025, the company is executing 10 residential projects. At an aggregate level, ~63% of the total cost, or ₹1,272 crore, is yet to be incurred. Currently, "Sky Villas" is the major ongoing project, with ~48% of the construction work completed. Given the moderate stage of project construction, there is an impending construction risk, and regular funding required for the construction. The project is expected to be completed by December 2027. The company is planning to launch another four projects by March 2026, with total area of 98 lakh square feet including total estimated cost of ₹2,327 crore.

Although the debt required to finance the project has been secured, the company will significantly rely on customer advances and healthy front-loaded collections to execute the ongoing project. For 12 months ended July 2025, the company received collections of ₹370 crore, reflecting satisfactory collection momentum from this project.

With a significant portion of the project cost yet to be incurred, the projects remain exposed to execution and off-take risks. However, execution risk can be mitigated to some extent, with ~86% coverage of the committed receivables available to cover the balance project cost and outstanding debt as of June 30, 2025.

Risk associated with real estate industry being subject to regulations and competition from other players

Real estate sector demand is linked to the overall economic prospect of the country. Change in the economic outlook affects expected cash inflows to a household, also influencing their buying decision. This apart, as leverage forms an important part of funding for the buyer, availability of loan and interest rates also affects demand of real estate properties. On the other hand, land, labour, cement and metal prices being some major cost centres for the sector, availability of these factors plays important role in pricing and supply of new units. Hence, cyclicity associated with economic outlook, interest rates, and metal prices, among others, also renders the real estate sector towards cyclicity. Companies in the sector are also exposed to regulatory changes, especially in the countries such as India with evolving regulations. There exists competition from upcoming and completed projects of other well-known developers in the region.

Risk of geographical concentration

Of the total area being constructed, the majority area is being constructed in Jalandhar, which exposes the group to risk of geographical concentration. However, the company established its presence in this region and experienced significant growth in recent years. Planned developments in New Chandigarh are expected to further mitigate this risk to a considerable extent. In the last few years, there has been moderate growth in real estate sector of Punjab with large number of local and national level real estate players entering the city with several projects.

Liquidity: Adequate

The company's liquidity position is adequate as reflected by consistent customer collection, sales momentum and cash balance and liquid investments of ₹27.57 crore as on March 31, 2025.

The company has sufficient cushion available for meeting its low debt obligations as debt repayments in FY26 amounted to ~₹22 crore (interest and principal). Confirmed receivables of ₹1,246 crore cover ~93% of the total project cost and outstanding debt as of June 30, 2025, likely supporting the company in meeting the remaining project expenses.

For 12 months ended July 31, 2025, the company has been able to garner collections of ₹370 crore (PY: ₹182 crore in nine months), reflecting average monthly collections of ₹30 crore.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Rating methodology for Real estate sector](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Realty	Realty	Residential, commercial projects

AGI was incorporated in May 2005 as G.I. Builders Private Limited jointly promoted by Sukhdev Singh Khinda and Salwinderjit Kaur. The company's name changed to its present one in 2011. AGI is engaged in the construction of residential and commercial real estate projects in Punjab. The company has been listed on Bombay Stock Exchange since 2015 and has delivered ~90.45 lakh square feet (lsf) of residential and commercial real estate space in the last two decades. The company is currently developing 10 residential projects in the city of Jalandhar and Ludhiana with a total saleable area of 129 lsf at a total project cost of ₹2,022 crore and overall revenue potential of ₹3,838 crore.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	294.42	327.36	91.61
PBILDT	78.04	95.73	32.26
PAT	53.45	71.38	20.01
Overall gearing (times)	0.61	0.47	NA
Interest coverage (times)	10.14	7.16	10.24

A: Audited UA: Unaudited NA: Not Available; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fixed Deposit	-	-	-	-*	78.00	CARE BBB+; Stable
Fund-based - LT-Bank Overdraft	-	-	-	-	58.00	CARE BBB+; Stable
Fund-based - LT-Term Loan	-	-	-	30-June-2029^	142.00	CARE BBB+; Stable

*The company has initiated a fixed deposit program totalling ₹78 crore, with ₹1.10 crore already raised on September 09, 2025 at an interest rate of 8.5% per annum, maturing on September 08, 2026 and paying interest semi-annually and remaining amount is proposed.

^ There are multiple term loans, and maturity period of longest remaining tenor term duration considered (excluding the proposed term loans)

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fixed Deposit	LT	78.00	CARE BBB+; Stable	-	1)CARE BBB+; Stable (10-Mar-25)	1)CARE BBB+; Stable (05-Jan-24)	-
2	Fund-based - LT-Term Loan	LT	142.00	CARE BBB+; Stable	-	1)CARE BBB+; Stable (10-Mar-25)	1)CARE BBB+; Stable (05-Jan-24)	-
3	Fund-based - LT-Bank Overdraft	LT	58.00	CARE BBB+; Stable	-	-	-	-

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fixed Deposit	Simple
2	Fund-based - LT-Bank Overdraft	Simple
3	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in	Analytical Contacts Puneet Kansal Director CARE Ratings Limited Phone: 120-4452018 E-mail: puneet.kansal@careedge.in Sandeep Aggarwal Associate Director CARE Ratings Limited Phone: 120-4452062 E-mail: Sandeep.aggarwal@careedge.in Smidha Sharma Lead Analyst CARE Ratings Limited E-mail: Smidha.sharma@careedge.in
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