

OCTOBER 12, 2015

CARE ASSIGNS 'CARE BB+' RATING TO THE BANK FACILITIES OF AGI INFRA LIMITED

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	41	CARE BB+ (Double B Plus)	Assigned
Total Facilities	41 (Rupees Forty One crore only)		

Rating Rationale

The rating assigned to the bank facilities of AGI Infra Limited (AGI) is primarily constrained by the company's small scale of operations, geographical concentration risk, residual project execution risk and inherent cyclical nature of the industry. The rating, however, derives strength from the experienced management, moderate financial risk profile and moderate project preparedness level with high booking status.

Going forward, the ability of the company to timely execute projects within estimated costs and achieve envisaged sales at projected prices shall be the key rating sensitivities.

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. The company is currently being managed by Mr Sukhdev Singh (Managing Director), Mrs Salwinderjit Kaur, Mr Anuj Bnasal, Mr Manjit Singh and Mr Atul Mehta. AGI got listed on the Bombay Stock Exchange in March 2015. Presently, AGI is developing a group housing project 'Jalandhar Heights' at Village Pholriwal, Jalandhar, Punjab, on a total land area of 24.5 acres. The company has already executed and completely delivered Phase I and Phase II and is currently developing Phase III, Phase IV and Phase V of the project. AGI is also developing a shopping-cum-commercial complex named 'AGI Business Centre' at Garha Road, Jalandhar on a 0.39 acres of land.

Besides AGI, the directors of the company are also involved in another group concern namely 'AGI Hospitality Private Limited', incorporated in 2013 and running a hotel named 'AGI Inn'.

For FY15 (Provisional, refers to the period April 01 to March 31), AGI achieved a total operating income of Rs.41.01 crore with PAT of Rs.2.90 crore, as against the total operating income of Rs.30.42 crore with PAT of Rs.2.72 crore, for FY14.

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²Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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