



Press Release
LAL GEBI INFRA PRIVATE LIMITED
October 22, 2025
Rating Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	130.00	ACUITE BBB- Stable Upgraded	-
Total Outstanding Quantum (Rs. Cr)	130.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded its long-term rating to '**ACUITE BBB-**' (read as **ACUITE triple B minus**) from '**ACUITE BB+**' (read as **ACUITE double B plus**) on the Rs. 130 Cr. bank loan facilities of Lal Gebi Infra Private Limited (LGIPL). The outlook is '**Stable**'.

Rationale for rating upgraded

The company has appealed and provided further insights and clarifications on the physical progress of the ongoing projects, utilisation of funds along with financial flexibility demonstrated by the Gami group which further strengthens the business and financial risk profile of the company. The rating upgrade further considers the progress in construction for the ongoing projects in the company along with the long-standing experience and established track record of Gami Group for more than two decades in the real estate business. Further, rating also draws comfort from the locational advantage of the company's current project, 'Gami Bianca' located at Dronagiri, Navi Mumbai, near the upcoming D. B. Patil International Airport and low funding risk. The rating also considers the part refinancing of the present high cost debt (optionally convertible debenture) of the company by availing a low-cost term loan. However, the rating remained constrained by moderate execution risk and offtake risk in company's ongoing projects. The rating also factors in the risk associated towards inherent cyclicity in the real estate industry, regulatory risk and intense competition from other large players.

About the Company

Incorporated in 2020, Lal Gebi Infra Private Limited (LGIPL) a Gami Group company engaged in real estate business. Over the years the group has executed various real estate projects primarily in Navi Mumbai. The directors of the company are Mr. Ambalal Gami and Mrs. Urmila Gami.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of Lal Gebi Infra Private Limited (LGIPL) to arrive at the rating.

Key Rating Drivers

Strengths

Experienced management and established track record of operations.

Incorporated in 2020, Lal Gebi Infra Private Limited (LGIPL) a Gami Group company engaged in real estate business. Over the years the group has executed various real estate projects primarily in Navi Mumbai. The group is currently promoted by Mr. Ambalal Bhanji Gami having an experience of more than two decades in the real estate business. Gami group has sold over 25 lakhs sq. ft of saleable area spread over 27 completed projects. LGIPL currently owns a total of 6 land parcels, wherein two projects have been completed, three projects are under construction, and one projects is yet to commence. Acuite believes that established track record of the group will help the company to grow its operations.

Location advantage of the projects.

The location of all the completed and upcoming projects benefits from an attractive catchment area due to the presence of the Mumbai Trans Harbour Link (Nhava Sheva Atal Setu), the upcoming Navi Mumbai International Airport, and nearby premium residential developments. This excellent connectivity and strategic location are expected to drive healthy sales for LGIPL's projects in the medium and long term.

Low funding risk with refinancing of existing debt

LGIPL offered optionally convertible non-cumulative debentures (OCDs) amounting to Rs. 150 crore (Rs. 51.96 crore outstanding as of 31st March 2025) for the construction of its completed and ongoing projects. Currently, the company has received a low cost sanction of Rs. 90 crore, which will be utilised to repay the OCDs along with interest amounting to Rs. 27.80 crore. The remaining Rs. 62.20 crore will be used for the construction of Gami Bianca. This refinancing will enable LGIPL to reduce its interest costs and ease up the liquidity to an extent. Further, the projects are supported by the promoters through unsecured loans from directors/promoters/related parties which is expected to remain in the business of Rs. Rs. 379.90 crore as on 31st March 2025 (Prov.) as against Rs. 214.96 crore as on 31st March 2024. Acuite believes given the tied-up debt and the support from the promoters through unsecured loans, the funding risk is partially mitigated.

Weaknesses

Moderate execution and demand risk in ongoing projects

LGIPL has completed two projects Gami Jade and Gami Terra where approximately 92% and 100% of the total saleable area has been sold, respectively. The three ongoing projects include Gami Bianca, Gami Avant, and Gami Telon. LGIPL has incurred around 35% of the total cost in Gami Avant and sold approximately 5% of the total saleable area, whereas in Gami Telon, the company has incurred about 62% of the total cost and sold roughly 17% of the saleable area.

The ongoing project, Gami Bianca, commenced construction in January 2023 and is scheduled for completion by December 2027. The total budgeted cost is Rs. 263.38 crore, of which Rs. 140.22 crore has been incurred as of August 2025, representing approximately 53% of the total cost. As of August 2025, around 22% of the saleable area has been sold out of the total 4,99,305 sq. ft. Gami Bianca has generated sales worth Rs. 58.66 crore and received customer advances of Rs. 27.24 crore against the same as of 31st August 2025.

While there is inherent project execution risk due to the early stage of construction in its ongoing projects, this risk is partially mitigated by the group's established track record of timely completion of several past projects. However, any significant delay in completion may lead to cost overruns, which will remain a key rating sensitivity going forward. As a substantial portion of the construction cost is yet to be incurred mainly through augmenting customer advances and debt, any increase in costs could reduce profitability and cash flows, thereby affecting the company's debt serviceability. Furthermore, demand risk remains elevated, with 78% of the Gami Bianca's inventory unsold as of 31st August 2025. Acuite believes that timely infusion of funds from promoters, timely tie up of debt and receipt of customer advances will be a key monitorable.

Susceptibility to Real Estate Cyclicity and Regulatory Risks

The real estate industry in India is highly fragmented with most of the real estate developers, having a city specific or region-specific presence. The risks associated with real estate industry are cyclical in nature and directly linked to drop in property prices and interest rate risks, which could affect the operations. Given the high level of financial leverage, the high cost of borrowing prevents the real estate's developers' from significantly reducing prices to boost sales growth. Moreover, the industry is also exposed to certain regulatory risks linked to stamp duty and registration tax directly impacting the demand and thus the operating growth of real estate players.

Rating Sensitivities

- Any mismatch in the projected cashflows thereby affecting the DSCR and repayment of proposed bank debt.
- Timely execution of the project without any significant cost overruns.
- Any sharp decline in cash inflows due to slower customer advances/sales or delays in project execution.

Liquidity Position

Adequate

The company has sold nearly 22 percent of its inventory for the project under consideration. The customer advances/payments against the sold as well as the unsold inventory along with timely equity infusion by the promoters will be a major source of cash-flows for the company to fund its construction cost and support the financial flexibility and liquidity.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	147.52	79.73
PAT	Rs. Cr.	8.16	6.02
PAT Margin	(%)	5.53	7.55
Total Debt/Tangible Net Worth	Times	9.31	6.76
PBDIT/Interest	Times	3.36	1.55

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Real Estate Entities: <https://www.acuite.in/view-rating-criteria-63.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
06 Oct 2025	Dropline Overdraft	Long Term	18.00	ACUITE BB+ Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	22.00	ACUITE BB+ Stable (Reaffirmed)
	Term Loan	Long Term	90.00	ACUITE BB+ Stable (Reaffirmed)
18 Oct 2024	Proposed Long Term Bank Facility	Long Term	130.00	ACUITE BB+ Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Dropline Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	18.00	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB+)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	22.00	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB+)
LIC Housing Finance Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Sep 2029	90.00	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB+)

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	Contact details exclusively for investors and lenders
Sayali Parab Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

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