

Rating Report

Brickwork Ratings assigns long term rating of BWR BB for the Bank Loan Facilities amounting to Rs. 8.00 Crores of Apex Realty.

Brickwork Ratings has assigned **Ratings¹** for the bank loan facilities of Rs. 8.00 Crores (Rupees Eight Crores) of Apex Realty (the “Firm”) as follows:

Limits	Sanctioned Limits (Rs. Crs.)	Tenure	Rating
Fund Based Limits:			BWR BB
Term Loan (Sanctioned)	8.00	Long Term	(pronounced as BWR Double BB)
Total	8.00		(Outlook : Stable)
			Rs. Eight Crores Only

BWR has essentially relied upon the audited financial results up to FY15, projected financials of the Firm up to FY18, publicly available information and information/clarification provided by the Firm's management.

The rating has factored in the presence of tenured partners in the Firm, locational advantage of the project, first mover advantage to the Firm, as the project has obtained necessary approvals to commence the work, and vast experience of the group companies in planning and execution of real estate projects across Mumbai Metropolitan Region. The rating is, however, constrained by risks involved in project execution, high degree of competition from other players in the market, and nascent stage of the project.

Background

Apex Realty is a partnership firm registered on 1st April 2014. The Firm is part of the Sonal Realty Group and is formed as a Special Purpose Vehicle for construction of Apex Landmark (*an upcoming residential project at Dronagiri, Navi Mumbai*). Sonal Group is engaged into construction of residential, industrial and commercial complexes since 1972.

Board/Management Profile

The key management of the Firm comprises of Mr. Naresh Shah and Mr. Karan Shah with other partners as Mr. Vipul Shah, Mr. Dwijen Shah and Mr. Akash Gupta.

Mr. Naresh Shah is a B. Sc graduate with over 20 years of experience in the real estate industry. He is responsible for overall technical, operational and marketing activities of the group. Mr. Karan Shah is an M. Sc IB graduate and has an experience of 4 years in the real estate industry. He is responsible for the overall operations related to construction and infrastructure development activities of the group projects. Other partners i.e. Mr. Vipul Shah, Mr. Dwijen Shah and Mr. Akash Gupta look after commercial operations, administrative activities and marketing activities of the group.

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

Project Details

The Firm plans to setup a residential project “Apex Landmark” at Plot No 1, Sector 53, Dronagiri, Navi Mumbai in an area of 2100 Sq. Mtr. of land. The land is purchased and will be developed by the Firm. The construction work has commenced and the project is expected to be completed in the third quarter of FY18. The project will be Ground+16 Storey Tower with 80 flats and 16 Shops with a total saleable area of 79,607 sq. ft.

Rating Outlook

The rating outlook is expected to be stable over the current year. Going forward, the ability of the Firm to timely execute the project without cost escalations, sell the inventory as envisaged, maintain adequate capital structure and manage the working capital efficiently would be the key rating sensitivities.

Analyst Contact	Relationship Contact
analyst@brickworkratings.com	bd@brickworkratings.com
Phone	Media Contact
1-860-425-2742	media@brickworkratings.com

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

**Apex Realty
Annexure I
Profit and Loss Statement**

Crores	31/Mar/2015	21/Jan/2016	31/Mar/2017	31/Mar/2018
Result Type	Audited	Provisional (9 Months)	Projected	Projected
Gross Sales	0.00	0.00	0.00	9.95
Net Sales	0.00	0.00	0.00	9.95
Total Operating Income	0.00	0.00	0.00	9.95
Operating Expenses	-0.45	0.00	0.00	7.33
OPBDIT	0.45	0.00	0.00	2.62
Depreciation/Amortization/Impairment	0.00	0.00	0.00	0.00
OPBIT	0.45	0.00	0.00	2.62
Interest and Finance Charges	0.45	0.00	0.00	0.00
OPBT	0.00	0.00	0.00	2.62
Non Operating Income(Expenses)	0.00	0.00	0.00	0.00
PBT	0.00	0.00	0.00	2.62
Provision for Taxes	0.00	0.00	0.00	0.88
PAT(Continuing Operations)	0.00	0.00	0.00	1.74
PAT	0.00	0.00	0.00	1.74

**Apex Realty
Annexure II
Balance Sheet**

Crores	31/Mar/2015	21/Jan/2016	31/Mar/2017	31/Mar/2018
Liabilities				
EQUITY AND RESERVES	2.81	2.86	6.06	9.74
Share capital	2.81	2.86	6.06	8.00
Reserves and Surplus	0.00	0.00	0.00	1.74
Non-current liabilities	3.24	3.16	6.00	6.00
Long-Term Borrowings	3.24	3.16	6.00	6.00
Current liabilities	0.34	1.83	3.90	0.00
Trade Payables	0.00	0.16	0.00	0.00
Other Current Liabilities	0.29	1.67	3.90	0.00
Short-Term Provisions	0.04	0.00	0.00	0.00
Total Liabilities	6.39	7.85	15.96	15.74
ASSETS				
Non-current assets	0.00	0.07	0.00	0.00
Net Fixed assets	0.00	0.07	0.00	0.00
Current assets	6.39	7.78	15.96	15.74
Inventories	5.64	6.88	14.75	13.74
Cash and Cash Equivalents	0.00	0.16	0.00	0.00
Short-Term Loans and Advances	0.68	0.63	0.00	0.00
Other Current Assets	0.07	0.11	1.21	2.00
Total Assets	6.39	7.85	15.96	15.74

Apex Realty
Annexure III
Key Financial Ratios

Particulars		31/Mar/2015	21/Jan/2016	31/Mar/2017	31/Mar/2018
Total Debt	Crores	3.24	3.16	6.00	6.00
Total Debt (Analyzed)	Crores	1.62	1.61	3.00	3.00
Tangible Net Worth	Crores	2.81	2.86	6.06	9.74
Tangible Net Worth (Analyzed)	Crores	4.43	4.40	9.06	12.74
Capital Employed	Crores	6.05	6.02	12.06	15.74
Total Debt/TNW	Times	1.15	1.11	0.99	0.62
Total Debt/TNW(Analyzed)	Times	0.37	0.37	0.33	0.24
Long Term Debt/TNW	Times	1.15	1.11	0.99	0.62
TOL/TNW	Times	0.12	0.67	0.64	0.00
ISCR	Times	1.00	N/A	N/A	N/A
ISCR(Analyzed)	Times	1.00	N/A	N/A	N/A
DSCR	Times	1.00	0.00	0.00	2.03
DSCR(Analyzed)	Times	1.00	0.00	-3.39	0.96
Net Cash Accruals/Total Debt	Times	0.00	0.00	0.00	0.29
Net Cash Accruals/Long Term Debt	Times	0.00	0.00	0.00	0.29
Net Cash Accruals/Long Term Debt(Analyzed)	Times	0.00	0.00	0.00	0.58
Net Profit Margin	%	N/A	N/A	N/A	17.49
Operating Profit Margin	%	N/A	N/A	N/A	26.33
ROCE	%	7.39	0.00	0.00	18.85
Current Ratio	Times	18.68	4.24	4.09	N/A
Current Ratio(Analyzed)	Times	18.68	4.24	4.09	N/A