



Developer Grading Rationale

April 12, 2024, Kochi

Skyline Builders

Developer grading

DA2+

Valid until April 11, 2025

Detailed rationale

CRISIL has reaffirmed a real estate developer grading of DA2+ to Skyline Builders. The grading indicates that the developer has **'Very Good'** ability to execute real estate projects with specified quality within the stipulated time and to transfer a clean title.

Founded in 1989, Skyline Builders has been in business for more than 30 years. Abdul Azeez, chairman and managing partner, is in charge of managing the entity's activities. The grading reflects the developer's robust execution track-record, backed by adequate financial risk profile. A strong brand name and good track-record have aided the company in executing projects across Kerala. Favourable locations, backed by better connectivity and ample social infrastructure, continue to strengthen its market position.

These strengths are partially offset by geographical concentration, limited only to the Kerala real estate market, limited segmental diversification into commercial and retail developments and process controls that needs to be more system driven and automated.

The company has completed 146 projects, with a total saleable area of 150.70 lakh sq ft, and is managing 13 ongoing projects, totalling a saleable area of 9.92 lakh sq ft. Of the 13 ongoing projects, 11 are residential projects with a total saleable area of 8.73 lakh sq ft, one is a residential-cum-commercial project and one is a plot development. The developer plans to launch 15 new projects, totalling a saleable area of ~17 lakh sq ft, next year in Kochi, Trivandrum, Kottayam, Kozhikode, Thiruvalla, Kannur, Thrissur and Kollam. In January 2024, the developer has also launched a residential project in Dubai, UAE. Currently the project is in the initial stage.

The financial risk profile of Skyline Builders remained adequate in fiscal 2023, developer reported of total revenue Rs 221.93 crore in fiscal 2023 as compared to Rs 225.42 crore in fiscal 2022, net worth increased to Rs 292.72 crore from Rs 243.36 crore and profit after tax (PAT) rose to Rs 50.43 crore from Rs 31.34 crore. Operating profit before depreciation, interest and tax (OPBDIT) margin expanded to 32.55% from 21.52%, and PAT margin followed with an increase to 22.58% from 13.88%. Developer does not have any external debt, reflecting their self-sufficiency to fund the project executions.

About the developer

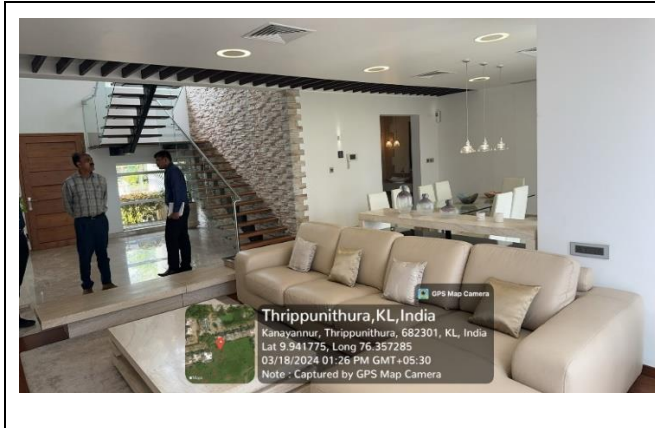
Skyline Builders was founded in 1989 by Abdul Azeez. The company develops residential apartments and villas in Kochi, Trivandrum, Kottayam, Kozhikode, Thiruvalla, Kannur, Thrissur and Kollam. The promoter has more than three decades of operational experience in the real estate sector.



Photographs

Completed projects

Skyline Ranch (Kochi)

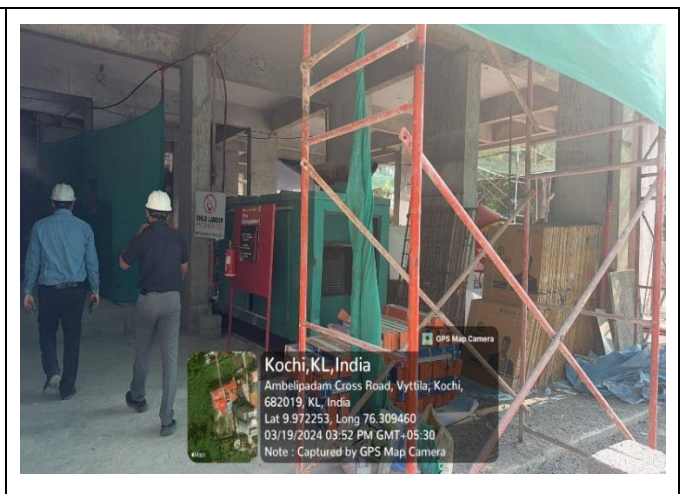


Skyline Avenue Suits (Thrissur)



Ongoing Projects

Skyline Ozone (Kochi)





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