



Developer Grading Advisory

March 2019, Kochi

Skyline Builders

Update as on March 2019

CRISIL keeps all its outstanding gradings under continuous surveillance. Accordingly, it seeks regular updates from companies. CRISIL is yet to receive adequate information from Skyline Builders to enable it to undertake a developer grading review.

CRISIL is taking all possible efforts to get cooperation from the company with its grading process for enabling it to carry out the grading review. CRISIL views information availability risk as a key factor in its grading process.

CRISIL may suspend the grading shortly if the company continues non-cooperation with the grading process.

About the Company

Skyline was set up in 1989; Mr. Abdul Azeez is its managing partner and chief executive officer. The firm is focused on developing residential apartments and villas in Kochi, Thiruvananthapuram, Thiruvalla, Kannur, Pala, Kottayam, Tellicherry, Thrissur, and Kozhikode, all in Kerala.

Please note: This update should not be construed as a grading reaffirmation.

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CRISIL

An S&P Global Company

Grading Rationale

December 29, 2017 | Mumbai

Skyline Builders

Grading Action

Developer Grading	DA2+ (Reaffirmed)
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1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

CRISIL has reaffirmed its real estate developer grading of 'DA2+' for Skyline Builders (Skyline). The 'DA2+' grading indicates that the developer's ability to execute real estate projects as per the specified quality level and within the stipulated time schedule, and to transfer a clean title, is **'Very Good.'**

The grading continues to reflect Skyline's strong financial risk profile and brand equity in the Kerala real estate market, and the promoters' experience in developing residential projects. These grading strengths are partially offset by the firm's limited experience in commercial and retail projects, marginal delays in obtaining occupancy/completion certificates across projects, and revenue concentration in the Kerala real estate market.

Managing partner, Mr Adbul Azeez, has been in the realty development business in Kerala for over 28 years. The firm has developed 141 projects so far, with a total area of 14.32 million square feet (sq ft). The average size of these projects is 0.10 million sq ft. Skyline has good systems and processes, supported by sound legal and land acquisition strategies. The marketing strategy is marked by multi-location marketing offices and strong after-sales service. Furthermore, the firm is a well-known player in the Kerala real estate market, given its longstanding presence in the region; it is currently present in nine cities in Kerala. However, Skyline has limited experience in developing commercial and retail projects. It is also exposed to weaknesses inherent in partnership firms, primarily the lack of structural robustness and limited scalability in operations. Completion of projects has been delayed by an average of one month over the past five years. Also, revenue concentration risks persist, given that operations are focused entirely in Kerala.

About the Firm

Skyline was set up in 1989; Mr. Abdul Azeez is its managing partner and chief executive officer. The firm is focused on developing residential apartments and villas in Kochi, Thiruvananthapuram, Thiruvalla, Kannur, Pala, Kottayam, Tellicherry, Thrissur, and Kozhikode, all in Kerala.

Skyline reported a profit after tax (PAT) of Rs 163 million on net sales of Rs 2067 million in fiscal 2017.

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