



Developer Grading Rationale

March 10, 2023, Kochi

Skyline Builders

Developer grading

DA2+

Valid until March 9, 2024

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.

Skyline Builders was founded in 1989 and has been in business for more than 30 years. Mr. Abdul Azeez, chairman and managing partner, is in charge of managing the entity’s activities.

The grading reflects adequate financial risk profile, execution track-record of the entity and its established presence in the Kerala real estate market.

These strengths are partially offset by the firm’s limited experience in commercial and retail projects, geographical concentration limited only to Kerala real estate market and marginal delays in obtaining occupancy / completion certificates across projects.

Skyline Builders’ financial-risk profile remained strong mainly, due to the absence of debt obligation in fiscal 2023 compared with a term loan of Rs 0.90 lakh in fiscal 2022. Net sales of Rs 225.42 crore in fiscal 2022 (vs Rs 172.16 crore in fiscal 2021). The firm has also recorded a net sale of Rs 181.43 crore from April 2022 to December 2022 for fiscal 2023. Also, the firm registered a profit after tax of Rs 31.35 crore in fiscal 2022 (vs Rs 22.72 crore in fiscal 2021; in the current provisional fiscal 2023, the firm has recorded a profit after tax of Rs 27.66 crore).

The developer has 12 ongoing projects of 14.03 lakh sq. ft. in the residential segment and plans to launch 17 residential projects totalling 17.69 lakh sq. ft. in the next one year in Kochi, Kottayam, Calicut, Kannur, Trichur and Koonamavu. Thus, its ability to diversify across segments (commercial and retail) and expand geographically will be a key monitorable.

Skyline Builders has experience in executing primarily residential projects only in Kerala. It is yet to establish its presence in the commercial, retail, and hospitality segments. Of the total 142 projects completed over years, the group has completed only one commercial project; the rest are residential. Thus, management’s ability to diversify across multiple segments will be a key monitorable.

About the developer

Skyline Builders was founded in 1989 by Abdul Azeez. It largely develops residential apartments and villas in Kochi, Trivandrum, Kottayam, Kozhikode, Calicut, Thrissur, Kannur, and Kollam (all in Kerala). The promoter is qualified and has been in the real estate business for over three decades.

The developer has qualified and experienced senior management and functional heads in multiple domains, including construction, finance, legal and marketing.

The entity has adopted several initiatives to enhance customer awareness and boost sales, including services such as rental and resale, home care, free transit homes, interior designing services and after-sales support.



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Photographs

Completed projects

Skyline Opus (residential) - Kochi



Skyline 24 Carat Amber (residential) - Kottayam





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Ongoing projects

Skyline Hazel (residential) - Kottayam



Skyline Pixel (residential) - Kochi



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