



## Developer Grading Rationale

March 16, 2022, Thiruvananthapuram

# Skyline Foundations and Structures Pvt Ltd

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Developer grading

DA2+

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**Valid until March 15, 2023**

### Detailed rationale

CRISIL has reaffirmed its real-estate developer grading on Skyline Foundations and Structures Pvt Ltd (SFSP) to 'DA2+'. The grading indicates the developer has '**Very Good**' ability to execute real-estate projects with specified quality within the stipulated time, and to transfer a clean title.

Incorporated in 2004, SFSP has a strong operational track record. Its operations are overseen by promoters Srikant Krishnan and Lava Krishnan, who have more than three decades of experience in the real estate sector. Thus, the entity will continue to benefit from their extensive industry knowledge and insights.

Grading drivers that support the reaffirmation include strong brand image, promoters' goodwill in the Kerala real estate market, experienced senior management, sound marketing and development strategies, with standardised workflow processes.

These strengths are partially offset by SFSP's limited presence in commercial and retail development, geographic concentration with past and ongoing projects located mainly in three cities of Kerala (Thiruvananthapuram, Kochi and Kottayam), moderate delays in handing over possession and obtaining occupancy certificates, and dependence on customer advances for funding needs.

SFSP's financial risk profile is strong, as reflected in healthy gearing of less than 0.10 time for fiscals 2019-21, net sales of Rs 160.17 crore in fiscal 2021 (vs Rs 135.14 crore in fiscal 2020 and Rs 155.66 crore in fiscal 2019), and profit after tax of Rs 46.91 crore in fiscal 2021 (vs Rs 33.62 crore in fiscal 2020 and Rs 22.58 crore in fiscal 2019).

The developer has six ongoing projects of 8.43 lakh sq. ft. in the residential segment and plans to launch three projects of 2.85 lakh sq. ft. in the next one year in Thiruvananthapuram and Kochi. Thus, its ability to diversify across segments (commercial and retail development) and expand geographically will be a key monitorable. Considering the Covid-19 pandemic-induced uncertainty, any further lockdown or restrictions may cause project delays and impact cash flows. Therefore, SFSP's ability to receive customer advances on time by managing its cash flows, along with regular monitoring of project progress, is crucial over the medium term.

Covid-19 impact: Amid the second wave of Covid-19 infections, SFSP's operations remained suspended from April to June 2021. Thereafter, the developer operated with 75% labour capacity from July to September 2021 and 100% labour capacity from November 2021 onwards.

### **About the developer**

Incorporated in 2004 and promoted by Srikant Krishnan and Lava Krishnan, SFSP undertakes real-estate development in Kerala and is a reputed player in the state. The promoters are technically qualified and have been in the business for over three decades. The entity has adopted several initiatives to enhance customer awareness and boost sales, including interior designing, homecare services, and redecoration of apartments.

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

The developer operates three service apartment hotels in Thiruvananthapuram under the Homebridge brand and provides rental and homecare services. Its presence is limited to mainly three cities of Kerala (Thiruvananthapuram, Kochi, and Kottayam).

## Photographs

### Completed projects

#### SFS Boulevard (residential) – Kochi



#### SFS Capital Park (residential) – Thiruvananthapuram





## Ongoing projects

### SFS Retreat (residential) – Thiruvananthapuram



### SFS Orchard (residential) – Kochi





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