

S.K. Heights Private Limited

	Amount	Rating Action
	In Rs. Crore	
Long-term-Fund Based Term Loan	15.00	[ICRA]B+/ assigned

ICRA has assigned a long-term rating of [ICRA]B+ (pronounced ICRA B plus) to the Rs. 15.00 crore¹ fund based facility of S.K. Heights Private Limited ('the company')².

The assigned rating takes into account the experience of more than 25 years of SKHPL's promoters in the real estate development business in Mumbai and also the proven track record of the management in construction of hotels, residential and commercial projects. The rating also factors in the favourable location of the project in proximity to key areas in the region; clear land title; and receipt of all critical approvals required for the project. ICRA also notes that the bank funding for the project has been tied up and the entire promoter funding as estimated is in place.

The rating, however, is constrained by SKHPL's exposure to execution related risks in terms of time and cost overrun with completion expected by March 2017; exposure to market risks for the unsold portion of the ongoing project and funding risk with ~71% of the balance cost to be borne by customer advances, which in turn are contingent upon the timings of bookings and collections from customers. Additionally, the company is exposed to the risk of slowdown in demand, falling property prices and inherent cyclicalities in the sector and competition from other ongoing projects from established developers in the surrounding areas.

Entity Profile

Incorporated in December 2009, S.K. Heights Private Limited is a Mumbai based developer currently undertaking the construction of a residential project at Dahisar East, Mumbai called "Imperial Heights".

The promoters Mr. Karim J. Maredia and Mr. Amirali J. Maredia have more than 25 years experience in the construction business and have interest in the real estate and the hospitality sector and are partners and directors at various retail showrooms like Nike, and hotels like Comfort Inn Heritage Hotel, Hotel Fariyas, Hotel Sahil etc.

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¹ Rs. 100 lakh = Rs. 1 crore = Rs. 10 million

² For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.



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