



## Developer Grading Rationale

### January 27, 2025, Thiruvananthapuram

### Favourite Constructions Pvt Ltd

Developer grading

DA2

Valid until: January 26, 2026

## Detailed rationale

Crisil has reaffirmed its real estate developer grading of '**DA2**' on Favourite Constructions Pvt Ltd (FCPL). The grading indicates the developer's ability to execute real estate projects as per the specified quality level and within the stipulated time schedule, and transfer a clean title is '**Very Good**'.

Established in 2001, FCPL has an notable track record of two decades. Its operations are overseen by its Chairman and Managing Director, Mr. Martin Thomas Ezekiel. He has more than two decades of experience in the real estate sector. His extensive industry knowledge, backed by experience senior management, enabled in timely completion and handover of projects in the past.

The grading underscores the developer's brand reputation, track record and established position in Thiruvananthapuram's real estate market,. The developer's financial position and liquidity position are adequate by a steady inflow of bookings for ongoing projects and the adequate customer advances.

These strengths, though, are partially offset by FCPL's geographical concentration in Thiruvananthapuram market, as well as limited experience in the commercial and retail segments.

The group has completed 29 real estate projects admeasuring 19.52 lakh sq ft in Thiruvananthapuram, resulting in high geographical concentration. The developer's focus on a single market makes the company sensitive to changes in the city's infrastructure policies and socio-economic conditions. To reduce this risk, it's essential to diversify into other markets and segments. With this in mind, FCPL plans to expand into newer geographies.

The developer currently has 10 ongoing residential projects, spanning 10.66 lakh sq ft,. The company's ability to diversify across segments, including commercial and retail, as well as expanding its geographical presence, will be a key aspect to monitor.

Based on audited financials for fiscal 2024, FCPL's financial risk profile is moderate, as evidenced by its net worth of Rs 21.20 crore vis-vis Rs.18.05 crore for fiscal 2023. The company reported a compound annual growth rate (CAGR) of 23.94% from FY 22 to FY 24 of its net sale. Its net sales increased to Rs 147.98 crore from Rs 109.80 crore in fiscal 2023. However, the company recorded a marginal declined in its operating profit before depreciation, interest, and tax (OPBDIT) margin, which decreased to 4.00% in FY 24, compared to 5.36% in FY 23 this resulted due to increase in material cost from 77% in FY 23 to 82% in FY24 of the total expenses incurred.

## About the developer

Founded in 2001, FCPL has a notable operational history of two decades. The company is engaged in development of residential real estate projects primarily in Trivandrum and currently the company are also planning to launch new projects in Kochi and Bangalore.

The company is headed by Mr Martin Thomas Ezekiel, Chairman and Managing Director. With over two decades of experience in the real estate sector, particularly in and around Thiruvananthapuram, Mr Ezekiel possesses a profound understanding of the company's operations. His extensive industry knowledge has enabled timely completion of projects in the past.

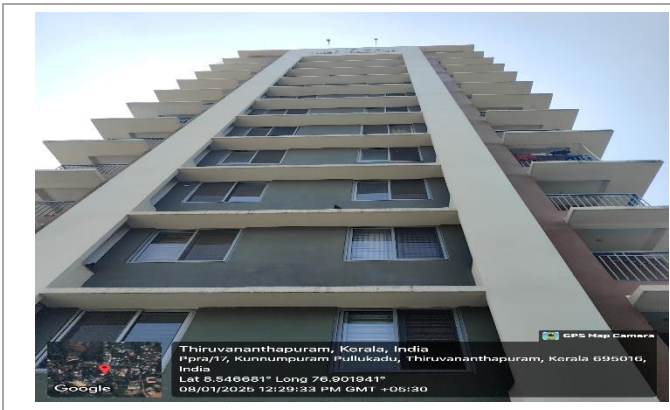
# Photographs

## Completed projects

### The Club One (Thiruvananthapuram)



### Springs Woods (Thiruvananthapuram)



## Ongoing projects

### The Cyber Bay (Thiruvananthapuram)



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