



ICON Properties (IP)

*Rating
Rationale*

September 18, 2015

Facility	Amount (Rs. Crore)	Rating
Term Loan (Proposed)	8.25	SMERA B/Stable (Assigned)

SMERA has assigned a rating of '**SMERA B' (read as SMERA B)** to the Rs.8.25 crore proposed long-term (fund based) bank facility of ICON Properties (IP). The outlook is '**Stable**'. The rating is constrained by project-specific risks - the current projects are in the nascent stage of construction (only ~30 per cent work completed till August 2015) and the pending loan sanction for the ongoing project is yet to happen. Any delays in implementation of IP's ongoing projects will lead to subdued interests from potential customers and lower-than-expected cash flows from customer advances. Additionally, the rating also notes the intense competition in the real estate sector which is currently facing a slowdown. However, the rating draws support from the three decades of extensive experience of the management.

Outlook: Stable

SMERA believes IP will maintain a stable business risk profile over the medium term owing to the experience of the management. The outlook may be revised to 'Positive' in case the company generates steady cash flows from timely receipt of customer advances. Conversely, the outlook may be revised to 'Negative' if the company faces liquidity pressures arising from delays in project execution and receipt of customer advances.

Rating sensitivity Factor

- Timely completion of projects

About the Company

IP, incorporated in 2014, is a Pune-based real estate firm engaged in the development of residential property. Promoted by Mr. Arun Sane, the firm is currently developing two residential complexes in Chaitanyapuri and Ashwinkunj, Pune. The firm's net worth stood at Rs.0.01 crore (provisional) as on March 31, 2014.

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