

Innovative Ideals and Services India Limited

May 04, 2020

Rating

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term Bank Facilities	5.75	CARE D; ISSUER NOT COOPERATING* (Single D; Issuer Not Cooperating*)	Issuer Not Cooperating* Revised from CARE D on the basis of best available information
Total	5.75 (Rs. Five Crore Seventy Five Lakhs only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. In line with the extant SEBI guidelines CARE's rating on Innovative Ideals and Services India Limited (II&SIL) bank facilities will now be denoted as **CARE D; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The rating takes into account the ongoing delays in servicing of debt obligations due to stretched liquidity position.

Detailed description of the key rating drivers

At the time of last rating on Nov 22, 2019 the following were the rating strengths and weaknesses

Rating Sensitivities

Positive Factors

Improvement in liquidity position: The Company's ability to establish a track record of timely servicing of debt obligations with improvement in liquidity position.

Detailed description of Key rating drivers

Key rating Weakness

Ongoing delays in debt servicing: there have been continuous overdrafts for more than 30 days in the cash credit account from Feb 29, 2020 and account is classified under SMA 2.

Stretched liquidity position: The Company has stretched liquidity position marked by negative cash accruals in H1FY20 and huge fund blocked in inventory and debtors due to non-execution of orders owing to overall slowdown in industry.

Analytical Approach: Standalone

Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)

[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Rating Methodology - Service Sector Companies](#)

[Financial ratios – Non-Financial Sector](#)

About the company

Incorporated as on December 06, 2000, Innovative Ideals and Services India Private Limited as a private limited company, subsequently the company was converted into public limited pursuant to special resolution passed in August 30, 2017 and the name of the company was changed to "Innovative Ideals and Services India Limited" dated on Sep 21, 2017. Subsequently II&SIL acquired the ongoing sole proprietorship business of "M/S Innovative Solutions" vide business acquisition agreement dated Sep 23, 2017 and Ongoing sole proprietorship business of "M/S Concept N Designs" i.e vide business acquisition agreement dated September 29, 2017, Consequently the ongoing businesses of these proprietorship concerns were merged into II&SIL.

¹Complete definitions of the ratings assigned are available at www.careratings.com and other CARE publications.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)	H1FY20
Total operating income	20.30	25.72	7.97
PBILDT	4.61	5.48	-0.19
PAT	3.35	4.42	-0.94
Overall gearing (times)	0.69	0.14	0.34
Interest coverage (times)	9.95	4.61	NEG

A: Audited; NEG: Negative

Status of non-cooperation with previous CRA: Nil

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	5.75	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	5.75	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D (22-Nov-19) 2)CARE B-; Stable (01-Oct-19)	-	-

*Issuer did not cooperate; Based on best available information

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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