

Innovative Ideals and Services India Limited

April 05, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	10.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	0.30	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
Total Bank Facilities	10.30 (Rs. Ten Crore and Thirty Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Innovative Ideals and Services India Limited to monitor the rating(s) vide e-mail communications/letters dated February 19, 2022, February 21, 2022, February 23, 2022, February 24, 2022 among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. The rating on Innovative Ideals and Services India Limited 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 take into account ongoing delays in debt servicing and stretched liquidity position.

Detailed description of the key rating drivers

At the time of last rating on August 02, 2021, the following were the rating strengths and weaknesses (updated for the information available from BSE):

Key Rating Weaknesses

Ongoing delays in debt servicing: As per banker interaction, the account is regular from January, 2022. Although, the curing period is not completed.

Stretched liquidity position: The Company has stretched liquidity position marked by negative cash accruals in FY21 and funds blocked in inventory and debtors due to non-execution of orders owing to overall slowdown in industry.

Liquidity: Poor

The liquidity position remained poor marked by lower accruals when compared to repayment obligations, fully utilized bank limits and low cash balance of Rs.0.01 crore as on March 31, 2021 (vis-à-vis 0.006 crore as on March 31, 2020). Further its liquidity position remained weak marked by current ratio and quick ratio stood at 1.86 times and 0.82 times respectively in FY21 owing to higher inventory maintained by the company. The net cash flow from operating activities stood negative at Rs.2.45 crore in FY21 vis-à-vis negative at Rs.7.15 crore in FY20.

Analytical approach: Standalone

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Applicable Criteria

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

[Criteria on assigning Outlook to Credit Ratings](#)

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

[Criteria for Short Term Instruments](#)

[CARE's Policy on Curing period](#)

[Rating Methodology - Service Sector Companies](#)

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

[Liquidity Analysis of Non-financial sector entities](#)

About the Company

Innovative Ideals and Services (India) Limited (II&SL), is providing services of system integration for security, safety and building automation an installation of various electronic systems. II&SL provides range of services like video door phone, audio door phone, access controls, home automation systems, intrusion alarm system, CCTV systems, fire alarm systems and telecom products. II&SL provides video door phones under its own brand name 'Onyx' & 'Inok'. Further, home automation solutions under the brand name of 'eHomes'.

Further, II&SL had developed small product namely 'Savior' with a view of safety and security of senior citizen and children which can be wore as a wrist watch, ARMHer which is mainly for safety for women segment (With press of single button, communication reaches to all emergency contact details with GPS location of the person) and also provides mobile phones under 'Inoyo brand and cookware under the name of Baro Cook.

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	H1FY22
Total operating income	12.83	4.40	1.91
PBILDT	-2.43	-6.11	0.05
PAT	-2.96	-5.87	0.04
Overall gearing (times)	0.45	0.78	NA
Interest coverage (times)	-1.70	-3.75	-0.62

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure 4

Annexure-1: Details of Instruments / Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	10.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	0.30	CARE D; ISSUER NOT COOPERATING*

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 2022-2023	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020
1	Fund-based - LT-Cash Credit	LT	10.00	CARE D; ISSUER NOT COOPERATING	-	1)CARE D (02-Aug-21)	1)CARE D; ISSUER NOT COOPERATING	1)CARE D (22-Nov-19)

				*			*	
							(04-May-20)	2)CARE B-; Stable (01-Oct-19)
2	Non-fund-based - ST-Bank Guarantee	ST	0.30	CARE D; ISSUER NOT COOPERATING *	-	1)CARE D (02-Aug-21)	-	-

* Long Term / Short Term

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities

Name of the Instrument	Detailed explanation
A. Non financial covenants	
1. Stock Audit	Stock Audit will be conducted once a year by an outside agency appointed by the Bank, the expenses whereof will be borne by the Firm.

Annexure 4: Complexity level of various instruments rated for this company

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - ST-Bank Guarantee	Simple

Annexure 5: Bank Lender Details for this Company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

Media Contact

Name: Mradul Mishra
 Contact no.: +91-22-6754 3573
 Email ID: mradul.mishra@careedge.in

Analyst Contact

Name: Parijat Sinha
 Contact no.: 9769398029
 Email ID: parijat.sinha@careedge.in

Relationship Contact

Name: Saikat Roy
 Contact no.: +91-98209 98779
 Email ID: saikat.roy@careedge.in

About CARE Ratings Limited:

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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