

Innovative Ideals and Services India Limited

November 22, 2019

Rating

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term Bank Facilities	5.75	CARE D (Single D)	Revised from CARE B- ; Stable (Single B Minus; Outlook: Stable)
Total Facilities	5.75 (Rs. Five Crore Seventy Five Lakhs only)		

Details of instruments/facilities in Annexure-1
Detailed Rationale & Key Rating Drivers

The revision in the rating assigned to the bank facilities of Innovative Ideals and Services India Limited (II&SIL) takes into consideration the ongoing delays in servicing of debt obligations due to stretched liquidity position.

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: As per the written feedback received from the banker, there have been continuous overdrawn in the cash credit account for more than 30 days from the period of Sep 25th 2019 to Nov 21st 2019 and the account is classified under SMA 1 by the banker due to stretched liquidity position.

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

Analytical approach: Standalone

Applicable criteria

[Criteria on assigning Outlook 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.

II&SIL started business as proprietorship concern with trading of varieties of security equipment by importing from Korea, after acquisition of proprietorship concerns and incorporation as a company and later on public limited company II&SIL provides security solution. They are providing services of system integration for security, safety and building automation an installation of various electronic systems. II&SIL 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&SIL provides video door phones under its own brand name 'Onyx' & 'Inok'. Further, home automation solutions under the brand name of 'eHomes'

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	-0.29

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not applicable

Rating History (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

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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Cash Credit	LT	5.75	CARE D	1) CARE B-; Stable (01-Oct-19)	-	-	-

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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