

November 03, 2014

Facilities	Amount (Rs. Crore)	Rating
Term Loans*	9.60	SMERA C (downgraded from SMERA B/Stable)
Export Packing Credit	10.00	SMERA C (downgraded from SMERA B/Stable)

*Foreign currency term loans are converted to Indian currency term loans

SMERA has downgraded its ratings on the Rs.19.60 crore bank facilities of Powerweave Software Services Private Limited (Power Weave) to '**SMERA C (read as SMERA C)**' from 'SMERA B/Stable'. The downgrade is in view of delays in debt servicing by the company. The rating reflects the company's weak financial risk profile marked by high leverage, low interest coverage ratio and stretched liquidity position.

About the company

Power Weave, incorporated in 2000, is a Mumbai-based company engaged in providing services related to back office management, software development and internet marketing. Power Weave's back office management services include business process outsourcing (web catalogue management, order processing, account receivables management and account payables management). The company also undertakes ERP software development and graphics designing.

For FY2013-14 (as per provisional financial statements), Power Weave reported profit after tax of Rs.1.10 crore on net operating income of Rs.30.76 crore, as compared with profit after tax of Rs.1.24 crore on net operating income of Rs.24.76 crore in FY2012-13. Power Weave's net worth stood at Rs.7.49 crore (provisional) as on March 31, 2014, as compared with Rs.7.49 crore a year earlier.

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