

September 8, 2010

**CARE REVISES THE RATINGS ASSIGNED TO THE BANK FACILITIES OF
APW PRESIDENT SYSTEMS LIMITED**

Ratings Assigned

Facilities/Instruments	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	19.22 (reduced from Rs.23.31 cr)	'CARE A' (Single A)	Revised from CARE A+ [Single A Plus]
Short-term Bank Facilities	10.00 (enhanced from Rs.8.00 cr)	'PR1' (PR One)	Revised from PR1+ [PR One Plus]
Total Facilities	29.22		

Rating Rationale

The revision in the ratings is on account of deterioration in financial performance in the recent past, sluggish demand from end-user industry especially from the telecom sector, and expected contraction in profit margins in coming years.

The ratings continue to derive strength from the established brand image, long track record, proximity of manufacturing facilities to end-user industries and consistently low leverage position.

The ratings continue to be constrained by the relatively small size of operations, susceptibility to volatility in raw material prices, competition from international players as well as un-organised sector and customer concentration risk.

The ability of APSL to successfully launch value-added products in collaboration with international players, penetrate into new sectors and maintain profitability in the competitive market condition are the key rating sensitivities.

Company Profile

APW President Systems Limited (APSL) is in the business of manufacturing and selling electro-mechanical equipments/components like enclosures, cabinets, 19" racks, card frames, plug-in modules, instrument cases, outdoor cabinets and parts & components for ATM machines. APSL has two manufacturing facilities located at Pune and Bangalore. It has commissioned a state-of-art electroplating facility in Bangalore from September 2009.

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



Press Release

For FY10, APSL reported net sales of Rs.146.33 crore and PAT of Rs.5.40 crore. For Q1FY11, the total income was Rs.21.37 crore with a net loss of Rs.0.77 crore.

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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.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings 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.

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