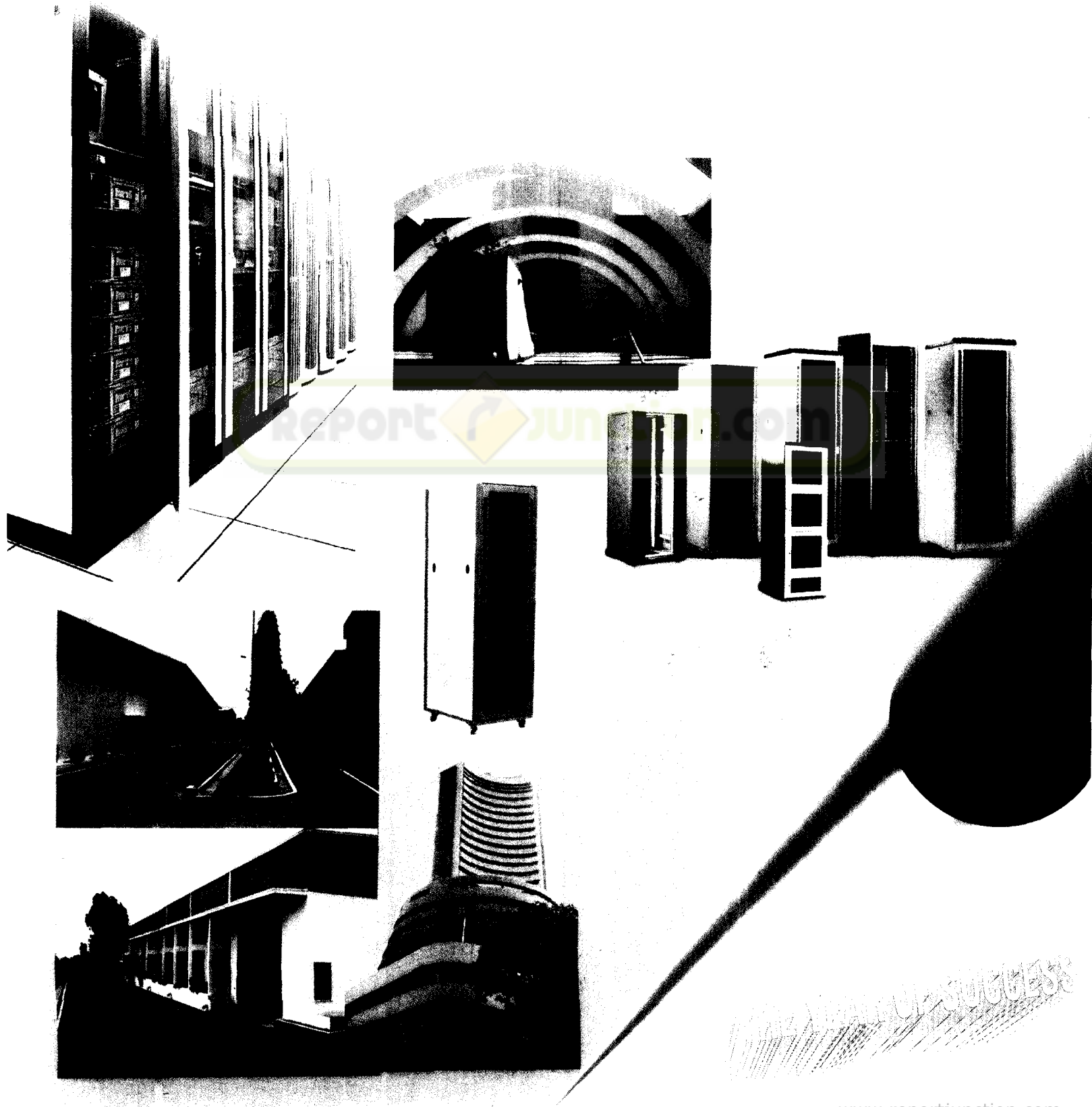
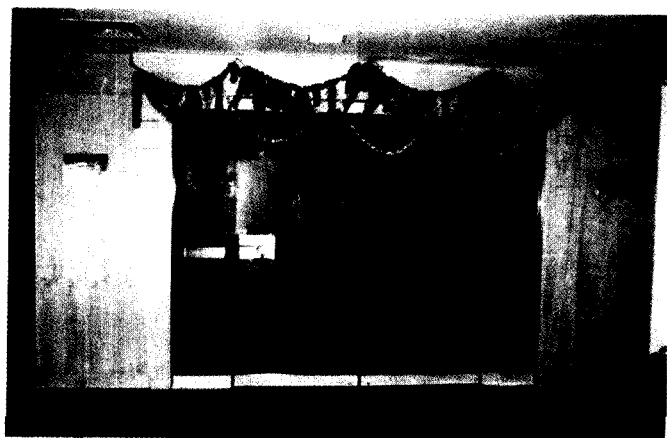




Annual Report 2004-05



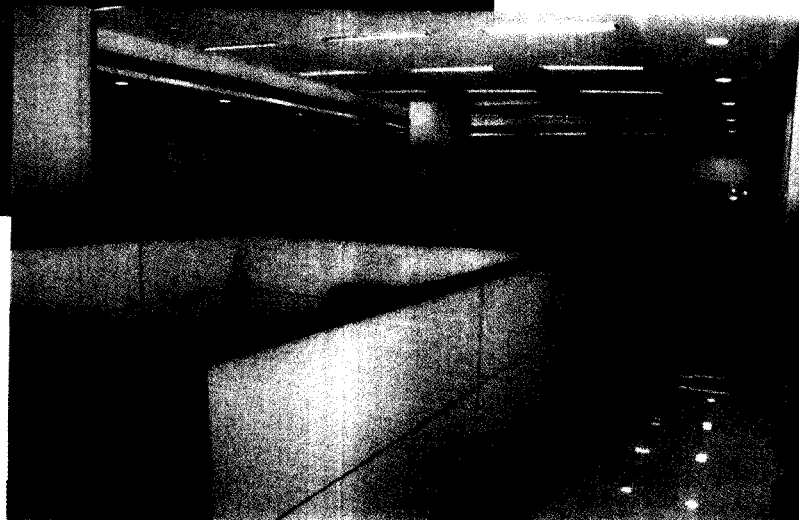
GOLDEN MOMENTS OF Mumbai Corporate Office Inauguration



Ribbon Cutting



View of Office Interior



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Board Of Directors

LAKSHMAN BHATIA
 ELIJAH A. ELIAS
 SUDHIR SETH
 ASHOK D. KUNTE
 MARC RUTTY
 SHAILESH HEMANI

(Chairman)

(Vice Chairman and Managing Director)

MS. SAMANTHA KIRBY
 MS. SHEFALI SHAH

Company Secretary

K. K. BHAVSAR

Registered Office

R-2, TECHNOPOLIS KNOWLEDGE PARK
 Mahakali Caves Road, Andheri East,
 Mumbai 400 093

Works

PUNE
 Plot S-73, MIDC,
 Bhosari, Pune 411 026

BANGALORE
 Plot 5C/1, KIADB Industrial Area,
 Attibele, Bangalore 562 107

Main Bankers

Syndicate Bank

Auditors

Messrs. Price Waterhouse
 Chartered Accountants

Listing Details

Company's Equity Shares are listed at:

Pune Stock Exchange Ltd.
 Shivleela Chambers.
 752, Sadashiv Peth,
 R. B. Kumbhakar Marg,
 Pune 411 030

Bangalore Stock Exchange Ltd.
 Stock Exchange Towers
 SI. 1st Cross, J.C. Road,
 Bangalore 560 027

Listing fees up to the year 2005-2006 have been paid to the concerned stock exchanges.

Company's shares are also traded at BSE under **IndoNEX** category (Scrip Code 590033)

Registrar & Transfer Agent

Mondkar Computers
 21, Shakil Nivas, Mahakali Caves Road,
 Andheri (E), Mumbai 400 093
 Tel.: (022) 836 6620, 838 2236

ISIN No.

INE 155 D 01018

21st ANNUAL GENERAL MEETING**DATE** : WEDNESDAY, SEPTEMBER 21, 2005**TIME** : 3:30 P.M.

VENUE : Hotel Tunga International
 Tribune II,
 6th Floor, Central Road, M.I.D.C.,
 Andheri East, Mumbai 400 093

FINANCIAL STATISTICS

(Rupees in Lacs)

Particulars	31.03.2005	31.03.2004	31.03.2003	31.03.2002	31.03.2001
Income :					
Net Sales	5,493.31	3,746.85	2,890.00	2,423.69	2,671.71
Royalty and Commission	130.48	85.30	66.89	24.65	
Service Charges				17.30	8.48
Other Income	79.54	44.37	84.51	39.46	43.42
Total Income	5,703.33	3,876.52	3,041.40	2,505.10	2,723.61
Profit before Taxation	605.91	416.23	214.97	74.41	76.95
Profit After Taxation	359.88	317.08	136.65	39.97	69.32
Dividend Payout	75.10	74.18	49.35	-	-
Corporate Tax on Dividend	10.53	9.50	6.32	-	-
Retained earnings	274.25	233.40	80.98	39.97	69.32
Dividend %	15.00	15.00	10.00	-	-
Earning per Share	7.22	6.41	2.77	0.81	1.41

(Rupees in Lacs)

Particulars	31.03.2005	31.03.2004	31.03.2003	31.03.2002	31.03.2001
Shareholders' Funds :					
Share Capital	502.34	498.49	493.54	493.54	493.49
Reserves & Surplus	1,276.24	993.25	748.70	667.73	709.99
Total Shareholder's Funds	1,778.58	1,491.74	1,242.24	1,161.27	1,203.48
Loan Funds :					
Secured Loans	739.25	352.13	166.31	410.11	616.53
Unsecured Loans	501.49	415.09	335.72	226.38	153.55
Funds Employed	1,240.74	767.22	502.03	636.49	770.08
Deferred Tax Liability (Net)	225.36	154.33	171.85	111.15	0.00
Total	3,244.68	2,413.29	1,916.12	1,908.91	1,973.56
APPLICATION OF FUNDS :					
Fixed Assets					
Gross Block	2,790.85	1,938.52	1,593.55	1,631.85	1,515.97
Less : Depreciation	812.00	677.02	566.49	540.01	436.53
Net Block	1,978.85	1,261.50	1,027.06	1,091.84	1,079.44
Capital Advances	8.97	182.23	6.05	3.08	3.98
	1,987.82	1,443.73	1,033.11	1,094.92	1,083.42
Investments	0.18	42.65	39.23	36.47	33.50
Current Assets, Loans and Advances	2,783.34	1,844.30	1,361.86	1,202.64	1,358.54
Less : Current Liabilities and Provisions	1,526.66	917.39	518.08	462.05	569.97
Net Current Assets	1,256.68	926.91	843.78	740.59	788.57
Miscellaneous Expenditure	-	-	-	36.93	68.07
(To the extent not w/off or adjusted)					
Total	3,244.68	2,413.29	1,916.12	1,908.91	1,973.56

Ratios

Particulars	31.03.2005	31.03.2004	31.03.2003	31.03.2002	31.03.2001
Return on Net Worth	20.23%	21.26%	11.00%	3.55%	6.11%
Cash Earning per share	11.72	9.12	6.33	3.59	3.43
Net Asset Value per share	35.68	30.14	25.17	22.78	23.04

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview and Competition

There has been a significant growth in the Telecommunication Sector which is one of the main segments where our products are in demand. The country has seen 1.5 million Cellphone users being added each month, a rate which has surpassed that of even China. To support these new users the service providers require Telecommunication facilities filled with equipment, all of which require enclosures & Racking Systems. Though there is fierce competition, APW President continued to maintain its position as one of the leaders in Racks and Cabinet business.

During the year, APW President scaled new peaks and set several new records. The Cabinet and Rack division achieved Sales of Rs. 520.26 M i.e. 47% growth over previous year. The Technology Products Division achieved Rs. 29.07 M sales which is almost 33% growth over last year sales. APW President achieved exports of Rs. 69 M which is 15% higher than the previous year, reflecting its global competitiveness and the international quality of its products.

APW President is the only manufacturer offering enclosures to every segment of the electronics industry. It is also equipped to design and deliver application-specific enclosures to international companies for its ATMs. Since the Company's business spread is across different segments of the user industry, a downturn in one segment is cushioned by off-take in other segments. APW President also have the benefit of regular exports to markets in the Middle East, Singapore, Australia and USA over the last several years.

Opportunities and Threats

APW President will continue to maintain its leadership position in the Indian enclosure industry going forward. APW President has expanded its capacity last year and is further investing to meet the demands of significant growth in this business. The demonstrated global competitiveness and international quality of products, and its superior logistic capabilities, provide the Company with new opportunities in domestic as well as international markets. APW President will keep examining and pursuing these new opportunities for growth.

APW President faces normal markets competition from Indian as well as international companies. The sound business strategies and competitive costs have enabled APW President to retain its leading market position. APW President endeavours to enhance its competitive advantage through a process of continuous improvements, and by implementing appropriate coherent business strategies. The disciplined financial frame work provides stability and a platform for growth of the Company.

Segment wise Performance

Cabinet Division

The Cabinet Division has achieved 47% increase in turnover. During part of the year APW President benefited from the increased capacity of Cabinet division. The Division also made in roads in contract manufacturing activities, resulting in good orders to keep the Company's plants operating to near operating level.

Technology Product Division (TPD)

TPD has grown significantly during the year. It achieved 105% growth in turnover and crossed the break-even point. APW President was awarded the 'The Top Sales Growth' Trophy for Asia Pacific region by Avocent, who are the world-wide market leaders for KVM Products and high end Server Switches for large enterprise networks.

Outlook

The significant growth in the Telecom Sector is expected to be maintained during the year 2004-05. The demand for pre-wired cabinets may also provide another opportunity for growth. Opportunities for out sourcing of parts and components by other multi-national companies for their ATMs are also growing significantly. In view of this APW President has expanded its capacity at Bangalore. APW President will continue to focus on its core business and develop manufacturing capabilities.

Quality Management and Design development

Quality Management Systems

APW President has a integrated computer-aided manufacturing set up. Laced throughout this is our Quality Management System (QMS), which is another customized software package created especially for APW President. Our QMS covers all aspects of the manufacturing cycle, from Incoming inspection, In-process inspection, to final quality assurance checks prior to dispatch. It also covers the calibration of all equipment used for manufacturing and inspection, as well as monitoring all customer complaints, transportation damage instances and corrective and preventive action. In the event of a complaint from a customer, or a failure report from the field, our QMS provides traceability through various stages of the manufacturing cycle.

Design Development

APW President constantly carries out research for design and development of new products and accessories. The design styling, look and feel of our products is always current and in step with practices worldwide. The Company has computer aided design facilities in-house and employ experienced design personnel as well.

As an ISO 9001:2000 APW President take the ratification of all its designs seriously. All new products and accessories are extensively tested in order to ensure that they exceed their rated specification by a comfortable safety margin.

Risk and Concerns

Competition: There is a risk of rising competition due to cloning of our product range by smaller companies in the unorganized sector.

Mitigants: The Company has built a large and established distribution network that should be difficult to replicate by potential competitors.

Supply Profile: The recent increase in Steel prices and other components is an area of great concern to the Company.

Mitigants: APW President continues to develop wide suppliers network. Company makes continuous efforts to develop alternative sources for major components and strives to develop substitutes wherever possible for reducing the material cost content of the product.

Internal Control System and their Adequacy

The Company has a proper and adequate system of internal controls commensurate with its nature and size of its business to ensure that its assets are safeguarded and protected against loss from unauthorized use or disposition, and that the transactions are authorized, recorded and reported correctly.

The internal control systems are supplemented by an extensive program of internal audit, review by management and established policies, guidelines and procedures. The systems are designed to generate accurate financial statements and other data and for maintaining accountability of assets.

Discussion on Financial Performance with respect to Operational Performance

The profit before tax for the year under review is Rs. 60.59 Millions. This reflects the effect of increase in sales volumes and reduction in indirect costs. The company entered new markets during the year.

The results also include the effect of a write down of certain fixed assets, investments and write-off of doubtful debts, based on a review undertaken by the Company..

Material development in Human Resource/ Industrial Relations Front

At the factory locations, several activities are undertaken by the Personnel Department on industrial safety and production related aspects. The industrial relations at both units during the year under review were cordial.

There have been some changes in the senior management team during the year.

The Company had 275 employees on its roll as on 31st March 2005 at its production facilities and offices across the country.

Cautionary Statement

The Management Discussion Analysis Statements made above are on the basis of available data as well as certain assumptions as to Government policies, economic and political developments. The Company can not guarantee the accuracy of the assumptions and expectation of future events. The Company's actual results, performance or achievements could thus differ materially from projected performance in future.

Annexure C

Compliance Report on Corporate Governance for the year 2004-2005**1. Company's philosophy on code of governance**

The Company always strives to achieve optimum performance at all levels by adhering to corporate governance practices

- To strive towards enhancement of shareholder value through prudent business management, sound business decision and high standards of ethics with attendant transparency
- To achieve excellence in Corporate Governance by complying in all respects with the mandatory guidelines in this respect and also regularly reviewing management systems for further improvement.

2. Board of Directors

a. The Board met seven times during the year i.e. May 21, 2004, June 25, 2004, July 30, 2004, October 25, 2004, December 27, 2004, January 27, 2005 and March 31, 2005.

b. Composition of the Board of Directors and other details as on March 31, 2005 are as under

Name of Director	Category of Directorship	No. of Board meetings attended	Whether A.G.M. attended or not	No. of Committee position held in other companies		Directorship held in other companies incorporated in India
				Chairman	Member	
Mr. Richard Carroll ¹	NEC	None	No			
Mr. E. A. Elias	MD	5	Yes	-	-	-
Mr. Sudhir Seth	NED	7	Yes	-	-	4
Mr. Ashok Kunte	NED	7	Yes	-	-	2
Mr. Marc Rutty	NED	None	No	-	-	1
Ms. Shefali Shah	NED	7	No	-	-	5
Mr. Dennis Staver ²	NED	None	N.A.	-	-	-
Mr. Michael Gasick ²	NED	None	N.A.	-	-	-
Ms. Samantha Kirby	NED	None	No	-	-	-
Mr. Shailesh Hemani	NED - I	6	Yes	-	-	-
Mr. Lakshman Bhatia	NED - I	6	Yes	-	-	-
Mr. S. G. Teredesai	NED - I	6	No	-	-	2
Mr. Jan Buis ³	NED	1	No	-	-	-

1. Retired due to death with effect from September 25, 2004.

2. Appointed with effect from October 25, 2004

3. Resigned with effect from September 25, 2004.

MD Managing Director

NEC - Non Executive Chairman

NED Non Executive Director

NED - I Non-executive - Independent

Independent Director means a director who, apart from receiving a Directors' remuneration, does not have any other material pecuniary relationship or transactions with the Company, its promoters, its management, or their subsidiary which is in the judgment of the Board may affect the independence of judgment of the Director.

3. Audit Committee

The Company has constituted an Audit Committee on March 29, 2003 comprising of 4 non-executive directors, namely, Mr. Shailesh Hemani, acting as Chairman and having financial and accounting knowledge, Mr. Lakshman Bhatia, Mr. S. G. Teredesai and Mr. Ashok D. Kunte. Mr. K. K. Bhavsar, Company Secretary is the Secretary of the Committee. There were four meetings of the committee held on June 25, 2004, July 30, 2004, October 25, 2004 and January 27, 2005 during the financial year 2004-05.

Members	Meetings held during the tenure of Directors	Meetings attended
Mr. Shailesh Hemani	4	4
Mr. Lakshman Bhatia	4	4
Mr. S. G. Teredesai	4	4
Mr. Ashok D. Kunte	4	4

The terms of reference to the Committee as stipulated in Clause 49 of the Listing Agreement are as follows:

- Over viewing the Company's financial reporting process and the disclosure of its financial information
- Recommending the appointment and removal of internal and external auditor, fixation of audit fee and also approval for payment for any other services.

- (c) Reviewing with management the annual financial statements before submission to the board, focusing primarily on :
- Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with Stock Exchange and legal requirements concerning financial statements.
 - Any related party transactions.
- (d) Reviewing with management, external and internal auditors, the adequacy of internal control systems, internal audit coverage and frequency of internal audit report.
- (e) Review management and internal auditor, any significant findings of internal/external auditors or any other investigation and report the matter to the board.

The Audit Committee has the following powers:

- To invite any of the executives of the Company, as it considers appropriate to be present at the meetings of the committee.
- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

4. Remuneration Committee

The Remuneration Committee of the Board is constituted to formulate and recommend to the Board a compensation structure for the Whole-time Members of the Board. Presently, the committee comprises of 3 non-executive independent directors, namely, Mr. Lakhsman Bhatia acting as the Chairman, Mr. Sailesh Hemani and Mr. S. G. Teredesai. Meeting of the Remuneration Committee was held twice on October 25, 2004 and March 31, 2005 during financial year 2004-05.

The details of remuneration paid to the Executive Director during the financial year 2004-05 are as follows:

Break of Remuneration	Mr. E. A. Elias
Salary (Rs.)	14,16,000
Contribution to Provident Fund (Rs.)	1,58,400
Performance Incentives	6,00,000
Other Benefits (Rs.)	72,125
Total (Rs.)	22,46,525
Service Contracts	5 years w.e.f. April 1, 2002
Notice Period	6 months

Note: The above figures does not include provision for gratuity and leave encashment which is based on actuarial valuation done on an overall company basis.

Remuneration committee recommended payment of Rs. 600,000 performance incentive considering the business growth achieved during the year 2004-05. The Board at its meeting held on March 31, 2005 accepted the recommendation.

The resident non-Executive Directors, Mr. Sudhir Seth, Mr. Ashok D. Kunte, Ms. Shefali Shah, Mr. Shailesh Hemani, Mr. Lakshman Bhatia and Mr. S.G. Teredesai were paid sitting fees of Rs. 14,000, Rs. 18,000, Rs. 14,000, Rs. 31,000, Rs. 31,000 and Rs. 31,000 respectively for the meetings of the Board attended by them.

During the financial year under review, remuneration committee meeting was held on October 25, 2004 and March 31, 2005

Attendance of Members at the Meeting of the Remuneration Committee held during 2004-2005

Members	Meetings held during the tenure of Directors	Meetings attended
Mr. Lakhsman Bhatia	2	2
Mr. Shailesh Hemani	2	2
Mr. S. G. Teredesai	2	2

5. Shareholders/ Investors' Grievances Committee

The Shareholders/ Investors' Grievances Committee comprises of 3 non-executive independent directors, namely, Mr. S. G. Teredesai acting as the Chairman, Mr. Sailesh Hemani and Mr. Lakshman Bhatia. Mr. K. K. Bhavsar, Company Secretary is the Compliance Officer of the Company in matters relating to Shareholders, Stock Exchanges, SEBI and other related regulatory matters. The Company has not received any complaints from the shareholders and all other requests/correspondence received from the shareholders were attended. There were no share transfer requests pending as on March 31, 2005.

6. Details of last three year's Annual/ Extra Ordinary General Meetings are as follows:

Year	AGM/EGM	Location	Date and Time	No. of special resolutions
2004	EGM	303, New India Industrial Estate, Off Mahakali Caves Road, Andheri (East), Mumbai- 400 093	December 11, 2004 4.00 p.m.	1
2004	AGM	Hotel Tunga International, Andheri (East), Mumbai 400 093	September 24, 2004 3.30 p.m.	-
2004	EGM	303, New India Industrial Estate, Off Mahakali Caves Road, Andheri (East), Mumbai- 400 093	April 17, 2004 4.00 p.m.	1
2003	AGM	Hotel Tunga International, Andheri (East), Mumbai 400 093	September 25, 2003 3.30 p.m.	-
2002	AGM	Hotel Tunga International, Andheri (East), Mumbai 400 093	September 19, 2003 3.30 p.m.	-
2002	EGM	303, New India Industrial Estate, Off Mahakali Caves Road, Andheri (East), Mumbai- 400 093	May 31, 2002 4.00 p.m.	-

During the financial year 2004-05 a special resolution was passed by postal ballot which relate to alteration of object clause of Memorandum of Association. The postal ballot exercise was conducted by Mr. Abbas Lakdawalla, Company Secretary in practice. The details of voting pattern is as follows:

Particulars	No. of postal ballot forms	No. of shares	% of total paid up equity capital
Total postal forms received	23	16,43,100	32.60
Less: Invalid postal ballot forms	-	-	-
Net valid postal ballot forms	23	16,43,100	32.60
Postal ballot forms with assent for the resolution	23	16,43,100	32.60
Postal ballot forms with dissent for the resolution	-	-	-

7. Disclosures

- There are no materially significant related party transactions i.e. transactions, material in nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may potentially conflict with the interest of the Company at large.
- There have been no instances of non-compliance by the company on any matters related to the capital markets, nor have any penalty / strictures been imposed on the company by the stock exchanges or SEBI or any other statutory authority on such matters.

8. Means of Communication

- The Quarterly, half yearly and annual results are normally published in The Free Press Journal (English) and Sakal (Marathi)
- The Company has not made any presentation to the institutional investors or to the analysts.
- Management Discussion and Analysis Report forms part of the Annual Report.

9. General Shareholder Information

- | | | |
|-----|---------------------------|---|
| (a) | Annual general Meeting | Date: Wednesday, September 21, 2005
Time: 3.30 p.m.
Venue: Tribune II, Hotel Tunga International, 6 th Floor, Central Road, M.I.D.C., Andheri (East), Mumbai 400 093 |
| (b) | Financial Calendar | April 1, 2004 to March 31, 2005 |
| (c) | Date of Book Closure | September 19, 2005 to September 21, 2005 |
| (d) | Dividend payment date | After September 21, 2005 |
| (e) | Listing on Stock Exchange | 1) Pune Stock Exchange Limited (PSE)
2) Bangalore Stock Exchange Limited (BgSE) |
| (f) | Stock Code | PSE - 160225
BgSE - VEROPNDSYS
BSE - Traded with effect from Jan 7, 2005, Script Code 590033 |