

Compliance Report on Corporate Governance for the year 2009-2010

1. Company's philosophy on code of governance requires it to:

Endeavour to achieve optimum performance at all levels by adhering to best 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 with all the mandatory guidelines in this respect and also by regularly reviewing management systems for further improvement.

2. Board of Directors

a. Composition of the Board of Directors and other details as on March 31, 2010 are as under

Name of Director	Category of Directorship	No. of Board meetings attended	Attendance at the AGM	No. of Committee position held in other companies		Directorship other companies incorporated in India	Number of shares held as on 31 st March 2010
				Chairman	Member		
Mr. E. A. Elias	MD	4	Yes	-	-	-	328,480
Mr. Sudhir Seth	NED	4	Yes	-	-	5	494,680
Mr. Ashok Kunte	NED	4	Yes	-	-	3	372,981
Mr. Marc Ruttu ¹	NED	1	No	-	-	1	663,360
Ms. Shefali Shah	NED - I	3	Yes	-	-	6	-
Mr. Shailesh Hemani	NED - I	4	Yes	-	-	-	500
Mr. Lakshman Bhatia	NED - I	4	Yes	-	-	-	600
Mr. Madhav Joshi	NED - I	4	Yes	-	-	1	-
Mr. Rajeshwar Raj Bajaj	NED - I	4	Yes	-	2	3	9,307

1. Held in the name of his Company M. Ruttu & Co. Pty. Ltd.

MD Managing Director; NEC Non Executive Chairman; NED Non Executive Director; NED - I Non-executive - Independent

The Directors have confirmed that they have no *inter se* relationship amongst them.

b. Meetings of the Board

The Board of Directors of the Company met four times during the year i.e., on May 19, 2009; July 31, 2009; October 30, 2009; and January 29, 2010 respectively.

The Agenda for the Board Meeting is circulated well in advance to the Directors. In addition to the information required under Annexure IA to Clause 49 of the Listing Agreement, the Board is also kept informed of major events/items and approvals taken wherever necessary. The Managing Director, at the Board Meetings, keeps the Board apprised of the overall performance of the Company.

c. Code of Conduct

The Company has adopted the Code of Conduct for all the Directors of the Board and its Senior Management Personnel of the Company and the same has been uploaded on the website of the Company viz., www.apwpresident.com.

All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct and a declaration to this effect signed by the Managing Director forms part of this Annual Report.

Mr. E A Elias, Managing Director to the Board of Directors of the Company has made a declaration dated May 17, 2010 to the effect that all the Directors of the Company and the Senior Management Personnel to whom the code is applicable have affirmed compliance with the Code of Conduct, for the year ended March 31, 2010.

3. Audit Committee

The Audit Committee of the Board comprises of 5 Non-Executive Directors, viz., Mr. Shailesh Hemani, Chartered Accountant acting as Chairman, Mr. Lakshman Bhatia, Mr. Madhav Joshi, Mr. Ashok D. Kunte and Ms. Shefali Shah. Mr. K. K. Bhavsar, Company Secretary acts as the Secretary of the Committee. The Committee met four times during the year i.e., on May 19, 2009; July 31, 2009; October 30, 2009; and January 29, 2010 respectively during the financial year 2009-10.

Members	Meetings held during the tenure of Directors	Meetings attended
Mr. Shailesh Hemani	4	4
Mr. Lakshman Bhatia	4	4
Mr. Ashok D. Kunte	4	4
Mr. Madhav Joshi	4	4
Ms. Shefali Shah	4	3

The terms of reference to the Committee is as stipulated in Clause 49 of the Listing Agreement and the Committee :

- (a) over views the Company's financial reporting process and the disclosure of its financial information;
- (b) recommends the appointment and removal of internal and external auditor, fixes audit fee and also approves payment for any other services rendered by them.

- (c) reviews with management, the annual financial statements before submission to the Board of Directors, focusing primarily on:
- changes in accounting policies and practices, if any;
 - 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 Listing Agreement with Stock Exchange and legal requirements concerning financial statements;
 - disclosure of any related party transactions;
- (d) reviews with the management, external and internal auditors, the adequacy of internal control systems, internal audit coverage, scope and frequency of internal audit report.
- (e) reviews with the management and internal auditor, on any significant findings made by internal / external auditors or any other investigation and reports the matter to the Board of Directors;
- (f) reviews reasons for the substantial defaults in the payment to depositors, debenture holders, shareholders and creditors;
- (g) reviews the functioning of the Whistle Blower mechanism.

The Audit Committee also:

- invites as and when necessary, any of the executives of the Company, as it considers appropriate to be present at the meetings of the Committee.
- investigates any activity within its terms of reference.
- seeks information from any employee of the Company.
- obtains outside legal or other professional advice.
- secures the attendance of outsiders with relevant expertise, if it considers necessary.

4. Remuneration Committee

The Remuneration Committee is constituted to formulate and recommend to the Board, a compensation structure for the Managing Director of the Company. Presently, the Committee comprises of 3 Non-Executive Independent Directors and one Non-Executive Promoter Director; Mr. Rajeshwar Raj Bajaaj, acting as the Chairman, Mr. Lakshman Bhatia, Mr. Madhav Joshi and Mr. Sudhir Seth as its members.

During the financial year under review, one meeting of the Remuneration Committee was held on 19th May 2009.

The remuneration for the Managing Director, Mr Elias, includes salary, perquisites and allowances; contribution to provident fund (a fixed component); and performance bonus (a variable component). The Remuneration Committee at its meeting held on April 28, 2010 has reviewed the performance of the Company and remuneration paid to Mr. Elias and suggested a status quo on the subject.

The details of remuneration paid to Mr. E. A. Elias during the financial year 2009-10 are as follows:

Amount in Rupees (mln)	
Details of Remuneration	
Salary	4.08
Contribution to Provident Fund	0.40
Performance Incentive	-
Perquisites	0.12
Total	4.60
Tenure	5 years w.e.f., April 1, 2007
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.

The resident Non Executive Directors (NEDs) are paid remuneration by way of sitting fees. The resident non-Executive Directors viz., Mr. Sudhir Seth, Mr. Ashok D. Kunte, Ms. Shefali Shah, Mr. Shailesh Hemani, Mr. Lakshman Bhatia, Mr. Madhav Joshi and Mr. Rajeshwar Raj Bajaaj were paid sitting fees of Rs.100,000/-, Rs.145,000/-, Rs.115,000/-, Rs.120,000/-, 155,000/-, Rs. 165,000/- and Rs. 100,000/- respectively for attending the Board and Committee Meetings.

5. Share Transfer and Investors' Grievances Committee

The Shareholders / Investors' Grievances Committee comprises of 3 Non-Executive Independent Directors and one Non-Executive Promoter Director, namely, Mr. Lakshman Bhatia acting as the Chairman, Mr. Madhav Joshi, Ms Shefali Shah and Mr. Ashok Kunte. 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. Five meetings of the Committee were held during the year on the following dates:

May 25, 2009; July 22, 2009; January 7, 2010; February 12, 2010 and March 2, 2010.

The Company received 20 requests for transfers which were attended to within a period of thirty days from the date of receipt.

During the financial year, the Company has not received any complaint from SEBI as forwarded to it by the shareholders.

There was no request for share transfer, pending as on March 31, 2010.

The Company Secretary is also Compliance Officer of the Company.

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	Purpose
2009	AGM	Bay Leaf 2, Hotel Saffron Spice, Plot No. 34, MIDC, Andheri (East), Mumbai 400 099	August 13, 2009 -3.30 p.m.	Nil	Annual Meeting
2008	AGM	Bay Leaf 2, Hotel Saffron Spice, Plot No. 34, MIDC, Andheri (East), Mumbai 400 099	September 8, 2008 -3.30 p.m.	Nil	Annual Meeting and revision of remuneration of managing Director
2007	AGM	Maple Hall, Hotel Mirador, New Link Road, Chakala, Andheri (East), Mumbai 400 099	September 21, 2007 - 3.30 p.m.	Nil	Annual Meeting and reappointment of Managing Director

7. Disclosures
a. Related Party Transactions

The Company follows the following policy in disclosing the related party transactions:

- a statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the Board Meeting.
- details of material individual transactions, if any, with related parties and not in the normal course of business, are placed before the Audit Committee.
- details of material individual transactions, if any, with related parties or others, which are not on an arm's length basis are placed before the Audit Committee together with Management's justification for the same.

b. Disclosure on materially significant related party transactions that may have potential conflict with the interest of the Company at large

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 be in conflict with the interest of the Company at large.

c. Risk Management

The Company has laid down procedures to inform Board from time to time about the risk assessment and minimization procedures adopted by the Company. These procedures are periodically reviewed to assure that executive management controls risk through means of a properly defined framework.

Internal Controls as required under clause V (c) of Clause 49.

The efforts for strengthening the internal controls were continued during the year with a compliance audit. The audit findings formed the basis for several structured implementation programmes for processes that will contribute to the reinforcement and strengthening of the internal control systems. Some of these programmes have been completed and the balance programmes are being implemented in a phased manner.

d. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or SEBI or any Statutory Authority, on any matter related to Capital Markets

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 financial results of the Company are normally published in English and Marathi daily newspaper. The Company also posts its results on its website viz., www.apwpresident.com.
- The Company has not made any presentation to the institutional investors or to the analysts during the year under review.
- Management Discussion and Analysis Report forms part of the Annual Report.

9. General Shareholder Information

- | | |
|---------------------------------|--|
| (a) Annual General Meeting | Date : Monday, August 16, 2010
Time : 3:30 pm
Venue : Tribune II, 6 th floor, Hotel Tunga International, Central Road, M.I.D.C., Andheri (East), Mumbai 400 093 |
| (b) Financial Calendar | April 1, 2009 to March 31, 2010 |
| (c) Dates of Book Closure | August 7, 2010 to August 16, 2010 |
| (d) Dividend payment date | After August 16, 2010 |
| (e) Listed on Stock Exchange(s) | 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; Scrip Code 590033 |
| (g) ISIN | INE155D01018 |

- (h) Market Price data and Performance in comparison to broad-based indices
 There has been no trading at Pune and Bangalore stock exchange during the year under review. The high and low prices of the Company's equity shares as traded in the BSE for each of the month is given below:

Month	High	Low	Month	High	Low
April 2009	64.95	52.20	October 2009	128.00	92.15
May 2009	79.00	57.15	November 2009	113.00	97.50
June 2009	84.00	64.70	December 2009	152.00	102.15
July 2009	75.35	60.00	January 2010	174.00	115.00
August 2009	113.10	70.00	February 2010	150.00	123.50
September 2009	115.00	88.00	March 2010	136.90	107.00

- (i) Registrars and Share Transfer Agents
 Name: Mondkar Computers Pvt. Ltd.
 Address: 21, Shakil Nivas, Mahakali Caves Road,
 Andheri (East), Mumbai- 400 093.
 Tel No: (022) 2826 2920
 Fax No: (022) 2836 6620
 Email Id: mondkar_computers@rediffmail.com
 Contact person Mr. Karlekar / Mr. Ravi Uttekar

- (j) Share Transfer system

The Company has appointed M/s Mondkar Computers Private Limited, a SEBI registered Share Transfer Agent (STA) to deal in the transfer of shares of the Company. On receipt of request for transfer of shares, the STA process the requests and if found in order, forwards the same to the Company for approval. The Share Transfer and Investors' Grievances Committee which meets once in every fifteen days or on receipt of request for share transfer which ever is later approves the same and the share certificate(s) after endorsement is send to the transferee. Generally, the STA dispatches the transferred share certificate(s) to the transferee within a period of 30 days of lodgement thereof which is in compliance of the Listing Agreement.

A Practicing Company Secretary issues a certificate every half-year under Clause 47 (c) of the Listing Agreement as to issue and dispatch of share certificates lodged for transfer, transposition, renewal or exchange with a period of thirty days from the date of lodgement thereof.

- (k) Distribution of shareholding as at March 31, 2010

Category	No. of Shares held	% of Shareholding
Promoters		
- Indian Promoters	18,84,141	31.15
- Foreign Promoter	24,27,360	40.14
Private Corporate Bodies	1,27,740	2.11
NRI / OCBs	19,344	0.32
Clearing Members	12,786	0.21
Indian Public	15,76,629	26.07
	60,48,000	100.00

A Practicing Company Secretary issues a certificate every quarter in terms of SEBI Circular D&CC/FITTC/CIR-16/2002 dated December 31, 2002 as to the reconciliation of capital listed with the Stock Exchanges with the share capital of the Company and that the shares lodged with the Company for dematerialization have been dematerialized within twenty-one days of receipt.

- (l) Dematerialisation of Shares and liquidity

The shares of the Company are compulsorily traded in dematerialised form and are available for dematerialisation by both the depositories in India –National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2010, 23,12,662 equity shares representing 38.24% of the paid up equity Share Capital have been dematerialized.

- (m) The Company has not issued any GDR's ADR's warrants or any other convertible instruments.

- (n) Plant Location

The Company's plants are located at

Pune	S-73 / 74, Bhosari, M.I.D.C., Pune
	Unit 1, Electronic Sadan, MIDC, Bhosari, Pune 411 026
Bangalore	5, 5A, 5c/1, Taluka Annekal, Attibele, Bangalore
Puducherry	Gothi Industrial Cmplx, RS No 17/3 (Shed C), Vazhudavur Road, Kurumbapet, Puducherry 605009

Address for correspondence

R-2, Technopolis Knowledge Park,
 Mahakali Caves Road,
 Andheri (East), Mumbai – 400 093
 Phone no: 022-66 44 8888
 Fax no : 022-66 44 8899
 Email id. : info@apwpresident.com

10. The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement and complies with the following Non-Mandatory Requirements:-

Remuneration Committee

The Company has constituted Remuneration Committee to recommend / review remuneration of the Managing Director of the Company, based on his performance and defined assessment criteria.

Communication to shareholders

Half yearly Reports covering financial results are sent to Members at their registered address.

Audit Qualification

The Company is striving to achieve the regime of unqualified financial statement.

Whistle Blower Policy

The Company has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct of their immediate supervisor / colleagues or any other employees. The Policy provides for review of reports received from employees by a Director or a Senior Manager as may be notified by the Management from time to time and maintaining of the confidentiality of those reporting violation and not subjecting them to any discriminatory practice.

11. Appointment/ Reappointment of Directors

Mr. Rajeshwar Raj Bajaj and Mr. Madhav Joshi Directors of the Company, who retire by rotation, being eligible, have offered themselves for reappointment.

A brief profile of the Directors seeking re-appointment are given below

Mr. Rajeshwar Raj Bajaj (Independent Director) is Chairman and Promoter of LBA Consultants Pvt Ltd., an associate of M/S Lerch Bates & Associates Inc., world's largest Consulting Firm for Vertical Transportation. He has a valuable experience of 33 years in Elevator Industry with his last assignment with Otis Elevators as Vice President South and South East Asia Operations based in Singapore and earlier as Chairman of Otis India. He is a graduate in science with a law background holding both B. Sc. and LLB degrees.

Mr. Madhav Joshi (Independent Director) is currently practicing as management consultant and has wide experience in different areas of management consultancy. He has held key management position in leading industry groups like IBM (USA), Allis Chalmers Corp., USA Forbes Campbell & Company, Dawn Mills and Summet Machines Pvt Ltd., covering wide range of products, services and end users. He is a Mechanical and Electrical Engineer holding both BE (Mechanical) and BE (Electrical) degrees.

Mr. Lakshman Bhatia (Chairman and Independent Director) is an Independent Director of the Company who retires by rotation but has expressed his desire not to be reappointed as director of the Company.

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
APW President Systems Limited
Mumbai

We have examined all relevant records of APW President Systems Limited (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with Pune Stock Exchange Limited, Bangalore Stock Exchange Limited and Bombay Stock Exchange Limited for the financial year ended 31st March 2010. We have obtained all the information and explanations to the best of our knowledge and belief were necessary for the purpose of this certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examinations of the records produced, explanations and information furnished, we certify that the company has complied with

- a) all the mandatory conditions of the said Clause 49 of the Listing Agreement.
- b) the following non-mandatory requirements of the said Clause 49 of the Listing Agreement: -
 - i) Remuneration Committee
 - ii) Communication to shareholders
 - iii) Audit qualification
 - iv) Whistle Blower Policy

For S.N.ANANTHASUBRAMANIAN & CO.

S. N. Ananthasubramanian
C.P.No.: 1774
Date : 17th May 2010
Place: Thane

DECLARATION

I, Elijah A. Elias, Managing Director of APW President Systems Ltd., hereby declare that all the members of the Board of Directors and the Senior management personnel have affirmed compliance with the Code of Conduct, for the year ended March 31, 2010

For APW President System Ltd.

E.A. Elias
Managing Director

Mumbai, May 17, 2010

CERTIFICATION BY CHIEF EXECUTIVE OFFICER OF APW PRESIDENT SYSTEMS LIMITED

I, ELIJAH A. ELIAS, Managing Director of the Company, to the best of my knowledge and belief certify that:

- a) I have reviewed the Balance Sheet as at March 31, 2010 and Profit and Loss Account and Cash Flow Statement for the year ended March 31, 2010 and that to the best of my knowledge and belief :
 - i) Balance Sheet as at March 31, 2010 and the Profit and Loss Account and Cash Flow Statement for the year ended March 31, 2010 do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) that Balance Sheet as at March 31, 2010 and the Profit and Loss Account and Cash Flow Statement for the year ended March 31, 2010 together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) I accept the responsibility for establishing and maintaining internal controls over financial report and that I have evaluated the effectiveness of the internal control systems of the Company and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls in financial reporting, if any, of which I am aware and the steps taken or propose to take to rectify these deficiencies.
- d) I have indicated to the Auditors and the Audit Committee
 - i) significant changes in the internal controls during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement; and
 - iii) instances of significant fraud of which management have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Place: Mumbai
Dated: May 17, 2010

E. A. Elias
Managing Director