CORPORATE GOVERNANCE REPORT

I COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Management aims to achieve its objective of increasing shareholder value while consistently observing the norms laid down in the Code of Corporate Governance. The Management has institutionalized Corporate Governance at all levels within the Company in order to ensure transparency, good practices and a systems-driven style of functioning.

The primary responsibility for ensuring corporate governance within the Company rests with the Board, which has put in place, appropriate policies relating to its membership, deliberations, etc. These policies are in consonance with the requirements of the Listing Agreement and SEBI Regulations.

II BOARD OF DIRECTORS

Composition & Other Directorships

Name of Director	Position	Other Directorships	Other Committee Memberships	Chairperson in Committees
Mr. M.G. Ved*	Independent, non-executive Chairman	2	Nil	Nil
Mr. Satish Menon#	Independent, non-executive director, Chairman	1	Nil	Nil
Mr. Pankaj Agarwal	Non-executive, professional director	2	Nil	Nil
Mr. Vivek Malhotra	Independent, non-executive director	1	Nil	Nil
Mr. Guhan Subramaniam	Independent, non-executive director	5	Nil	Nil

* expired on 30.01.2008

appointed as Chairman effective 31.01.2008 until conclusion of FYE March 31, 2008

The Company has a mandatory annual requirement for every director to inform the Company about the board/ committee membership positions he occupies in other companies and notify the changes, if any. None of the Directors of the Company is on more than 10 committees or is the Chairman of more than 5 committees across all companies in which he is a director.

Directors' Remuneration

The compensation of non-executive directors, if payable, is decided by the Board of Directors, subject to shareholders' and other necessary statutory approvals.

The Board adopts the following criteria while deciding on directors' compensations:

1. The directors should possess a high level of expertise and experience in diverse areas like technology, finance, corporate strategy, M&A, etc. so that they can effectively contribute to the Company's growth objectives.
2. The directors should not be related to other promoter/executive/independent directors. Further, they should not occupy any executive positions in competitor companies.
3. The directors should attend and actively participate in all the board and committee meetings and carry out their general responsibilities as directors without allowing any kind of situation to arise which carries the potential of a conflict of interest

The Company's shareholders in their annual general meeting held on July 29, 2005 have approved payment of sitting fees to the directors for attending meetings of the Board and Audit Committee up to the maximum limit prescribed by the Companies Act, 1956. Presently, the directors receive sitting fees for attending board and committee meetings @ Rs.20, 000/- and Rs.10, 000/- per meeting respectively.

Mr. M. G. Ved, Chairman of the Company passed away on 30.01.2008. The Board places on record and appreciates the valuable leadership and guidance provided by Mr. M. G. Ved during his tenure as Director and the Chairman of the

Company over a period of four years. The Company's Board in its meeting held on January 31, 2008 appointed Mr. Satish Menon as its Chairman until the conclusion of the current financial year.

The Company has also obtained Central Government's permission and has paid remuneration of Rs. 2 lacs per annum to Mr. M.G. Ved and Mr. Satish Menon for a period of 3 years effective January 29, 2005 and February 28, 2005 respectively with an annual increase in remuneration @ 25% p.a.

Provisions as to Board Meetings:

Seven board meetings were held during the year ended March 31, 2008. The board meetings were held on May 29, 2007, June 29, 2007, July 31, 2007, September 03, 2007, October 13, 2007, October 31, 2007, and January 31, 2008. All the information to be provided to the Board as per Annexure-1 of Clause 49 of the Listing Agreement was made available to the board. The Company's Board reviews and takes on record the statutory compliance reports submitted by the Company Management on a quarterly basis.

Code of Conduct:

The Company's Board has laid down a Code of Conduct for all its members as well as members of the Senior Management of the Company. The said Code has been posted on the Company's intranet website. All Board and Senior Management members have affirmed compliance with this Code as on March 31, 2008.

Attendance of Directors in Board Meetings held during year ended March 31, 2008

Name of the Director	Board Meeting Dates						
	May 29, 2007	June 29, 2007	July 31, 2007	September 03, 2007	October 13, 2007	October 31, 2007	January 31, 2008
Mr. M.G. Ved*	Present	Present	Present	Present	Leave of Absence	Present	N.A.
Mr. Satish Menon	Present	Present	Present	Present	Present	Present	Present
Mr. Guhan Subramaniam	Present	Present	Present	Leave of Absence	Present	Leave of Absence	Present
Mr. Pankaj Agarwal	Present	Present	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	Present
Mr. Vivek Malhotra	Present	Present	Present	Present	Present	Present	Present

Attendance of Directors in AGM/EGM held during year ended March 31, 2008

Date of AGM/EGM	Mr. M. G. Ved*	Mr. Satish Menon	Mr. Guhan Subramaniam	Mr. Pankaj Agarwal	Mr. Vivek Malhotra
28.9.2007- AGM	Present	Present	Absent	Present	Present
30.11.2007-EGM	Present	Present	Present	Absent	Absent
05.02.2008- EGM	N.A.	Present	Present	Present	Absent

III AUDIT COMMITTEE

The Company's Board has constituted an Audit Committee pursuant to the provisions of the Companies Act, which has all the necessary features as required by the Listing Agreement.

The terms of reference of the Audit Committee include the objective evaluation of the financial reporting process, recommending the appointment of external auditors, reviewing with the Company Management the annual financial statements before submission to the Board, reviewing the adequacy of the internal control systems/ internal audit function, discussing and reviewing the findings of the internal auditors, discussion with external auditors regarding nature and scope of audit as well as having post audit discussion, reviewing the Company's financial and risk management policies.

Necessary powers are vested with the Audit Committee. Conditions relating to meetings, quorum, etc. have been complied with.

The role of the Audit Committee comprises all recommended terms of reference as contained in Clause 49 of the Listing Agreement.

Mr. M.G. Ved, Mr. Satish Menon, Mr. Guhan Subramaniam & Mr. Vivek Malhotra are non-executive directors of the Board and are independent members on the Audit Committee.

Mr. M. G. Ved was the Chairman of the Audit Committee effective January 30, 2007 until his death on January 30, 2008, He was a practicing Chartered Accountant since 1966 and a fellow member of the Institute of Chartered Accountants of India since 1971. He had vast experience in the fields of auditing, finance, accounts & taxation.

Mr. Satish Menon, Member of the Committee, who was appointed as the Chairman of the Audit Committee effective January 31, 2008, is a legal practitioner with vast experience in the fields of mergers, acquisitions, corporate governance, ethical practices & general commercial transactions. The Chairman will be present at the Annual General Meeting to answer shareholders' queries.

Mr. Guhan Subramanian, Member of the Committee, is an experienced professional having 28 years of multi functional, multi-industry operations experience.

Mr. Vivek Malhotra, member of the Committee, a qualified chartered accountant, is presently a Director in Population Health Services India.

Mr. P. Vidya Sagar, Company Secretary, who is Secretary to the Committee, was present at all the meetings.

Composition of Audit Committee

Name of Director	Position
Mr. M.G. Ved	Independent, non-executive Chairman
Mr. Satish Menon	Independent, non-executive director, Chairman
Mr. Guhan Subramaniam	Independent, non-executive director
Mr. Pankaj Agarwal	Non-executive, professional director
Mr. Vivek Malhotra	Independent, non-executive director

Directors' Attendance Record in Audit Committee Meetings held during the year

	May 29, 2007	June 29, 2007	July 31, 2007	October 31, 2007	January 31, 2008
Mr. M.G. Ved	Present	Present	Present	Present	N.A.
Mr. Satish Menon	Present	Present	Present	Present	Present
Mr. Guhan Subramaniam	Present	Present	Present	Leave of Absence	Present
Mr. Pankaj Agarwal	Present	Present	Leave of Absence	Leave of Absence	Present
Mr. Vivek Malhotra	Present	Present	Present	Present	Present

Name of Director	Meetings held	Meetings attended
M. G. Ved	5	4
Satish Menon	5	5
Guhan Subramanian	5	4
Pankaj Agarwal	5	3
Vivek Malhotra	5	5

IV HR & COMPENSATION COMMITTEE

The HR & Compensation Committee was constituted to determine the company's policy on remuneration packages on the following terms of reference:

1. To decide on all matters relating to the company's stock option / share purchase schemes including the grant of options/shares to the directors and employees of the Company and/or of its subsidiaries.
2. To determine and make suitable recommendations to the Board in all matters relating to remuneration of the non-executive directors of the Board, executive directors of the Company and its managerial personnel under the Companies Act, 1956.
3. To decide and make suitable recommendations to the Board on any other matter that the Board may entrust the Committee with or as may be required by any statutes/regulations/guidelines/listing agreements, etc.

The Committee held one meeting during the year ended March 31, 2008, i.e. on July 31, 2007.

Attendance Record in HR & Compensation Committee Meetings held during the year

Name of Director	Meetings held	Meetings attended
M. G. Ved	1	1
Satish Menon	1	1
Guhan Subramanian	1	1
Pankaj Agarwal	1	0
Vivek Malhotra	1	1

V SHAREHOLDERS/INVESTORS GRIEVANCES COMMITTEE

The Shareholders / Investors Grievance Committee was formed to undertake responsibilities like redressing shareholder and investor complaints pertaining to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend, etc. The Company also follows and practices insider trading guidelines.

The Board has delegated powers to its Share Transfer Committee and M/s. Mondkar Computers Pvt. Ltd., Company's Registrars and Share Transfer Agent to attend to share transfer formalities etc. generally once in fifteen days, which are validated by the Share Transfer Committee.

a) Name of independent, non-executive director heading the Committee:

Mr. M.G. Ved till January 30, 2008;

Mr. Satish Menon effective January 31, 2008.

Directors' Attendance Record in Shareholders/Investors Grievances Committee Meetings held during the year

	June 29, 2007	July 31, 2007	October 31, 2007	January 31, 2008
Mr. M.G. Ved	Present	Present	Present	N.A.
Mr. Satish Menon	Present	Present	Present	Present
Mr. Guhan Subramaniam	Present	Present	Leave of	Present Absence
Mr. Pankaj Agarwal	Present	Leave of	Leave of Absence	Present Absence
Mr. Vivek Malhotra	Present	Present	Present	Present

b) Name and designation of compliance officer: P. Vidya Sagar, Company Secretary

	No. of cases outstanding as on April 1, 2007	No. of cases added during the year	No. of cases resolved during the year	No. of cases outstanding as on March 31, 2008
No. of Investor issues	Nil	9	9	Nil
No. of legal cases	Nil	Nil	Nil	Nil

There were no outstanding complaints pending for more than one month. There were no cases, which were not solved to the satisfaction of shareholders.

The Company's Registrars and Share Transfer Agent, M/s. Mondkar Computers Pvt. Ltd., processes shares sent for transfer transmission etc. in 2 batches every month. Hence the share transfer, transmission etc. are effected within stipulated time. There are no physical shares pending transfer beyond the transfer cycle of 30 days.

VI SHAREHOLDERS' INFORMATION

Annual General Meetings

Location and time of last three AGMs held

Date of AGM	Time of AGM	Location
July 29, 2005	4.00 p.m.	Cultural Centre of Russia, 31-A, Dr.G. Deshmukh Marg, Mumbai – 400 026.
August 28, 2006	4.00 p.m.	HAL Convention Centre, Airport Road,Marathahalli, Bangalore 560 037.
September 28, 2007	4.00 p.m.	HAL Convention Centre, Airport Road,Marathahalli, Bangalore 560 037.

No special resolutions were passed in the AGM held on August 28, 2006. The following special resolutions were passed by the Company in its AGM/EGMs held on as listed below:

(i) AGM- July 29, 2005

- Change in the Registered Office of the Company under Section 17.
- payment of remuneration to Company's Director, Mr. M.G. Ved, under the Companies Act, 1956.
- payment of remuneration to Company's Director, Mr. Satish Menon, under the Companies Act, 1956.
- payment of remuneration to Company's Manager, Mr. P.A. Ananthanarayanan, under the Companies Act, 1956.
- Adoption of Mindteck Employees Stock Option Scheme 2005.
- Payment of sitting fees to the Directors of the Company.

(ii) AGM- September 28, 2007

- Appointment and payment of remuneration to Company's Manager under the Companies Act, 1956.
- Increase in the Company's Authorized Capital u/s 94 of the Companies Act, 1956.
- Issue of equity shares to FI's, Bodies Corporate, FII's and/or high networth individuals on private/preferential placement basis.

(iii) EGM- November 30, 2007

- Acquisition of ICI Tech Holdings Inc. on cash/stock basis.
- Issue of equity shares to shareholders of ICI Tech Holdings Inc and other investors.

(iv) EGM- February 05, 2008

- Acquisition of Mindteck Singapore Pte. Ltd., Mindteck UK Ltd and Chendle Holdings Ltd. on cash/stock basis.
- Issue of equity shares to shareholders of Mindteck Singapore Pte. Ltd., Mindteck UK Ltd and Chendle Holdings Ltd. and other investors.

No special resolutions were passed through the postal ballot procedure during the year ended March 31, 2008.

VII DISCLOSURES

(a) Utilization of Funds raised through preferential issue

As on March 31, 2008 the Company has utilized INR 189,346,099 (US$ 4.82 million) out of the INR 283,042,002 (US$ 7.47 million) raised from financial investors on private placement basis towards payment of cash consideration for the acquisition of ICI Tech Holdings Inc., repayment of bank borrowings of the Company and its subsidiary and towards working capital. Please refer note no. 3 (c) of Significant accounting policies and notes to the accounts for complete details of utilization of funds during the year.

(b) There were no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters and/or their subsidiaries, Directors or the Management, their relatives, etc., that had potential conflict with the interest of Company at large.

(c) No penalties have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authority on any matter related to capital market during the last three years.

(d) The Company has not complied with the non-mandatory provisions of Clause 49 of the Listing Agreement.

VIII COMMUNICATION WITH THE SHAREHOLDERS

The Company informs the shareholders, on appointment or re-appointment of a Director and provides a brief resume of the Director, his/her expertise and names of companies in which he/she holds directorships and committee memberships.

During the year, all quarterly results were sent to the Stock Exchange where the Company's equity shares are listed and posted on the company's website (www.mindteck.com). All the quarterly results have been published during the year. The results were published in Business Standard (English) & Times of India (Kannada). The Company's web site also displays official news releases.

Please also refer section on Shareholders' Information in this annual report.

IX MANAGEMENT

A Management Discussion and Analysis report has been included in this annual report. During the year under review, there were no instances of any material financial and commercial transactions in which the Management had personal interest that had a potential conflict with the interest of the Company at large.

X COMPLIANCE

The Statutory Auditors' Certificate certifying compliance of Corporate Governance conditions as laid down in the listing agreement is annexed.

On behalf of the Board of Directors

Satish Menon
Chairman

Bangalore
June 28, 2008

SHAREHOLDERS' INFORMATION

AGM: Date, Time and Venue	Wednesday, July 30, 2008. Redwood, Hotel Royal Orchid Central, 47/1 Dickenson Road, Manipal Centre, Bangalore 560 042
Financial Calendar	1st April 2007 to 31st March, 2008
Book Closure dates	July 21, 2008 to July 30, 2008 (both days inclusive)
Dividend Payment Date	Within stipulated period from the date of the AGM, if declared by the members.
Listing on Stock Exchanges & Stock code	The Stock Exchange Ltd. - 517344
Registrar and transfer Agents	M/s. Mondkar Computer Pvt. Ltd., 25, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai – 400 093.
Share transfer System	The Company's Registrars and Share Transfer Agent, M/s. Mondkar Computers Pvt. Ltd., processes shares sent for transfer transmission etc. in 2 batches every month. Hence, the share transfer, transmission etc. are effected within stipulated time. Transfers/transmissions, which are complete in all respects, are processed and the certificates in respect thereof are returned to the lodger/shareholder within 30 days of lodgment.
Dematerialization of shares and liquidity	Effective August 28, 2000 it has become compulsory to trade Company's shares in dematerialized form. Since the shares of the Company are falling under compulsory demat category, the chances of fraudulent interception, etc. have been reduced considerably. The Company continues to receive requests for demat on a regular basis and the same is being facilitated through the Depository Services provided by National Securities Depository Ltd. and Central Depository Services Ltd. The Company, in co-ordination with its Registrars & Share Transfer Agents, M/s. Mondkar Computers Pvt. Ltd. facilitates simultaneous transfer of shares and dematerialization. This reduces correspondence, time and effort of all shareholders by ensuring maximum investor satisfaction and transparency.
Offices	**Bangalore:** 16/3, Cambridge Road, Ulsoor, Bangalore 560 008. **Bangalore:** 16/3, Cambridge Road, Ulsoor, Bangalore 560 008. **Kolkata**: 1. Software Technology Park, SDF Building, Module No.529 & 530, 4th Floor, Sector V, Block EP GP, Salt Lake Electronics Complex, Kolkata – 700 091. 2. Millennium City Information Technology Park, II-9th Floor, 9 C, Block DN, Plot 62, Sector V, Salt Lake, Kolkata- 700 091. **Gurgoan:** 75/C, Second Floor, Sector 18, Gurgoan,Haryana- 122 001 **Hyderabad:** 302, Mahavir House,Near Police Commissioner's Office Hyderaguda Rd., Basheer Bagh, Hyderabad- 500 029
Compliance Officer and Registered Office Address for correspondence	P. Vidya Sagar, Mindteck (India) Limited 16/3 Cambridge Road, Ulsoor, Bangalore 560 008

- Market Price Data: High, Low of Company's equity shares on the Stock Exchange, Mumbai during each month in the year ended March 31, 2008

Month	Sensex		Share Price		Trade	
	High	Low	High.	Low	No. of shares traded	Value
			Rs	Rs.		Rs.
April 2007	14,228.88	12,455.37	39.10	36.55	29,222	1,129,742
May 2007	14,544.46	13,765.46	63.85	34.60	481,949	26,618,528
June 2007	14,650.51	14,003.03	71.30	61.20	312,360	20,403,954
July 2007	15,794.92	14,664.26	71.00	55.15	105,083	6,806,151
August 2007	15,318.60	13,989.11	70.25	57.30	97,381	6,413,547
September 2007	17,291.10	15,422.05	68.90	56.85	128,906	8,170,327
October 2007	19,977.67	17,328.62	59.00	50.00	129,539	7,383,396
November 2007	19,976.23	18,526.32	59.75	48.30	163,476	9,235,586
December 2007	20,375.87	19,079.64	69.20	55.50	165,901	10,230,598
January 2008	20,873.33	16,729.94	81.95	42.35	238,216	16,718,821
February 2008	18,663.16	16,608.01	58.40	50.55	119,544	6,977,611
March 2008	16,677.88	14,809.49	55.70	37.00	158,901	6,981,887

- Performance in comparison to broad-based BSE Index & BSE IT Index

Month	Closing Share Price on month's last trading day Rs.	BSE Index	BSE IT Index
April 2007	37.85	13,872.37	5053.29
May 2007	63.85	14,544.46	4851.43
June 2007	68.50	14,650.51	4,870.73
July 2007	64.95	15,550.99	4,862.52
August 2007	62.00	15,318.60	4,585.66
September 2007	57.50	17,291.10	4,627.83
October 2007	57.00	19,837.99	4,618.72
November 2007	56.60	19,363.19	4,197.62
December 2007	69.20	20,286.99	4,529.59
January 2008	50.40	17,648.71	3,710.11
February 2008	53.85	17,578.72	3,862.45
March 2008	43.20	15,644.44	3,547.61

- Distribution of Shareholding as on March 31, 2008

Range	Shareholders		Shares	
No. of Shares	Numbers	% to Total	Numbers	% to Total
1 – 500	7590	95.604	497,050	2.324
501 – 1000	182	2.292	148,852	0.696
1001 – 2000	86	1.083	125,263	0.586
2001 – 3000	23	0.290	56,817	0.266
3001 – 4000	7	0.088	24,478	0.114
4001– 5000	5	0.063	22,684	0.106
5001 – 10000	19	0.239	150,194	1.702
10001 & above	27	0.340	2,036,5542	95.207
Total	**7,939**	**100.000**	**21,390,880**	**100.000**

- Shareholding Pattern as on March 31, 2008

	Shareholder Category	No. of Shares	%age
1.	Promoters	13,977,257	65.34
2.	Directors	1,200,000	5.61
3.	Mindteck Employees Welfare Trust	416,000	1.95
4.	Public	5,797,623	27.10
	Total	**21,390,880**	**100.00**

On behalf of the Board of Directors

Satish Menon
Chairman

Bangalore
June 28, 2008

Manager and Company Secretary Certification

We, Shankar Velayudhan, Manager and P. Vidya Sagar, Company Secretary of Mindteck (India) Limited, to the best of our knowledge and belief, certify that:

(a) we have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief :

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements 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 our 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) we accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) we have indicated to the auditors and the Audit committee:

(i) significant changes in internal control during the year;

(ii) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud, if any, of which we 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 over financial reporting.

(e) we further declare that all Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct for the current year.

Shankar Velayudhan
Manager

P. Vidya Sagar
Company Secretary

Bangalore
June 28, 2008

Auditors' Certificate

To the members of Mindteck (India) Limited

We have examined the compliance of conditions of Corporate Governance by Mindteck (India) Limited ('the Company'), for the year ended on March 31, 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for **BSR & Company**
Chartered Accountants

Supreet Sachdev
Partner
Membership No. 205385

Bangalore
June 28, 2008