

CORPORATE GOVERNANCE REPORT

Your Company believes that strong companies are built on the foundation of good governance practices. Corporate Governance encompasses the effective management of relationships among constituents of the ecosystem - shareholders, management, staff members, customers, vendors, governments, regulatory authorities and community at large. These relationships can be strengthened through corporate fairness, transparency, empowerment and compliance with the law in letter and spirit. It takes proactive approach and revisits its governance practices from time to time so as to meet business and regulatory needs.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company's philosophy on Corporate Governance is aimed at achieving the balance between stakeholders' interests and corporate goals through the efficient conduct of its business and meeting their obligation in a manner that is guided by transparency, accountability and integrity. It has always been believed that an independent Board following international practices, transparent disclosures and empowerment of stakeholders are as necessary as solid financial results for creating and sustaining shareholder value. Your Company is conscious of its responsibility as a good corporate citizen and is committed to a high standard of Corporate Governance practices.

At NIIT Limited, value creation is a philosophy that is ubiquitous across the organisation. Stakeholders are the focus of Company's growth strategy. The Company has ensured stability and growth in a dynamic environment and in competitive times. This has been the Company's commitment since inception. The fabric of Corporate Governance in the Company is woven with transparency, independence and commitment for creating wealth for its Shareholders.

BOARD OF DIRECTORS

Composition

Your Company is managed and guided by a professional Board comprising seven Directors of which four are Independent Directors, constituting more than half of the Board's total strength. Your Company's Board comprises of eminent persons with considerable professional expertise and experience. The Independent Directors of the Company meet all the criteria mandated by Clause 49 of the Listing Agreement. The Board's role, functions, responsibilities and accountability are clearly defined. In addition to its primary role of monitoring corporate

performance, the functions of the Board include:

- Articulating the corporate philosophy and mission;
- Formulating strategic plans;
- Reviewing and approving financial plans and budgets;
- Monitoring corporate performance against strategic plans including overseeing operations;
- Ensuring ethical behaviour and compliance with laws and regulations;
- Reviewing and approving borrowing/lending/investment limits/exposure limits, etc.;
- Keeping Shareholders informed about plans, strategies and performance.

The composition of the Board of Directors is in conformity with the stipulation laid down in the code of Corporate Governance recommended by the Securities and Exchange Board of India (SEBI) through clause 49 of the Listing Agreement of the Stock Exchanges.

Director's attendance and other directorship & membership/chairmanship.

The names and categories of the Directors on the Board, along with their attendance at Board Meetings held during the year and at last Annual General Meeting and the number of other directorship and chairmanship/membership of Committees of each Director in various companies are given below:

Sr. No.	Name of Directors	Category	No. of Directorships in other Indian Companies*	No. of Membership (Chairmanship) in Board Committees**	No. of Board Meetings		Whether attended last AGM
					Held	Attended	
1	Mr. Rajendra S. Pawar (Chairman & Managing Director)	Promoter	11	5	7	7	Yes
2	Mr. Vijay K. Thadani (Chief Executive Officer & Wholetime Director)	Promoter	9	3 (1)	7	7	Yes
3	Mr. P. Rajendran (Chief Operating Officer & Wholetime Director)	Executive	8	2 (2)	7	7	Yes
4	Mr. Subroto Bhattacharya (Director)	Independent, Non Executive	6	7 (3)	7	6	Yes
5	Mr. Surendra Singh (Director)	Independent, Non Executive	6	6 (2)	7	7	Yes
6	Mr. Shardul S. Shroff (Director)	Independent, Non Executive	6	4	7	4	No

CORPORATE GOVERNANCE REPORT (Contd.)

7	Mr. Sanjay Khosla*** (Director)	Independent, Non Executive	-	-	7	2	No
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* Other directorships do not include private companies, Section 25 companies and companies incorporated outside India.

** Includes only Audit Committee and Shareholders'/Investors' Grievance Committee of Public Limited Companies.

*** Mr. Sanjay Khosla, being resident of USA, had participated in the meetings through tele-conference, wherever he could not attend in person.

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956.

A brief profile and role of each of the Directors is given below:

Mr. Rajendra S. Pawar

Designation: Chairman and Managing Director

Profile: Mr. Pawar is the Chairman and co-founder of NIIT Limited.

A distinguished alumnus of the premier IIT Delhi, he is known for promoting industry-academia alliances and has been working closely with the country's well-known educational institutions. He is an established thought leader in the industry. He has served on the Prime Minister's National Task force, which aims at making India an IT Superpower by 2008. He is also helping the Government of South Africa to develop a growth strategy for its Information in Communication & Technology (ICT) industry. He is actively involved in India's key Chambers of Commerce and has led several ICT industry initiatives, giving voice to the sector's aspirations and goals. He has been a Founder Member of the National Association of Software and Service Companies (NASSCOM). He is currently a member of the International Business Council of the World Economic Forum.

Recognising his pioneering and entrepreneurial work in the education and software sectors, Global Business Intelligence firm, Ernst & Young conferred on Mr. Pawar its prestigious Master Entrepreneur of the Year Award in 1999. His contributions to the IT industry in India have also earned him the IT Man of the Year award instituted by IT industry journal, Dataquest.

He serves on the Board of Governors of Indian Institute of Technology, Delhi, the Indian School of Business and the Scindia School. He also serves on the Board of Management of world's largest distance learning university, Indira Gandhi National Open

University (IGNOU). He is also a member of Planning Commission's task force on skill development.

Roles and Responsibilities: Mr. Pawar plays a major role in providing thought leadership and strategic inputs to the Company in addition to supervising the functional heads of Corporate Development, Strategic HR and Corporate Communications.

Mr. Vijay K. Thadani

Designation: Chief Executive Officer and Whole-time Director

Profile: Mr. Thadani, co-founder and Chief Executive Officer of NIIT has built an organisation that is recognised for its innovative efforts of taking computer education to the masses. He has led the Company's globalisation effort since 1991, taking NIIT flag to over 40 countries. He mentored NIIT's Strategic Alliance Programme that resulted in successful acquisitions of leading technology and training companies to fill in critical technology gaps in NIIT's software solutions and corporate solutions offerings and to gain customer access.

Mr. Thadani is deeply involved in strengthening and consolidating NIIT's presence in the Chinese market, where the Company has begun operations in 1998 and now has presence across 25 provinces in China and has a network of over 100 centers in that country. He was honoured with the position of Economic Consultant to Chongqing, one of the world's largest city in the People's Republic of China.

Mr. Thadani has headed many Industry Associations and Societies including the Indian IT industry association, MAIT. He has also chaired the Indian Government's Committee on National Information Infrastructure Policy. He has also served as the Chairman of the IT Committee of CII in the United States and has led delegations to Korea, Japan, Taiwan, China and the United States to promote India's IT capability. He is currently the Chairman of CII National Committee on Education.

A 'distinguished alumnus' of the premier IIT Delhi, Mr. Thadani has lectured at prestigious institutions including the University of Michigan Business School, the J L Kellogg Graduate School of Management and the Indian Institutes of Management (IIMs).

Roles and Responsibilities: Mr. Thadani's responsibilities include leading NIIT's Strategic Alliance initiative, the Technology partnership initiative and leveraging growth

CORPORATE GOVERNANCE REPORT (Contd.)

opportunities in addition to overseeing the Finance, Legal and Secretarial and Investor Relations functions. He oversees NIIT's Global Learning Business and as Chairman of NIIT Institute of Finance Banking and Insurance Training Limited and Evolv Services Limited, he oversees the operations of these companies.

Mr. P. Rajendran

Designation: Chief Operating Officer and Whole-time Director

Profile: Mr. Rajendran joined the Company at the time of its inception in 1982 and has been a part of the core team, which has developed the organisation and brought it to its present position of international standing.

An alumnus of the premier IIT Delhi, Mr. Rajendran now leads NIIT's staff services functions. A people's person and a believer in leveraging Information Technology for HR competitiveness, he has helped NIIT emerge as one of the most preferred employers in the Indian IT Industry. The Company received the 1998 National HRD Award for the best HR practices, the World HRD Congress 2000 Award for Innovative HR practices and the Delhi Management Association-Watson Wyatt Award 2004 for Excellence in Innovative HR Practice.

Mr. Rajendran has also been actively associated with Indian industry associations like CII, Manufacturers' Association of Information Technology, NASSCOM and professional bodies like Institute of Electrical and Electronics Engineers, USA. He takes keen interest in the area of deployment of ICT for human development and creation of jobs in the future. He has chaired the HRM sub-committee and IT sub-committee of CII's Northern Regional Council.

Roles and Responsibilities: Mr. Rajendran assists the CEO in the management of operations of the Company. In addition, he leads the corporate teams engaged in Human Resources, Commercial Services, Information Resources and Legal Services.

Mr. Subroto Bhattacharya

Designation: Non-Executive Independent Director

Profile: Mr. Subroto Bhattacharya, a Chartered Accountant with over 31 years of experience, specialises in finance and management consultancy. He has been part of the core team in several reputed organisations. He was invited to NIIT's Board as an Independent Director in 1998.

Roles and Responsibilities: Mr. Bhattacharya advises NIIT on financial and management issues and is the Chairman of the Audit Committee.

Mr. Surendra Singh

Designation: Non-Executive Independent Director

Profile: Mr. Surendra Singh has served in the Central and State Governments as an IAS Officer. Starting his Public Service in 1959, Mr. Singh has held positions like Special Secretary to the Prime Minister of India, responsible for all the economic work in the PM's Office, Cabinet Secretary to the Government of India, Secretary to the Council of Ministers and Secretary, Ministry of Industry. He was an Executive Director on the board of the World Bank, representing India, Bangladesh, Sri Lanka and Bhutan. He was Director on the Boards of the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA). Mr. Surendra Singh was invited to NIIT's Board as an Independent Director in 2001.

Roles and Responsibilities: Mr. Singh advises NIIT on Internal Controls, Audit Systems, Compensation Structure and Investor Relations. He chairs the Shareholders'/ Investors' Grievance Committee of Board of Directors.

Mr. Shardul S. Shroff

Designation: Non-Executive Independent Director

Profile: Mr. Shardul S. Shroff has been a practicing lawyer with Amarchand & Mangaldas & Suresh A. Shroff & Co. since 1980. Amarchand Mangaldas, founded in 1917, is one of the leading Law Firm in India. Mr. Shroff, as one of the Managing Partners, has catalyzed several practice areas of the Firm out of its New Delhi office. His specialisations include mergers and acquisitions, capital markets, disinvestments and privatisation of government shares, project finance, infrastructure specially airport privatisations, aviation, oil & gas, power, telecom, ports, roads, corporate finance, structured finance insolvency and corporate reconstruction. He has been instrumental in developing the media law, policy and regulatory practice, and technology law practice of the Firm and has served on a number of several high-powered committees appointed by the Government of India, including on various economic legislations. Mr. Shroff was invited to NIIT's Board as an Independent Director in 2001.

Roles and Responsibilities: Mr. Shroff advises NIIT on issues relating to Corporate Governance, SEBI

CORPORATE GOVERNANCE REPORT (Contd.)

regulations and other Legal and Statutory Compliances. He is the Chairman of the Compensation/ Remuneration Committee of the Board of Directors.

Mr. Sanjay Khosla

Designation: Non-Executive Independent Director

Profile: Mr. Sanjay Khosla joined Kraft Foods, Inc., in January 2007, as President International, responsible for the company's over US \$15 billion business outside of North America. Before joining Kraft Foods, he was the Managing Director of Fonterra Brands, the consumer arm of Fonterra Co-operative Group Limited, New Zealand's largest multi-national company and one of the world's biggest dairy companies. As Managing Director of Fonterra Brands, Mr. Khosla managed a business that spans more than 40 countries and has annual revenues of approximately US\$3 billion. Prior to this, Mr. Khosla was Senior Vice President, Global Beverages, Unilever and Chairman of that company's Global Board for the beverages category. During his 27 year career with Unilever, Mr. Khosla held senior positions in India, Europe and the United Kingdom.

Mr. Khosla is an alumnus of the premier IIT, Delhi, and has completed an Advanced Management Programme from Harvard University. Mr. Khosla was invited to NIIT's Board as an Independent Director in 2002.

Roles and Responsibilities: Mr. Khosla advises NIIT on brand building, marketing strategy, remuneration policies and other matters. He is a member of Compensation/ Remuneration Committee.

Board Meetings

The Board of Directors met 7 (Seven) times during the financial year 2007-2008 on the following dates:

Sr. No.	Date of Meetings	Sr. No.	Date of Meetings
1	June 5, 2007	5	December 3, 2007
2	June 18, 2007	6	January 21, 2008
3	July 30, 2007	7	March 17, 2008
4	October 25, 2007		

The Company holds at least four Board meetings in a year, one in each quarter to review the financial results. Apart from the four scheduled Board meetings, additional Board meetings are also convened to address the specific requirements of the Company. Urgent matters are also approved by the Board by passing resolutions through circulation. The gap between two Board meetings never exceeds four months. All Directors

on the Board are free to suggest any item for inclusion in the agenda for the consideration of the Board.

The necessary information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement have been placed before the Board for their consideration. The Board and Committees have, inter-alia, addressed the following key items :

- Three years perspective plan & vision of the Company for global eminence;
- Annual business plan;
- Investments and/or loans made by the Company;
- Formation of subsidiary companies (including overseas companies);
- Review of operations (including subsidiary companies);
- Strategic acquisitions of companies and critical assets;
- Strategic decisions relating to new ventures;
- Statutory matters;
- Review of compensation to Directors;
- New alliances;
- Review of minutes of Committee meetings;
- Review of foreign exchange exposures;
- Review of Board Meetings minutes of the subsidiary companies
- Review of annual budgets, capital budgets and updates;
- Review and adoption of accounts and quarterly and annual financial results.

The Company has laid down procedures to inform the Board Members about the risk assessment and mitigation procedures.

BOARD COMMITTEES

In accordance with Clause 49 of the Listing Agreement with Stock Exchanges, the following Committees are in operation:

- Audit Committee
- Compensation/Remuneration Committee
- Shareholders'/Investors' Grievance Committee

Audit Committee

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an Audit Committee was constituted. All the members of the Committee are Non-Executive Independent Directors and every member has rich experience in the financial

CORPORATE GOVERNANCE REPORT (Contd.)

sector. The Company Secretary acts as Secretary to the Committee. Statutory Auditors, Internal Auditors and Senior Management Personnel of the Company also attend the meetings by invitation. The recommendations of the Audit Committee are accepted and implemented by the Board. The Audit Committee comprises of :

Chairman: Mr. Subroto Bhattacharya

Members: Mr. Shardul S. Shroff and Mr. Surendra Singh

Functions and Terms of Reference

The terms of reference of Audit Committee are as per Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956 and includes such other functions as may be assigned to it by the Board from time to time. The main functions of the Audit Committee, inter-alia, include:

- Supervision of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Management Discussion and Analysis of financial condition and results of operations;
- Recommending the appointment and termination of Statutory Auditors, fixation of audit fee and approval of payment for any other services;
- Reviewing the annual financial statements with the CFO and the Management before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement forming part of the Directors' Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956;
 - Changes, if any, in accounting policies and practices and rationale for the same;
 - Significant changes, if any, in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Qualifications in the draft audit report, if any.
- Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the Management, Statutory and Internal Auditors, the adequacy of internal control systems.

- Reviewing the internal audit function, including the structure of the Internal Audit Organization, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussions with Internal Auditors, on any significant findings and follow up thereon.
- Reviewing the findings of any Internal Audit Report by the Internal Auditors into matters concerning fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with Statutory Auditors, before the audit commences, about the nature and scope of the audit as well as having post-audit discussions to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- To look into substantial defaults, if any, in the payment to the Shareholders (in case of non-payment of declared dividends) and creditors.

The particulars of the meetings attended by the members of the Audit Committee and the dates of the meetings held during the financial year 2007- 2008 are given below:

Name of Members	No. of Meetings		Date of Meetings
	Held	Attended	
Mr. Subroto Bhattacharya	6	6	May 16, 2007
			June 5, 2007
Mr. Surendra Singh	6	6	July 30, 2007
			October 25, 2007
Mr. Shardul S. Shroff	6	3	January 21, 2008
			March 17, 2008

Compensation/Remuneration Committee

The Compensation/Remuneration Committee of the Company is constituted to evaluate remuneration and benefits for the Executive Directors and to frame policies and systems for Employees Stock Option Plans.

The remuneration policy of the Company is aimed at rewarding performance, based on review of achievements on a regular basis.

The Compensation/Remuneration Committee has been constituted by the Board and it comprises following Non-executive Independent Directors :

Chairman: Mr. Shardul S. Shroff

Members: Mr. Surendra Singh, Mr. Sanjay Khosla and Mr. Subroto Bhattacharya

CORPORATE GOVERNANCE REPORT (Contd.)

Functions & Terms of Reference

The broad terms of reference of the Compensation/Remuneration Committee of the Company are as follows:

- To institute and guide global employees compensation and benefit policies;
- Appraisal of the performance of the Executive Directors;
- To determine and recommend to the Board, compensation payable to Executive Directors;
- To formulate and administer the Company's Employees Stock Option Plans from time to time.

The particulars of the meetings attended by the members of the Compensation/Remuneration Committee and the dates of the meetings held during the financial year 2007-08 are given below:

Name of Members	No. of Meetings		Date of Meetings
	Held	Attended	
Mr. Shardul S. Shroff	2	1	June 5, 2007, September 3, 2007
Mr. Surendra Singh	2	2	
Mr. Subroto Bhattacharya	2	2	
Mr. Sanjay Khosla*	2	-	

* Mr. Sanjay Khosla had participated in the meetings through tele-conference.

Remuneration Policy

The Compensation/Remuneration Committee has the powers to determine and recommend to the Board the amount of remuneration, including performance-linked bonus and perquisites, payable to the Managing Director and Whole-time Directors. The recommendations of the Committee are based on the evaluation of the performance of Managing Director and Whole-time Directors on certain parameters, as laid down by the Board as part of the self-evaluation process and Company's Rules/Policies. In terms of the guidelines, the Company ensures that the remuneration by way of salary and other allowances and monetary value of perquisites should be within the overall limit as specified under the Companies Act, 1956 and approved by the Shareholders.

Details of Remuneration paid/payable to Managing Director and Whole-time Directors for the financial year 2007-08, are given below:

(Amount in Rs.)

Name of Directors	Mr. Rajendra S. Pawar	Mr. Vijay K. Thadani	Mr. P. Rajendran
Salary	4,812,097	4,812,097	3,679,839
Perquisites and allowance	4,674,282	4,609,786	3,263,681
Contribution to Provident Fund, Superannuation Fund or Annuity Fund	2,927,249	3,049,125	2,268,666
Performance- Linked Bonus	-	5,000,000	-
Total	12,413,628	17,471,008	9,212,186
Stock Options under ESOP-2005 *	Nil	Nil	60,000

* During the year 8,000 Stock Options (60,000 Options post split and bonus issue) were granted to Mr. P. Rajendran. The Options were granted at the market price on the date of grant i.e. @ Rs. 912.15 (Post split and bonus Rs. 121.62)

Notes :

1. Service contracts of the Executive Directors: Until cessation in service
2. Notice period of the Executive Directors: Six months unless otherwise agreed by the Board
3. Severance fee payable to the Executive Directors: None unless otherwise agreed by the Board

Remuneration to Independent Non-Executive Directors

None of the Independent Non-Executive Directors has any pecuniary relationship or transactions with the Company, its Promoters, and its Directors, its Senior Management, its subsidiary companies and associate companies, except for the following:

1. Remuneration paid to Non-Executive Directors is by way of commission (based on the net profits of the Company and within the limits approved by the Shareholders) and sitting fees (for attending the meetings of the Board/Committees).
2. During the year under review, the Company sought legal and professional advices on need basis from M/s Amarchand & Mangaldas & Suresh A Shroff & Co., a law firm in which Mr. Shardul S. Shroff is a partner, for which a payment of Rs.3,145,347 net of TDS was made. The transaction is not a material transaction and therefore, does not affect the independence of the Director.

Details of Remuneration paid/payable to Non-Executive Independent Directors for the financial year 2007-2008 and other details, are given below:

(Amount in Rs.)

Name of Director	Mr. Subroto Bhattacharya	Mr. Surendra Singh	Mr. Shardul S. Shroff	Mr. Sanjay Khosla
Commission	500,000	500,000	500,000	500,000
Sitting Fees	360,000	460,000	160,000	40,000
No. of shares held in the Company	56,250	56,250	56,250	56,250

CORPORATE GOVERNANCE REPORT (Contd.)

Criteria for making payment to Non-Executive Directors

The Independent Directors play an important role in the Governance of the Company and in advising the Board in critical domains like finance, marketing, remuneration, planning and legal matters. A remuneration in the form of annual commission is paid to all independent Directors. In addition, based on their contribution of time for Board meetings and Committee meetings, a sitting fee is also paid. Further, based on the performance of the Company, they become eligible for getting stock options of the Company from time to time.

Disclosures regarding re-appointment of Directors

The resumes of the Directors who are retiring by rotation and being eligible, proposed to be re-appointed are provided in the Notice to the Annual General Meeting.

Employees Stock Option Plans

The remuneration policy is directed towards rewarding performance of the employees of the Company. It is aimed at attracting and retaining high caliber talent. The stock option plan, inter-alia, authorizes the Company to grant options which are linked to performance and achievement of the Company's objectives.

Details of options granted under NIIT Employee Stock Option Scheme

The detail of the options granted under 'NIIT Employee Stock Option Scheme, 2005 (ESOP-2005) is provided in the Directors' Report.

Shareholders'/Investors' Grievances Committee

The Shareholders'/Investors' Grievances Committee was constituted to ensure that all commitment to Shareholders and Investors are met and thus strengthen their relationship with the Company.

The composition of the Shareholders'/Investors' Grievances Committee is as below:

Chairman: Mr. Surendra Singh

Members: Mr. Vijay K. Thadani and Mr. P. Rajendran

Functions and Terms of reference

The functioning and broad terms of reference of the Shareholders'/Investors' Grievances Committee of the Company are as under:

- To review the redressal of complaints received from Shareholders and Investors.
- To review the important circulars issued by SEBI/

stock exchanges.

- To review changes in the shareholding patterns.
- To take note of the compliance of Corporate Governance during the quarter/year.

The particulars of the meetings attended by the members of the Shareholders'/Investors' Grievances Committee and the dates of the meetings held during the financial year 2007-2008 are given below:

Name of Members	No. of Meetings		Date of Meetings
	Held	Attended	
Mr. Surendra Singh	4	4	June 5, 2007
Mr. Vijay K. Thadani	4	4	July 30, 2007
Mr. P. Rajendran	4	4	October 25, 2007
			January 21, 2008

During the financial year 2007-2008, the Company has received 432 request/queries/complaints from various Shareholders/Investors relating to non-receipt of dividend/ change of bank account details /bonus shares/Annual Report/ transfer of shares/ dematerialisation, etc. The same were addressed and resolved to the satisfaction of the Shareholders/Investors. The break-up of the letters received from the Shareholders/Investors are provided else where in this Report. As on March 31, 2008, no request/query/complaint was pending for redressal.

Other Committees constituted by the Board

Apart from above committees, the Board has constituted the following committees of the Directors for efficient and quick decision-making on the affairs of the Company:

- The Operations Committee which approves the opening/closing of bank accounts, modification in operation of bank accounts, grant of power of attorney/authorisation, etc.
- The Share Allotment Committee, which approves allotment, split, consolidation, rematerialisation and issue of new and duplicate shares.
- The Share Transfer Committee, which approves the transfer of shares lodged with the Company/Registrar.
- Other specific committees for specified/special purposes like Strategic Investments Committee for strategic investments, etc.

CODE OF CONDUCT

NIIT's Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct is available on the Company's website www.niit.com. All Board

CORPORATE GOVERNANCE REPORT (Contd.)

Members and Senior Management Personnel have affirmed compliance with the Code of Conduct during the financial year 2007-2008. A declaration signed by the Chief Executive Officer (CEO) to this effect is annexed to this report.

CEO AND CFO CERTIFICATION

In terms of Clause 49 (V) of the Listing Agreement, Certificate issued by Chief Executive Officer and Chief Financial Officer, confirming that the financial statements present the true and fair view of the Company's affairs and are in compliance with existing accounting standards, internal control and disclosures, is annexed to this report.

SUBSIDIARY COMPANIES

Clause 49 of the Listing Agreement defines a "material non-listed subsidiary" as an unlisted subsidiary company, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20 percent of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiary companies in the immediately preceding accounting year. Under this definition, the Company does not have a 'material non-listed Indian subsidiary company'.

GENERAL MEETINGS

Location, date and time of the General Meetings held during the preceding three years and the Special Resolutions passed thereat are as follows:

Sr. No.	Place	Date & Time	Special Resolutions
Annual General Meetings			
1	FICCI Auditorium Tansen Marg, New Delhi- 110001	July 25, 2007 11.00 A.M.	<ul style="list-style-type: none"> Alteration to the Articles of Association of the Company. Issue of Bonus Shares. Enhancement in the Investment ceiling for Foreign Institutional Investors. Revision of Remuneration payable to Mr. Rajendra S. Pawar, Chairman & Managing Director. Revision of Remuneration payable to Mr. Vijay K. Thadani, Whole -Time Director. Revision of Remuneration payable to Mr. P. Rajendran, Whole -Time Director.
2	FICCI Auditorium Tansen Marg, New Delhi- 110001	August 17, 2006 11.00 A.M.	<ul style="list-style-type: none"> Minimum remuneration payable to Mr. Rajendra S Pawar, Managing Director. Minimum remuneration payable to Mr. Vijay K Thadani, Whole-time Director. Payment of Commission to Non Executive Directors of the Company.

3	FICCI Auditorium Tansen Marg, New Delhi- 110 001	July 22, 2005 11.30 A.M.	<ul style="list-style-type: none"> Grant of a corpus of Rs. 50 million for setting up of a University u/s 293(1) (e) of the Companies Act, 1956. Revision of Remuneration payable to Mr. Rajendra S. Pawar, Chairman & Managing Director. Revision of Remuneration payable to Mr. Vijay K. Thadani, Whole -Time Director. Revision of Remuneration payable to Mr. P. Rajendran, Whole -Time Director.
Extra-ordinary General Meeting			
1	FICCI Auditorium Tansen Marg, New Delhi- 110 001	February 24, 2005 10.00 A.M.	<ul style="list-style-type: none"> Issue of Foreign Currency Convertible Bonds.

Postal Ballot

During the preceding financial year, no resolution was passed through postal ballot and presently no resolution has been proposed to be passed through postal ballot.

DISCLOSURES

a. Related Party Transactions

There is no Related Party Transaction that may have potential conflict with the interest of the Company at large. The Company's major Related Party Transactions are generally with its subsidiary and associate companies. The Related Party Transactions are entered into based on the considerations of various business exigencies and Company's long term strategy. All the Transactions entered during the financial year 2007-08 with Related Parties were on arm length basis and the same are reported under Notes of the Financial Statements.

All transactions covered under Related Party Transactions are regularly/periodically ratified and/or approved by the Board/Audit Committee. For details please refer Note 20 of Schedule 20 of the Accounts of the Company.

b. Compliance

The Company has complied with the requirements of the Stock Exchanges/SEBI and Statutory Authority(ies) on all matters related to the capital market during the last three years. There are no penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority(ies) relating to the above.

c. Risk Management

The Company has laid down procedures to inform the Board Members about the risk assessment

CORPORATE GOVERNANCE REPORT (Contd.)

and minimisation procedures. The online risk management system is introduced through which all the designated officials submit quarterly reports which is reviewed periodically to ensure effective risk management.

d. Proceeds from the public issue/right issue/ preferential issues etc.

There was no fresh public issue/right issue/ preferential issues etc. during the financial year 2007-2008.

e. Remuneration of Directors

The Company has defined its criteria of making payment of remuneration to its Non-Executive Directors. The details are stated else where in the report.

f. Management discussion and Analysis

There is a separate part on Management Discussion and Analysis in the Annual Report.

COMPLIANCE OF THE REQUIREMENT OF CLAUSE 49 OF THE LISTING AGREEMENT

A. Mandatory Requirements

The Company has complied with all the applicable mandatory requirements of Clause 49 of the Listing Agreement.

B. Non-mandatory Requirements

The Company has adopted following non-mandatory requirements of Clause 49 of the Listing Agreement:

a) Remuneration to the Whole-time Directors and Non Executive Directors : The Company has defined its criteria of making payment of remuneration to its Executive and Non-Executive Directors.

b) Shareholders' Rights : The Company sends financial statements along with Directors' report and Auditors' report to all the Shareholders every year.

c) Training of Board Members : Board Members participate in relevant conferences and industry forums as part of their training.

d) Mechanism for evaluating Non-Executive Board Members : The key parameters are contributions to the strategy for growth of the Company, setting directions for improvement in governance and participating in the relevant

meetings on a regular basis.

e) Whistle Blower Policy : The culture of openness with easy access to the Senior Management provides an environment for easy and free exchange of ideas and issues faced by people in the Company. A formal whistle blower policy is not in place. Employees may report to the Management concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

C. Code for prevention of Insider -Trading Practices

In compliance with the SEBI's regulations on prevention of insider trading, the Company has instituted a comprehensive Code of Conduct for its management and staff. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of NIIT Limited and cautioning them of the consequences of violations.

D. Accounting Treatment in preparation of financial statements

The Company has followed the Accounting Standards as notified under Section 211(3C) of the Companies Act, 1956 in preparation of financial statements and there has been no deviation from the prescribed Accounting Standards.

E. Statutory Compliance

The Company has a system in place whereby all Business Heads/ Unit In-charges gives a Compliance Certificate to the Board of Directors through the Compliance Officer of the Company relating to compliance of laws, rules, regulations and guidelines applicable to their areas of operation. The Company takes appropriate steps after consulting internally and if necessary, from independent legal counsels that the business operations are not in contravention of any laws. The Company takes all measures to register and protect Intellectual Property Rights including trade name/ service/trade marks/patents, etc belonging to the Company

MEANS OF COMMUNICATION

a. The quarterly/half yearly/annual results during the year were published in the leading national English and Hindi Newspapers and displayed on the website of the Company www.niit.com. Official news releases, financial results, consolidated

CORPORATE GOVERNANCE REPORT (Contd.)

news releases, financial results, consolidated financial highlights and presentations are also displayed at the Company's website.

- b. The Company had quarterly Investors teleconferences and press conferences on June 5, 2007, July 30, 2007, October 25, 2007 and January 21, 2008 for the Investors of the Company immediately after the declaration of quarterly/annual results.
- c. The management perspective, business review and financial highlights are part of the Annual Report.
- d. The quarterly distribution of shareholding is also displayed on the Company's website.
- e. Annual Reports, Quarterly Results, Shareholding Pattern, etc of the Company were also posted on the SEBI's EDIFAR website www.sebiedifar.nic.in from time to time.

SHAREHOLDERS' INFORMATION

a. Company Registration Details

The Company is registered in the National Capital Territory of Delhi. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L74899DL1981PLC015865.

b. Annual General Meeting

Date : Monday, July 28, 2008

Time : 11.00 A.M.

Venue : FICCI Auditorium, 1 Tansen Marg, New Delhi -110 001

Book Closure Dates: July 22, 2008 to July 28, 2008 (both days inclusive)

c. Financial Year : April 1 to March 31

Financial Calendar (tentative and subject to change):

Financial reporting for the first quarter ending June 30, 2008	By last week of July 2008
Financial reporting for the second quarter ending September 30, 2008	By last week of October 2008
Financial reporting for the third quarter ending December 31, 2008	By last week of January 2009
Financial reporting for the year ending March 31, 2009	By last week of June 2009
Annual General Meeting for the year ending March 31, 2009	By last week of July 2009

d. Dividend

In view of our confidence in the future, the Board of Directors have recommended a dividend of Rs. 1.30 per equity share of Rs. 2 each, subject to

approval of the Shareholders' at the ensuing Annual General Meeting. The dividend shall be paid to the Shareholders within 30 days from the date of approval at the Annual General Meeting and as per the provisions of the Companies Act, 1956.

e. Unclaimed/Unpaid Dividend

All unclaimed/unpaid dividend due for the financial year ended upto September 30, 2000 have been transferred to the Investor Education and Protection Fund of the Central Government pursuant to Section 205A of the Companies Act, 1956. The Shareholders are requested to apply for revalidation/issue of demand drafts for the dividend for the financial year 2000-2001 on or before February 16, 2009, after which any unpaid dividend amount for the year 2000-2001 will be transferred by the Company to Investors Education and Protection Fund (IEPF) and no claim shall lie against the Company or IEPF after the said transfer.

f. Nomination Facility

The Companies (Amendment) Act, 1999, has provided for a nomination facility to the Shareholders of the Company. The Company is pleased to offer the facility of nomination to Shareholders and Shareholders may avail this facility by sending the duly completed Form 2B to the Registered Office of the Company/ Registrar of the Company in case the shareholding is in physical form. In case of demat holdings the request is to be submitted to the Depository Participant.

g. Listing of Shares

The shares of the Company are listed at the National Stock Exchange of India Limited (NSE), Mumbai, Bombay Stock Exchange Limited (BSE), Mumbai and the Calcutta Stock Exchange Association Limited (CSE), Kolkata. An application for delisting from the Calcutta Stock Exchange has been filed and approval is awaited. The listing fees for the year 2008-09 have been paid to the Stock Exchanges.

h. Stock Code

Trading symbol on the NSE : NIITLTD

Trading symbol on the BSE : 500304

ISIN No. at NSDL/CDSL : INE 161A01038

CORPORATE GOVERNANCE REPORT (Contd.)

i. Details of last three Annual General Meetings and Book Closure dates:

Annual General Meeting	Date when held	Book Closure (both days inclusive)
24th AGM	Wednesday, July 25, 2007	Thursday, July 19, 2007 to Wednesday, July 25, 2007
23rd AGM	Thursday, August 17, 2006	Friday, August 11, 2006 to Thursday, August 17, 2006
22nd AGM	Friday, July 22, 2005	Tuesday, July 19, 2005 to Friday, July 22, 2005

j. Compliance Certificate of the Auditors

Certificate obtained from the Statutory Auditors of the Company, confirming compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement, is annexed to this Report.

k. Stock Market Data

The monthly high and low share prices and market capitalisation of Equity Shares of the Company traded on BSE and NSE from April 1, 2007 to March 31, 2008 and the comparison of share prices of the Company vis-à-vis the Sensex and Nifty Indices are given below:

Share price movement during the year April 1, 2007 to March 31, 2008

Month	Bombay Stock Exchange				National Stock Exchange			
	Sensex	High (Rs.)	Low (Rs.)	M. Cap* (Rs. in millions)	NIFTY	High (Rs.)	Low (Rs.)	M. Cap* (Rs. in millions)
Apr-07	13,872	780	670	14,678	4,088	777	644	14,737
May-07	14,544	1000	740	17,108	4,296	998	732	17,088
Jun-07	14,651	1050	860	22,009	4,318	1049	826	22,053
Jul-07	15,551	1265	1001	23,660	4,529	1270	1000	23,660
Aug-07**	15,319	1084	124	20,576	4,464	1102	124	20,576
Sep-07	17,291	172	126	26,502	5,021	173	126	26,502
Oct-07	19,838	162	112	19,918	5,901	163	110	19,918
Nov-07	19,363	150	111	23,704	5,762	149	111	23,704
Dec-07	20,287	162	133	25,849	6,139	162	132	25,849
Jan-08	17,649	159	85	20,416	5,137	159	80	20,251
Feb-08	17,579	128	101	20,416	5,224	132	101	20,416
Mar-08	15,644	121	91	16,141	4,735	121	91	16,306

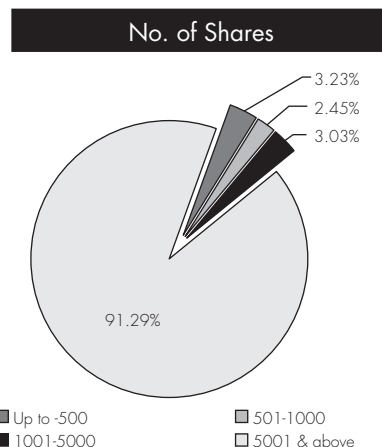
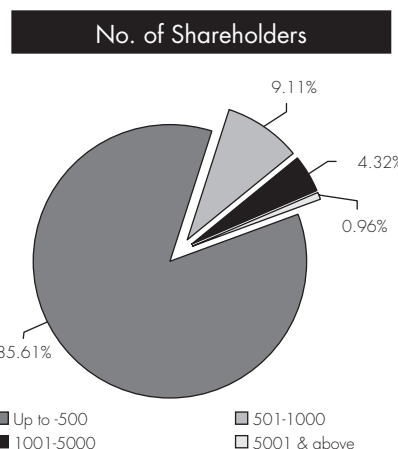
* Market capitalization at closing price of the month.

** Price from mid August is post split and ex-bonus.

Source : BSE & NSE websites

Shareholding Distribution as on March 31, 2008

Range (No. of Shares)	No. of Shareholders	% to Total Shareholders	Total No. of Shares	% to Total Shares
Up to - 500	49,722	85.61	5,322,511	3.23
501 - 1000	5,293	9.11	4,031,233	2.45
1001 - 5000	2,512	4.32	4,987,134	3.03
5001 & above	550	0.96	150,361,985	91.29
** TOTAL **	58,077	100.00	164,702,863	100.00

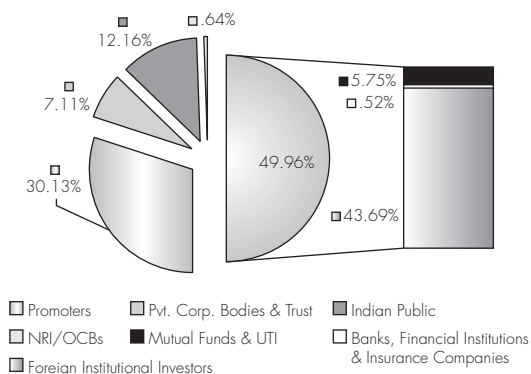


CORPORATE GOVERNANCE REPORT (Contd.)

Shareholding Pattern as on March 31, 2008

Category	No. of shares held (face value of Rs. 2 each)	Percentage of total shareholding
Promoters' Holding		
Indian Promoters	49,628,342	30.13
Foreign Promoters	-	-
Total Promoters' Holding	49,628,342	30.13
Public Shareholding		
Mutual Funds and UTI	9,462,017	5.75
Banks, Financial Institutions	37,866	0.02
Insurance Companies	827,627	0.50
Foreign Institutional Investors	71,953,308	43.69
Private Corporate Bodies & Trust	11,716,174	7.11
Indian Public	20,019,499	12.16
NRI/OCBs	1,058,030	0.64
Total Public Shareholding	115,074,521	69.87
Grand Total	164,702,863	100.00

Shareholding Pattern



l. Details of requests/queries/complaints received and resolved during the financial year 2007-08

Nature of query/complaint	Received	Resolved	Unresolved
Change of address	54	54	-
Change of Bank details	24	24	-
Correction in dividend warrant	182	182	-
Legal matters, shares in legal disputes	2	2	-
Non Receipt of Annual Report	9	9	-
Non receipt of Dividend	44	44	-
Non Receipt of Bonus/Split/Share certificate	16	16	-
Non Receipt of Bonus Fractional share payment	2	2	-
Requests for Annual Report	11	11	-
Requests for Bonus/Split share certificates	36	36	-
Requests for duplicate share certificates	2	2	-
Requests for shareholding details	11	11	-
SEBI/Stock Exchange letters	2	2	-
Share certificates lodged for transfer	26	26	-
Others(non classified in above)	11	11	-
Total	432	432	-

There was no request/query/complaint pending at the beginning of the year. During the financial year, the Company attended most of the Shareholders'/Investors' requests/queries/complaints within 7 days from the date of receipt. The exceptions have been for cases constrained by procedural issue/disputes or legal impediments etc. There is no request/query/complaint pending at the end of the financial year.

m. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

During the year, 1000, 2.5% Foreign Currency Convertible Bonds of US \$ 10,000 each, aggregating to US \$ 10 million issued to Intel Capital (Cayman) Corporation in the year 2005, were converted into 2,188,000 equity shares of Rs. 10 each at conversion price of Rs. 200 per share.

CORPORATE GOVERNANCE REPORT (Contd.)

As on date there are no outstanding warrants / bonds/ other instruments which are convertible into equity shares.

n. **Dematerialisation of Shares and Liquidity**

The Shares of the Company are compulsorily traded in dematerialised form. The Company has arrangements with both the National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity of its shares for scripless trading. As on March 31, 2008, 99.14 percent of the shares of the Company were held in a dematerialised form.

o. **Liquidity of Shares**

During the year, the Company's shares were included in the Futures & Options (F&O) segment of NSE for trading. The Company's shares were also included in the BSE- 200 Index and BSE-TECk Index and continued to be part of BSE – 500 Index and MIDCAP index of BSE.

p. **Share Transfer System**

The Company has appointed a common Registrar for the physical share transfer and dematerialisation of shares. The shares lodged for physical transfer/ transmission/ transposition are registered normally within a period of fortnight, if the documents are complete in all respects. For this purpose, the Share Transfer Committee meets as often as required. During the period under review, the Committee met 24 times. Adequate care is taken to ensure that no transfers are pending for more than a fortnight. Requests for demat/remat were confirmed mostly within a fortnight. The Company obtains from a Company Secretary in Practice half-yearly certificates of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

q. **Compliance Officer**

Mr. Parveen Jain, Company Secretary and

Legal Counsel is the Compliance Officer of the Company.

r. **Designated exclusive email-id :**

The Company has designated an email-id "investors@niit.com" exclusively for Shareholders and Investors servicing.

s. **Registrar for Dematerialisation (Electronic Mode) of Shares and Physical Transfer of Shares**

The Company has appointed a Registrar for dematerialisation and physical transfer of shares whose detail is given below:-

Alankit Assignments Limited

Unit: NIIT Limited

2E/21, Jhandewalan Extension,
New Delhi – 110 055.

Phone Nos. : +91 11 42541234, 23541234

Fax Nos. : +91 11 42541967,

E-mail : rta@alankit.com

t. **Registered Office**

NIIT Limited,

NIIT House, C-125, Okhla Phase - I

New Delhi - 110 020

u. **Address for Correspondence**

The Shareholders may address their communication/ suggestions/ grievances /queries relating to the shares of the Company to :

Investors Services Department

NIIT Limited

NIIT House, C-125, Okhla Phase – I,
New Delhi - 110 020.

Tel Nos. : +91 11 41407000

Fax : +91 11 26817344

e-mail : investors@niit.com

The Corporate Governance Report was adopted by the Board of Directors at their meeting held on June 11, 2008.

CORPORATE GOVERNANCE REPORT (Contd.)

CERTIFICATES UNDER CORPORATE GOVERNANCE REPORT

A. Declaration regarding compliance with the Code of Conduct by Board Members and Senior Management personnel pursuant to Clause 49(1)(D)(ii) of the Listing Agreement

This is to certify that as per Clause 49 of the Listing Agreement:

1. The code of conduct has been laid down for all the Board Members and Senior Management and other employees of the Company.
2. The code of conduct has been posted on the website of the Company.
3. The Board members and Senior Management Personnel have affirmed compliance with the Company's code of conduct for the year 2007-08.

Place : New Delhi
Dated : June 11, 2008

Vijay K. Thadani
CEO and Whole-time Director

B. Certificate by Chief Executive Officer and Chief Financial Officer on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To,
The Board of Directors,
NIIT Limited
C-125 Okhla Phase-I
New Delhi - 110 020

We hereby certify that for the financial year 2007-08:

1. We have reviewed the financial statements and the cash flow statement and that to the best of our knowledge and belief:
 - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) 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.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2007-08 which are fraudulent, illegal or violate the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting 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 those deficiencies, if any, of which we are aware, in the design or operation of the internal control systems and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee:
 - significant changes, if any, in internal control over financial reporting during this year;
 - significant changes, if any, in accounting policies during this year 2007-08 and that the same have been disclosed in the notes to the financial statements; and
 - instances of significant fraud of which we are 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.

Place : New Delhi
Dated : June 11, 2008

Vijay K. Thadani
CEO and Whole-time Director

Jitender Mahajan
Chief Financial Officer

CORPORATE GOVERNANCE REPORT (Contd.)

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

To the Members of NIIT Limited,

We have examined the compliance of conditions of Corporate Governance by NIIT Limited, for the year ended March 31, 2008, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and 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 confirm that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements in all material aspects.

We 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.

Place : New Delhi
Date : June 11, 2008

H. Singh
Partner
Membership No. F-86994
For and on behalf of
Price Waterhouse
Chartered Accountants