

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 optimizing 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, 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 Director, Designation and DIN No.	Category	No. of Directorships in other Indian Companies*	No. of Membership (Chairmanship) in other Board Committees**	No of Board Meetings		Whether attended last AGM
					Held	Attended	
1.	Mr. Rajendra S Pawar (Chairman and Managing Director) 00042516	Promoter	12	5(1)	10	9	Yes
2	Mr. Vijay K Thadani (Chief Executive Officer & Whole-time Director) 00042527	Promoter	8	4(2)	10	10	Yes
3.	Mr. P Rajendran (Chief Operating Officer & Whole-time Director) 00042531	Executive	9	3(1)	10	8	Yes
4	Mr. Subrato Bhattacharya (Director) 00009524	Independent, Non-Executive	6	7(3)	10	9	Yes
5	Mr. Surendra Singh (Director) 00003337	Independent, Non-Executive	4	5(1)	10	10	Yes
6	Mr. Shardul S Shroff*** (Director) 00009379	Independent, Non-Executive	4	2	10	3	No
7	Mr. Sanjay Khosla**** (Director) 00981819	Independent, Non-Executive	-	-	10	2	No

* Other directorships do not include private companies, Section 25 companies and companies incorporated outside India.

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

*** Mr. Shardul S Shroff, had participated in the meetings through tele-conference, wherever he could not attend in person.

**** 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.

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 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. P. Rajendran, Director & Chief Operating Officer, NIIT, co-founded the Company in 1982 and is part of the core team that has developed the organization and brought it to its present position of international standing. He is an alumnus of Indian Institute of Technology Delhi.

Today, Mr. Rajendran leads the People initiatives, Infrastructure & Technology Services and the legal compliances at NIIT. He facilitates the Company's thrust with Governments in many countries for skills development in public private partnership. A people-person and a believer in leveraging Information Technology for Human Resources competitiveness and innovation, he has helped NIIT emerge as one of the most exciting places to work, in the Indian IT Industry. The Company has received many awards in recognition of its innovative HR practices.

Mr. Rajendran is actively associated with industry associations like CII, NASSCOM and FICCI. He is member of the CII Africa Council and the CII National Committee on Skills, Human Resources and Industrial Relations. He is on the Central Board of Trustees of Employees' Provident Fund Organization and on the Board of Management of Guru Gobind Singh Indraprastha University.

He takes keen interest in the area of deployment of Information & Communication Technologies (ICT) for human development and creation of new jobs.

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 32 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 and also Member of the Compensation/Remuneration 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 regulations and other Legal and Statutory Compliances.

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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 Kraft International. Mr. Khosla is responsible for all Kraft Foods business in Asia Pacific, Central and Eastern Europe, Middle East and Africa, and Latin America. Mr. Khosla also has leadership oversight for Global Biscuits, Coffee, Chocolate and Powdered Beverages. 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. 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 also serves as a Director of Best Buy Co. Inc., USA.

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 10 (Ten) times during the financial year 2008-2009 on the following dates:

Sr. No.	Date of Meetings	Sr. No.	Date of Meetings
1	June 4, 2008	6	October 21, 2008
2	June 11, 2008	7	November 18, 2008
3	July 24, 2008	8	January 20, 2009
4	July 28, 2008	9	March 09, 2009
5	September 23, 2008	10	March 24, 2009

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 has 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 Board Meetings minutes of the subsidiary companies;
- Review of foreign exchange exposures;
- Review of annual budgets, capital budgets and updates;
- Review and adoption of accounts and quarterly and annual financial results;
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of the Chief Financial Officer and Company Secretary;
- Materially important litigations, show cause notice, demand, prosecution, and penalty notices;
- Any material default in financial obligations to and by us, or substantial nonpayment for goods sold by us;
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property;
- Any significant development on the human resources aspect;
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business;
- Details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement; and
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

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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 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 placed before the Board for its acceptance and improvement. 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 debenture holders, 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 2008- 2009 are given below:

Name of Members	No. of Meetings		Date of Meetings
	Held	Attended	
Mr. Subroto Bhattacharya	4	4	June 11, 2008
Mr. Surendra Singh	4	4	July 24, 2008
Mr. Shardul S. Shroff*	4	-	October 21, 2008 January 20, 2009

* Mr. Shardul S Shroff had participated in the meetings through tele-conference.

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Compensation/Remuneration Committee

The Compensation/Remuneration Committee of the Company is constituted to evaluate remuneration and benefits for the Executive Directors, to frame policies and systems for Employees Stock Option Plans and to formulate and administer the Company's Employees Stock Option Plans from time to time.

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

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 2008-09 are given below:

Name of Members	No. of Meetings		Date of Meetings
	Held	Attended	
Mr. Subroto Bhattacharya	3	3	June 4, 2008 June 11, 2008 July 28, 2008
Mr. Surendra Singh	3	3	
Mr. Shardul S. Shroff*	3	1	
Mr. Sanjay Khosla*	3	-	

* Mr. Shardul S Shroff and 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 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 2008-09, are given below:

(Amount in Rs.)

Name of Directors	Mr. Rajendra S Pawar	Mr. Vijay K. Thadani	Mr. P. Rajendran
Salary	4,675,000	4,675,000	3,575,000
Perquisites and allowances	4,469,704	4,650,166	3,227,397
Contribution to Provident Fund, Superannuation Fund or Annuity Fund	1,837,357	1,838,893	1,367,238
Total	10,982,061	11,164,059	8,169,635
Stock Options under ESOP-2005*	NIL	NIL	60,000

* During the year 60,000 Options were granted to Mr. P. Rajendran. The Options were granted at the market price on the date of grant i.e. @ 88.70.

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 bill of Rs. 283,000 was received. The transaction is not a material transaction and therefore, does not affect the independence of the Director.

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Details of Remuneration paid/payable to Non-Executive Independent Directors for the financial year 2008-2009 and other details are given below:

(Amount in Rs.)

Name of Directors	Mr. Subroto Bhattacharya	Mr. Surendra Singh	Mr. Shardul S. Shroff	Mr. Sanjay Khosla
Commission	500,000	500,000	500,000	500,000
Sitting Fees	420,000	5,00,000	80,000	40,000
No. of shares held in the Company	56,250	56,250	56,250	56,250
*No. of Options granted during the year.	37,500	37,500	37,500	37,500

* During the year under review, each Non-Executive Directors were issued 37,500 Options under ESOP 2005 having vesting period of one year from the date of grant and exercisable over the period of 3 years from the date of vesting. The Options were granted at the market price on the date of grant i.e. @ 88.70.

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 2008-2009 are given below:

Name of Members	No. of Meetings		Date of Meetings
	Held	Attended	
Mr. Surendra Singh	4	4	June 11, 2008
Mr. Vijay K Thadani	4	4	July 24, 2008
Mr. P. Rajendran	4	3	October 21, 2008 January 20, 2009

During the financial year 2008-2009, the Company has received 266 request/queries/complaints from various Shareholders/Investors relating to non-receipt of declared dividend/bonus shares/Annual Report, change of bank account details, 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, 2009, 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

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allotment, split, consolidation, rematerialisation and issue of new and duplicate shares.

- c) The Share Transfer Committee, which approves the transfer of shares lodged with the Company/Registrar.
- d) During the financial year the Company has constituted Debenture Allotment Committee for approving the matters related to issue and allotment of Debentures and activities related thereto.
- e) During the financial year the Company has also constituted the Borrowing Committee of Directors to borrow upto prescribed limit on behalf of the Company between two Board Meetings.
- f) 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 Members and Senior Management Personnel have affirmed compliance with the Code of Conduct during the financial year 2008-2009. 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 statement 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
1	FICCI Auditorium Tansen Marg, New Delhi - 110001	July 28, 2008 11.00 A.M.	No Special Resolution passed in the AGM
2	FICCI Auditorium Tansen Marg, New Delhi - 110001	July 25, 2007 11.00A.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.
3	FICCI Auditorium Tansen Marg, New Delhi - 110001	August 17, 2006 11.00A.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

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 2008-09 with Related Parties were on arm length basis and the same are reported under Notes to 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 19 of Schedule 20 of the Accounts of the Company.

b. Compliance

The Company has complied with the requirements

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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 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 2008-2009

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.

g. Inter-se relationships between Directors

There is no inter-se relationship between Directors of the Company

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:

- 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.
- Shareholders' Rights:** The Company sends financial statements along with Directors' report and Auditors' report to all the Shareholders every year.
- Training of Board Members:** Board Members

participate in relevant conferences and industry forums as part of their training.

- 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.

- 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, during the year the Company had amended the Code for prevention of Insider Trading for its Directors and Designated Employees by incorporating the amendment laid down in the SEBI (Prohibition of Insider Trading) (Amendment) Regulation, 2008. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of NIIT 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

- 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 news releases, consolidated financial highlights and presentations are also displayed at the Company's website.
- The Company had quarterly Investors tele-conferences and press conferences on June 11 2008, July 24, 2008, October 21, 2008 and January 20, 2009 for the Investors of the Company immediately after the declaration of quarterly/annual results.
- The management perspective, business review and financial highlights are part of the Annual Report.
- The quarterly distribution of shareholding is also displayed on the Company's website.
- Annual Reports, Corporate Governance Report, 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 27, 2009

Time : 11.00 A.M.

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

Book Closure Dates: July 21, 2009 to July 27, 2009 (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, 2009	By last week of July 2009
Financial reporting for the second quarter ending September 30, 2009	By last week of October 2009
Financial reporting for the third quarter ending December 31, 2009	By last week of January 2010
Financial reporting for the year ending March 31, 2010	By last week of June 2010
Annual General Meeting for the year ending March 31, 2010	By last week of July 2010

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. The dividend, if declared, would be paid to such shareholders whose names appear in the Register of Members as on 27th July, 2009. In respect of shares held in electronic mode, the dividend will be paid on the basis of list of beneficial owners as furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the end of the business hours on 20th July, 2009.

e. Unclaimed/Unpaid Dividend

All unclaimed/unpaid dividend due for the financial year ended upto September 30, 2001 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 2001-2002 on or before February 16, 2010, after which any unpaid dividend amount for the year 2001-2002 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. The shareholders can obtain a copy of Form 2B from the Registered Office of the Company or can be downloaded from the website of the Company at www.niit.com. In case of demat holdings the request is to be submitted to the Depository Participant.

g. Listing of Shares and Debentures

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

CORPORATE GOVERNANCE REPORT (Contd.)

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 2009-10 have been paid to the Stock Exchanges.

During the financial year 2008-09, the Company had issued 500 Debentures of Rs.1,000,000 each amounting to Rs. 500,000,000 to Life Insurance Corporation of India on private placement basis and the said debentures are listed on National Stock Exchange of India Limited.

Thereafter the Company had again issued 500 Debentures of Rs.1,000,000 each amounting to Rs. 500,000,000 to Indian Overseas Bank on private placement basis. The Company is in the process of listing these Debentures at the National Stock Exchange of India Limited.

h. Stock Code

Trading symbol on the NSE	: NIITLTD
Trading symbol on the BSE	: 500304
ISIN No. of Equity Shares at NSDL/CDSL	: INE 161A01038

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

Annual General Meeting	Date when held	Book Closure (both days inclusive)
25th AGM	Monday, July 28, 2008	Tuesday, July 22, 2008 to Monday, July 28, 2008
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

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, 2008 to March 31, 2009 and the comparison of share prices of the Company vis-à-vis the Sensex and Nifty Indices are given below:

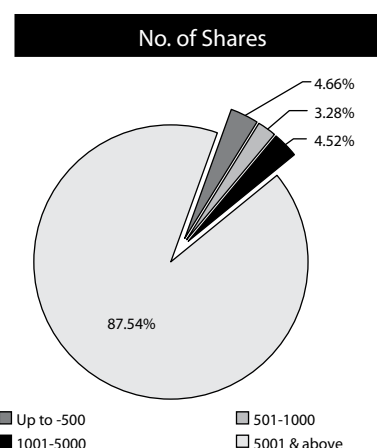
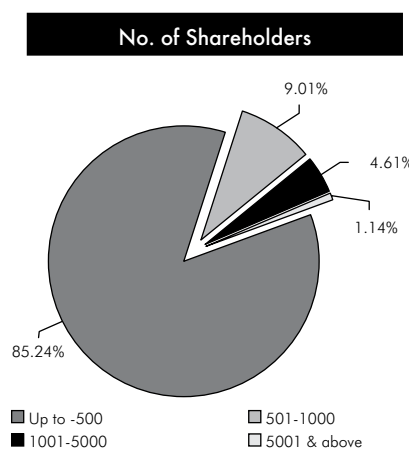
Share price movement during the year April 1, 2008 to March 31, 2009

Month	Bombay Stock Exchange				National Stock Exchange			
	Sensex	High (Rs.)	Low (Rs.)	*Market Cap (Rs. Mn)	Nifty	High (Rs.)	Low (Rs.)	*Market Cap (Rs. Mn)
Apr-08	17,287	108	89	16,956	5,166	108	89	17,006
May-08	16,416	115	99	18,175	4,870	125	95	18,323
Jun-08	13,462	117	96	17,648	4,041	117	96	17,689
Jul-08	14,356	108	86	14,329	4,333	108	86	14,329
Aug-08	14,565	96	85	14,746	4,360	96	86	14,795
Sep-08	12,860	91	43	8,477	3,921	92	42	8,477
Oct-08	9,788	54	26	5,317	2,886	54	25	5,268
Nov-08	9,093	37	19	3,918	2,755	36	20	3,885
Dec-08	9,647	28	22	4,380	2,959	28	23	4,389
Jan-09	9,424	31	21	3,671	2,875	31	20	3,671
Feb-09	8,892	24	18	2,928	2,764	24	18	2,928
Mar-09	9,709	22	14	3,341	3,021	22	14	3,341

* Market capitalization at closing price of the month
Source : BSE & NSE website.

Shareholding Distribution as on March 31, 2009

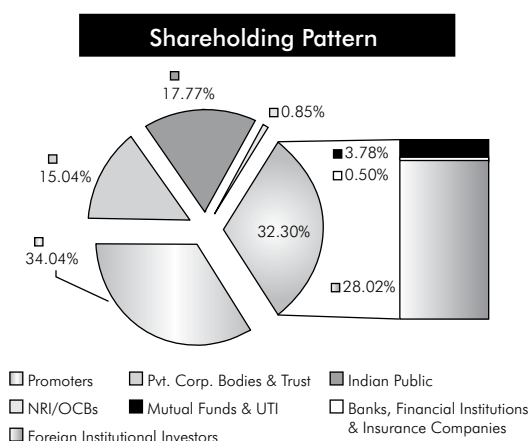
Range (No. of Shares)	No. of Shareholders	% to Total Shareholders	Total No. of Shares	% to Total Shares
Up to - 500	65,050	85.24	7,688,454	4.66
501 - 1000	6,878	9.01	5,409,739	3.28
1001-5000	3,519	4.61	7,454,533	4.52
5001 & above	864	1.14	144,430,260	87.54
** TOTAL **	76,311	100.00	164,982,986	100.00



CORPORATE GOVERNANCE REPORT (Contd.)

Shareholding Pattern as on March 31, 2009

Category	No. of shares held (face value of Rs. 2 each)	Percentage of total shareholding
Promoters' Holding		
Indian Promoters	56,161,367	34.04
Foreign Promoters	-	-
Total Promoters' Holding	56,161,367	34.04
Public Shareholding		
Mutual Funds and UTI	6,229,436	3.78
Banks, Financial Institutions	21,673	0.01
Insurance Companies	802,627	0.49
Foreign Institutional Investors	46,236,142	28.02
Private Corporate Bodies & Trust	24,810,598	15.04
Indian Public	29,312,197	17.77
NRI/OCBs	1,408,946	0.85
Total Public Shareholding	108,821,619	65.96
Grand Total	164,982,986	100.00



l. Details of requests/queries/complaints received and resolved during the financial year 2008-09

Nature of query/complaint	Received	Resolved	Unresolved
Change of address	34	34	-
Change of Bank details	9	9	-
Correction in dividend warrant	153	153	-
Non Receipt of Annual Report	5	5	-
Non receipt of Dividend	24	24	-
Non Receipt of Bonus/ Split/ Share certificate	2	2	-
Requests for Annual Report	4	4	-
Requests for Bonus/Split share certificates	10	10	-
Requests for shareholding details	5	5	-
SEBI/Stock Exchange letters	4	4	-
Share certificates lodged for transfer	13	13	-
Others(non classified in above)	3	3	-
Total	266	266	-

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"

As on date there are no outstanding warrants/ bonds/other instruments (except Stock Options granted under NIIT ESOP 2005, the details of which are given in Directors Report) 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, 2009, 99.16 percent of the shares of the Company were held in a dematerialised form.

o. Liquidity of Shares

The Company's shares were 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 23 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.

CORPORATE GOVERNANCE REPORT (Contd.)

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,
B-234, Okhla Industrial Area, 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:

NIIT Limited
B-234, Okhla Industrial Area, 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 May 27, 2009.