

NOTICE

Notice is hereby given that the twenty fourth Annual General Meeting of the Members of NIIT Limited will be held on Wednesday, 25th day of July, 2007, at 11:00 A.M. at FICCI Auditorium, 1 Tansen Marg, New Delhi 110 001, to transact the following business:-

ORDINARY BUSINESS

- 1 To receive, consider and adopt the Profit and Loss Account for the financial year April 1, 2006 to March 31, 2007 and Balance Sheet as at March 31, 2007 and the Reports of the Auditors and the Directors thereon.
- 2 To declare dividend on Equity Shares.
- 3 To appoint a Director in place of Mr. Surendra Singh, who retires by rotation and, being eligible, offers himself for re-appointment.
- 4 To appoint a Director in place of Mr. Shardul S. Shroff, who retires by rotation and, being eligible, offers himself for re-appointment.
- 5 To appoint M/s Price Waterhouse, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

6. SUB-DIVISION OF EQUITY SHARES OF THE COMPANY

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 94 of the Companies Act, 1956 ("the Act"), and other applicable provisions, if any, (including any statutory modification or re-enactment thereof for the time being in force) and subject to the provisions of the Articles of Association of the Company, the consent of the Members be and is hereby accorded to sub-divide 1 (one) Equity Share of the nominal value of

Rs. 10 (Rupees Ten only) each into 5 (Five) Equity Shares of the nominal value of Rs. 2 (Rupees Two only) each.

RESOLVED FURTHER THAT the Board of Directors / Committee of Directors of the Company be and are hereby authorised to take all such necessary steps, actions and sign all such necessary documents as may be required in this regard."

7. AMENDMENT IN CAPITAL CLAUSE OF MEMORANDUM OF ASSOCIATION OF THE COMPANY

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 16 of the Companies Act, 1956 and other applicable provisions, if any, (including any statutory modification or re-enactment thereof for the time being in force), the Memorandum of Association of the Company be and is hereby amended by substituting the existing Clause V with the following new Clause:

'Clause V : The Authorised Share Capital of the Company is Rs. 75,00,00,000/- (Rupees seventy five crores only) divided into 25,00,00,000 Equity Shares of Rs. 2/- each and 25,00,000 redeemable preference shares of Rs. 100/- each, with power to increase and reduce the capital of the Company and divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or provided by the Articles of

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Association of the Company for the time being’.

RESOLVED FURTHER THAT the Board of Directors/ Committee of Directors of the Company be and are hereby authorised to take all such necessary steps, actions and sign all such necessary documents as may be required in this regard.”

8. ALTERATION TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Section 31 of the Companies Act, 1956 and other applicable provisions, if any, (including any statutory modification or re-enactment thereof for the time being in force), the Articles of Association of the Company be and is hereby altered by substituting the present Article No. 3 with the following new Article:

‘**Article 3** : The Authorised Share Capital of the Company shall be of such amount and be divided into such shares as provided in Clause V of the Memorandum of Association of the Company, as amended from time to time. The Company shall have power to increase and reduce the capital of the Company and divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by the Company in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or provided by the Articles of Association of the Company for the time being’.

RESOLVED FURTHER THAT the Board of Directors / Committee of Directors of the Company be and are hereby authorised to take all such necessary steps, actions and sign all such necessary documents as may be required in this regard.”

9. ISSUE OF BONUS SHARES

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in accordance with applicable provisions of the Companies Act, 1956, Article No. 103 of the Articles of Association of the Company, applicable guidelines issued/prescribed by the Securities and Exchange Board of India, the Foreign Exchange Management Act, 1999, and all other applicable laws, rules, regulations and subject to such approvals, consents, permission and sanctions as may be required from the appropriate authorities, the consent of the Members be and are hereby accorded to the Board of Director (hereinafter referred as the “Board” which expression shall include a Committee thereof) for capitalization of such sum standing to the credit of Capital Redemption Reserve, Share Premium, General Reserves and/or Reserve or Surplus available for the purpose of issue of Bonus Shares credited as fully paid-up Equity Shares to the holders of Equity Shares of the Company, whose names shall appear as Beneficial Owner in the records of the National Securities Depository Limited and Central Depository Services (India) Limited and as Members in the Register of Members as on the ‘Record Date’ to be fixed by the Board for the purpose, in the proportion of 1 (one) Equity Share for every 2 (Two) fully paid-up Equity Shares held by them and for all purposes, be treated as an increase in the Capital of the Company held by each such Member and not as income.

RESOLVED FURTHER THAT the Bonus Shares so allotted shall rank pari-passu in all respects including dividend with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT no letter of allotment shall be issued in respect of the Bonus Shares.

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RESOLVED FURTHER THAT in the case of Members who hold Equity Shares in dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participants.

RESOLVED FURTHER THAT the Members holding Equity Shares in physical/certificate form may opt to receive the Bonus Shares in dematerialized form, by sending their DEMAT Account details (DP ID and Client ID etc.) to the Company and accordingly the Company shall credit the Bonus Shares to their beneficiary accounts.

RESOLVED FURTHER THAT the Company shall dispatch the Share Certificate to the Members who holds Equity Shares in physical/certificate form and do not opt for the above facility i.e. credit of Bonus Shares in their respective DEMAT account.

RESOLVED FURTHER THAT no fractional entitlements, if any, arising out of the issue and allotment of the Bonus Shares, as resolved above, shall be allotted by the Company and the Company shall not issue any certificate or coupon in respect of such fractional shares but all such fractional entitlements, if any, shall be allotted by the Board to a nominee(s) appointed by the Board, who shall hold the same as trustee for the Members entitled thereto, and such nominee(s) shall consolidate all such fractions and sell the Equity Shares at the prevailing market price and the net sale proceeds thereof after adjusting the cost and expenses in respect of such sale be distributed among Members who were entitled to such fractions.

RESOLVED FURTHER THAT the issue and allotment of the Bonus Shares to Non-Resident Members, Foreign Institutional Investors and other foreign investors and /or distribution of net sale proceeds in respect of fractions to which such Members may be entitled, be subject to the approval of the Reserve Bank of India, as may be necessary.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, and take all such necessary steps, actions

and sign all such necessary documents as may be required in this regard and give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.”

10. ENHANCEMENT IN THE INVESTMENT CEILING FOR FOREIGN INSTITUTIONAL INVESTORS

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Companies Act, 1956 (‘the Act’) and all other applicable rules, regulations, guidelines and laws (including any statutory modification or re-enactment thereof for the time being in force), consent of the Members be and are hereby accorded to increase the limits of investment by Foreign Institutional Investors (hereinafter referred to as “FIIs”) from the existing 49% to 60% of the paid-up Equity Share Capital of the Company for acquiring or purchasing the same from the market under the Portfolio Investment Scheme under FEMA.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, matters and things and execute all such documents, deeds and writings as may be required for the aforesaid purpose and which may be deemed fit in the interest of the Company and expedient to give effect to this Resolution.”

11. CHANGE IN REMUNERATION PAYABLE TO MR. RAJENDRA S. PAWAR, CHAIRMAN AND MANAGING DIRECTOR

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, 316, 317, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including

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any amendment and/or re-enactment thereof), the consent of the Members be and are hereby accorded to increase the remuneration payable to Mr. Rajendra S. Pawar, Chairman and Managing Director of the Company in the manner as detailed in the Explanatory Statement attached hereto with effect from April 1, 2007, subject to the overall ceiling of the total managerial remuneration for each financial year as provided under Section 309 of the Act.

RESOLVED FURTHER THAT pursuant to the provisions of Part II of Schedule XIII and other applicable provisions, if any, of the Act, and subject to such approvals as may be necessary, the Company be and is hereby authorized to pay the minimum remuneration, as detailed in the Explanatory Statement, to Mr. Rajendra S. Pawar, Chairman and Managing Director, for that financial year, in which there is inadequacy or absence of profits during the period of three years from the effective date of his increased remuneration i.e. April 1, 2007.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to vary or amend the remuneration (within the allocated grades) including salary, allowances, commission, perquisites and benefits, minimum remuneration and other terms of his appointment, from time to time, as deemed expedient or necessary.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

12. CHANGE IN REMUNERATION PAYABLE TO MR. VIJAY K. THADANI, CEO & WHOLE-TIME DIRECTOR

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies

Act, 1956 ('the Act') (including any amendment and/or re-enactment thereof), the consent of the Members be and are hereby accorded to increase the remuneration payable to Mr. Vijay K. Thadani, CEO & Whole-time Director of the Company in the manner as detailed in the Explanatory Statement attached hereto with effect from April 1, 2007, subject to the overall ceiling of the total managerial remuneration for each financial year as provided under Section 309 of the Act.

RESOLVED FURTHER THAT pursuant to the provisions of Part II of Schedule XIII and other applicable provisions, if any, of the Act and subject to such approvals as may be necessary, the Company be and is hereby authorized to pay the minimum remuneration, as detailed in the Explanatory Statement, to Mr. Vijay K. Thadani, CEO & Whole-time Director, for that financial year, in which there is inadequacy or absence of profits during the period of three years from the effective date of his increased remuneration i.e. April 1, 2007.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to vary or amend the remuneration (within the allocated grades) including salary, allowances, commission, perquisites and benefits, minimum remuneration and other terms of his appointment, from time to time, as deemed expedient or necessary.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

13. CHANGE IN REMUNERATION PAYABLE TO MR. P. RAJENDRAN, COO & WHOLE-TIME DIRECTOR

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII

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and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment and/or re-enactment thereof), the consent of the Members be and are hereby accorded to increase the remuneration payable to Mr. P. Rajendran, COO & Whole-time Director of the Company in the manner as detailed in the Explanatory Statement attached hereto with effect from April 1, 2007, subject to the overall ceiling of the total managerial remuneration for each financial year as provided under Section 309 of the Act.

RESOLVED FURTHER THAT pursuant to the provisions of Part II of Schedule XIII and other applicable provisions, if any, of the Act and subject to such approvals as may be necessary, the Company be and is hereby authorized to pay the minimum remuneration, as detailed in the Explanatory Statement, to Mr. P. Rajendran, COO & Whole-time Director, for that financial year, in which there is inadequacy or absence of profits during the period of three years from the effective date of his increased remuneration i.e. April 1, 2007.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to vary or amend the remuneration (within the allocated grades) including salary, allowances, commission, perquisites and benefits, minimum remuneration and other terms of his appointment, from time to time, as deemed expedient or necessary.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

By Order of the Board
For **NIIT Limited**

Parveen Jain
*Company Secretary
& Legal Counsel*

Place : New Delhi
Dated : June 05, 2007

NOTES:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED.
- 2 Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Resolutions set out under Item Nos. 6 to 13 is annexed hereto.
- 3 The Register of Members and Share Transfer Books of the Company shall remain closed during the Book Closure period, i.e., from Thursday, July 19, 2007, to Wednesday, July 25, 2007, both days inclusive. The dividend as recommended by the Board of Directors, if declared at the meeting, will be paid to those Members whose names appear in the Company's Register of Members as on July 25, 2007 for shares held in physical form and the list of beneficial owners as furnished by the Depositories (NSDL and CDSL) as of the close of business hours on July 18, 2007 for shares in electronic form.
- 4 While Members holding shares in physical form may write to the Company for any change in their address and bank mandates, Members having shares in electronic form may inform any change in address to their depository participant immediately so as to enable the Company to dispatch dividend warrants at correct addresses.
- 5 The Members holding shares in the same name or same order of names under different folios are requested to send the share certificates for consolidation of such shares to the Company.
- 6 The Members, holding Equity Shares in the physical form, are requested to dematerialize their shares at the earliest so that the effect of sub division of their shares could be given in their Demat account, quickly and economically.

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- 7 The Members, who hold Equity Shares in physical/certificate form may opt to receive the Bonus Shares in dematerialized form by sending their DEMAT Account details (DP ID and Client ID) to the Company in the prescribed form as available on the website of the Company i.e. 'www.niit.com'.
- 8 The Members desirous of appointing their nominees for the shares held by them may apply in the revised Nomination Form (Form 2-B) as amended by the Central Government vide their notification No. GSR 836(E) dated October 24, 2000.
- 9 In order to provide protection against fraudulent encashment of dividend warrants, Members holding shares in physical form are requested to provide their Bank account number, name and address of the bank/branch to enable the Company to incorporate the same in the dividend warrant.
- 10 All unclaimed/unpaid dividend up to the financial year ended on September 30, 1999, have been transferred to the Investor Education and Protection Fund of the Central Government pursuant to Section 205A of the Companies Act, 1956.
- 11 The Members desirous of obtaining any information/ clarification concerning the accounts and operations of the Company are requested to address their questions in writing to the Company Secretary at least ten days before the Annual General Meeting, so that the information required may be made available at the Annual General Meeting.
- 12 The Members/ Proxies are requested to bring their copy of the Annual Report with them at the Meeting and to produce at the entrance, the admission slip, duly completed and signed, for admission to the meeting hall.
- 13 Information pursuant to Clause 49 of the Listing Agreement(s) pertaining to the Directors proposed to be appointed vide Item Nos. 3 and 4 of the Notice, are as follows:

Particulars	Mr. Surendra Singh	Mr. Shardul S Shroff
Date of Birth	July 21, 1937	October 1, 1955
Date of Appointment	March 20, 2001	March 27, 2001
Qualifications	M.Sc.	B.Com., LLB
Expertise in specific functional area	Rich experience in strategic planning, policy making and administration, governance and compliance etc.	Specialisation in mergers and acquisitions, capital markets, project finance, infrastructure projects, corporate finance, structured finance insolvency and corporate reconstruction, etc.
Directorship held in other public companies (excluding Foreign Companies)	B.A.G Films & Media Limited CMC Limited Jubilant Organosys Limited NIIT Smart Serve Limited NIIT Technologies Limited UTI Bank Limited	Apollo Tyres Limited Infrastructure Development Finance Co. Limited Ballarpur Industries Limited CMC Limited Ashok Leyland Limited Mysore Cements Limited
Membership (M)/ Chairmanship (C) of Committees of other public companies (includes only Audit Committee (AC) and Shareholder Grievance Committee (SGC))	NIIT Technologies Limited (AC-M) UTI Bank Limited (SGC-C) Jubilant Organosys Limited (AC-M) CMC Limited (AC-M) & (SGC-C)	Infrastructure Development Finance Co. Limited (AC-M) Apollo Tyres Limited (SGC-M) CMC Limited (SGC-M)
Number of Equity Shares held in the Company	7,500	7,500

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EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

Currently, the number of floating shares of the Company in the Stock Market is quite minimal as compared to peer companies in the Industry. With a view to increase the number of floating shares and increase the liquidity in Stock Market, the Board of Directors at its meeting held on June 05, 2007, has recommended the sub-division of existing 1 (one) Equity Share of Rs. 10/- (Rupees Ten) each into 5 (five) Equity Shares of Rs. 2/- (Rupees Two) each. This will facilitate the small investors to purchase the shares of the Company.

To give effect to the proposed resolution, the Board of Directors/its Committee will fix the record date.

The Directors of the Company may be deemed to be concerned or interested in the resolution to the extent of their shareholding in the Company.

The Board commends the resolution for your approval.

Item Nos. 7 & 8

In view of the resolution proposed for the sub-division of 1 (one) Equity Share of Rs. 10/- (Rupees Ten) each into 5 (five) Equity Shares of Rs. 2/- (Rupees Two) each, the Capital Clause of the Memorandum of Association and Article no. 3 of the Articles of Association are required to be amended. Accordingly the Ordinary Resolution at Item no. 7 and Special Resolution at Item no. 8 are placed before the Members to approve the consequent amendment in Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company, respectively.

The Members are requested to accord their approval to amend the Memorandum and Articles of Association of the Company, by passing the Ordinary and Special Resolution as set out at Item nos. 7 and 8 of this Notice.

A copy of the existing Memorandum and Articles of Association is available for inspection at the Registered

Office of the Company during the business hours on any working day.

None of the Directors of the Company is, in any way, concerned or interested in the resolution.

The Board commends the resolution for your approval.

Item No. 9

With a view to share the surplus generated out of operations of the Company and to satisfy the expectation of its esteemed Members, the Board of Directors at their meeting held on June 05, 2007 has approved the Bonus issue of 1 (one) fully paid-up Equity Share of the Company for every 2 (two) fully paid-up Equity Shares held. Such fully paid-up Bonus Shares shall be distributed to the Members of your Company, whose names appear on its Register of Members or in the respective Depository Participants, on the Record Date to be determined by the Board of Directors of your Company, (which term shall be deemed to include any Committee thereof).

Article 103 of the Articles of Association of the Company authorizes the capitalization of Capital Redemption Reserve, Share Premium and free reserves for issue of the Bonus Shares of the Company.

The Bonus Shares so allotted shall rank *pari passu* in all respects including dividend with the existing Equity Shares of the Company.

In case any Member holding in the Company is such that the Member become entitled to a fraction of a Bonus Share, then the Company shall not issue fractional Bonus Shares to such Member but shall consolidate such fractions and issue consolidated Equity Shares to nominee(s), appointed by the Board, on the express understanding that such nominee(s) shall be deemed to be a trustee on behalf of the Members entitled thereto and such nominee(s) shall sell such Bonus Equity Shares at the prevailing market price and the net sale proceeds thereof after adjusting the cost and expenses in respect of such sale be distributed among Members respectively entitled to the same in proportion of their fractional entitlement.

NOTICE (Contd.)

The Directors of the Company may be deemed to be concerned or interested in the resolution to the extent of their shareholding in the Company.

The Board commends the resolution for your approval.

Item No. 10

As per the Schedule 2 of the Foreign Exchange Management Act (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, an Indian company is permitted to have a Foreign Institutional Investors ('FII's') Portfolio Investments upto a ceiling of 24% of the paid up capital of the Company and according to the abovementioned Regulations a Company can enhance the ceiling for FIIs Portfolio Investments from the normal level of 24% of the paid up capital of the Company upto the sectoral cap, as laid down under the said Regulation, subject to the approval by the Board of Directors of the Company and Special Resolution passed by the Members of the Company.

The present holding of the FIIs in the equity capital of the Company is about to cross the existing limits i.e. 49% of the paid-up Equity Share Capital, as approved by the Members at their Extra-ordinary General Meeting held on June 22, 2001.

In light of the Company's current profile and future plans of globalization and the need to bring the Company closer to the global norms, it is proposed to increase the above limits from 49% to 60% of the paid up Equity Share Capital in order to enable wider participation and higher liquidity considering FIIs as prudent investors giving leverage to the Company.

None of the Directors of the Company is, in any way, concerned or interested in the resolution.

The Board commends the resolution for your approval.

Item Nos. 11 to 13

The Members of the Company had appointed Mr. Rajendra S. Pawar, Mr. Vijay K. Thadani and Mr. P Rajendran as Whole-time Directors of the Company on December 2, 1981, December 15,

1981 and May 1, 1990 respectively and subsequently re-designated Mr. Rajendra S. Pawar, as Managing Director. The remuneration and terms of appointment of the aforesaid Managing Director and Whole-time Directors were revised by the Members of the Company from time to time. Presently they are drawing the same remuneration as fixed by the Members at their Annual General Meeting held on July 22, 2005.

Based on the recommendation of the Remuneration/ Compensation Committee and after considering the remuneration payable to Executive Directors in the peer group in the industry and the enhanced responsibilities of Executive Directors after the acquisition of Element K Corporation, USA and future prospects of the Company, the Board of Directors at their meeting held on June 05, 2007, has approved the increase in the remuneration payable to the Managing Director and Whole-time Directors of the Company in the manner given below:

A. Basic Salary

Sr. No.	Name of Managing Director and Whole-time Directors	Existing Basic Salary	Proposed Basic Salary
1	Mr. Rajendra S. Pawar	Rs. 1,30,000 p.m. (in the grade of Rs. 1,30,000 p.m. to Rs. 2,25,000 p.m.)	Rs. 4,25,000 p.m. (in the grade of Rs. 3,00,000 p.m. to Rs. 7,00,000 p.m.)
2	Mr. Vijay K. Thadani	Rs. 2,60,000 p.m. (in the grade of Rs. 2,60,000 p.m. to Rs. 4,00,000 p.m.)	Rs. 4,25,000 p.m. (in the grade of Rs. 3,00,000 p.m. to Rs. 7,00,000 p.m.)
3	Mr. P Rajendran	Rs. 2,05,000 p.m.	Rs. 3,25,000 p.m. (in the grade of Rs. 3,00,000 p.m. to Rs. 7,00,000 p.m.)

B. Perquisites, Benefits and Allowances

The Managing Director and Whole-time Directors, in addition to Basic Salary, shall be entitled to the following perquisites, benefits and allowances -

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Part A:

Company Leased Accommodation/House Rent Allowance, Electricity, Gas, Water, Hard and Soft Furnishings, Medical expenses reimbursement, Leave Travel Assistance, Fees of Clubs and Medical Insurance, as per the Schemes/Policy of the Company applicable to the Managing Director and Whole-time Directors.

Part B:

Performance Linked Bonus: Annually payable as proposed by the Compensation/Remuneration Committee and approved by the Board of Directors based on parameters of performance.

Part C:

Company cars with drivers and telephone at residence, mobile expenses and internet and/or broadband facility. However, the Company shall bill the Managing Director and Whole-time Directors, the charges relating to personal long distance calls and charges for using the office cars and phones for private purposes.

Part D:

- a. Contributions to Provident Fund, Superannuation Fund or Annuity Fund: As per the Schemes/Policy of the Company, as applicable to Managing Director and Whole-time Directors.
- b. Gratuity: which shall be limited to half a month's salary for each completed year of service, as per the Scheme/Policy of the Company.

Provided that the aggregate of the aforesaid salary, perquisites and other benefits, as per the Schemes, policy of the Company applicable to the Managing Director and Whole-time Directors, shall not exceed

ten percent (collectively) of Company's net profit of that financial year as provided under the provisions of Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956 ("the Act") and other applicable provisions, if any.

C. Minimum Remuneration

The Schedule XIII of the Act, provides that where in any financial year during the currency of tenure of the Managing Director/Whole-time Director, a company has no profits or its profits are inadequate, it may pay the remuneration upto the limits prescribed therein provided the minimum remuneration payable to such Managing Director and Whole-time Director, is approved by the Members by way of a special resolution and said resolution is valid for a period of three years.

In accordance with the provisions of Schedule XIII and other applicable provisions of the Act, the Compensation/ Remuneration Committee and the Board of Directors at their respective meetings held on June 05, 2007 have approved that the remuneration as detailed above, be paid as minimum remuneration to Mr. Rajendra S. Pawar, Chairman and Managing Director, Mr. Vijay K Thadani, CEO & Whole-time Director and Mr. P Rajendran, COO & Whole-time Director in the absence or inadequacy of profits in any financial year during the period of three years with effect from the effective date of their increased remuneration i.e. April 01, 2007. The payment of minimum remuneration is subject to necessary consent/sanction of Central Government, if required.

The Information as required under Part II of Schedule XIII is given below:

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I. GENERAL INFORMATION

1.	Nature of Industry	Information Technology Services		
2.	Date or expected date of commencement of commercial production	Not Applicable (The Company is an existing company)		
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable		
4.	Financial performance based on given indicators	Particulars	(Rs. Million) Financial Years	
			06-07	05-06
			04-05	
		Total Revenue	3,902.25	3,377.70
		Profit after tax	329.35	269.88
			159.62	
5.	Export performance and net foreign exchange earnings	The Company had made the export of services and products of Rs. 741.04 million during the financial year 2006-2007 and had earned net foreign exchange earning of Rs. 580.18 million during the financial year 2006-2007.		
6.	Foreign investments or Collaborators, if any.	The Company has made investments in the following overseas subsidiaries:- 1. NIIT Antilles NV, Netherlands Antilles 2. NIIT USA Inc., USA 3. NIIT Limited, UK 4. Element K Corporation, USA (through Wholly owned subsidiary)		

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II. INFORMATION ABOUT THE MANAGING DIRECTOR AND WHOLE-TIME DIRECTORS

Name of Director	Mr. Rajendra S Pawar	Mr Vijay K Thadani	Mr. P. Rajendran																				
<p>1. Background details</p>	<p>Mr. Rajendra S. Pawar is the Chairman and co-founder of the NIIT Limited. He is a distinguished alumnus of the premier Indian Institute of Technology, Delhi. He has played leadership role in nurturing NIIT Limited and building it into Asia's largest IT education and knowledge corporation.</p> <p>Mr Pawar is an established thought leader in the industry has served on the Prime Minister's National Task force which aims at making India an Information Technology (I.T.) Superpower by 2008. He is also helping South Africa develop a growth strategy for its 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).</p> <p>Mr Pawar is known for promoting industry-academia alliances and has been working closely with the country's well-known educational institutions. He is on the Board of Governors of India's premier institution, IIT 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.</p>	<p>Mr. Vijay K. Thadani is the Chief Executive Officer (CEO) and Whole-Time Director and co-founder of NIIT Limited. He is a distinguished alumnus of Indian Institute of Technology of Delhi. He and Mr. Rajendra S Pawar, have 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 the NIIT flag to over 40 countries. He mentored NIIT's Strategic Alliance Programme that resulted in successful acquisitions of leading technology companies to fill in critical technology gaps in NIIT's Software Solutions and Knowledge Solutions offerings and corporate solutions offerings.</p> <p>Mr Thadani is deeply involved in strengthening and consolidating NIIT's presence in the Chinese market, where the Company had begun operations in 1998. NIIT has presence across 25 provinces in China and has a network of over 100 centres in that country. Mr Thadani was recently honoured with the position of Economic Consultant to Chongqing, world's largest city in the People's Republic of China.</p> <p>Mr Thadani has headed many Industry Association and Societies including the Indian IT Industry Association, MAIT. He also chaired the Indian Government's Committee on National Information Infrastructure Policy. He has also served as the Chairman of IT Committee of the Confederation of Indian Industry (CII) in the USA 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.</p> <p>He has also lectured at prestigious institutions including the University of Michigan Business School, the J L Kellogg Graduate School of Management and the Indian Institutes of Managements(IIMs).</p>	<p>Mr. P. Rajendran is the Chief Operating Officer (COO) and Whole-Time Director. He is an alumnus of Indian Institute of Technology of Delhi. He 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. He takes keen interest in the area of deployment of ICT for human development and creation of jobs in the future.</p> <p>Mr Rajendran has been actively associated with Indian Industry Associations like Confederation of Indian Industry, Manufacturers' Association of Information Technology, Nasscom and professional bodies like Institute of Electrical and Electronics Engineers, USA.</p>																				
<p>2. Past remuneration</p>	<table border="0"> <tr> <td>2004-05</td> <td style="text-align: right;">4,955,340</td> </tr> <tr> <td>2005-06</td> <td style="text-align: right;">5,574,201</td> </tr> <tr> <td>2006-07</td> <td style="text-align: right;">5,480,017</td> </tr> </table>	2004-05	4,955,340	2005-06	5,574,201	2006-07	5,480,017	<table border="0"> <tr> <td>2004-05</td> <td style="text-align: right;">7,797,492</td> </tr> <tr> <td>2005-06</td> <td style="text-align: right;">8,178,040</td> </tr> <tr> <td>2006-07</td> <td style="text-align: right;">7,852,709</td> </tr> </table>	2004-05	7,797,492	2005-06	8,178,040	2006-07	7,852,709	<table border="0"> <tr> <td></td> <td style="text-align: right;">(Amount in Rs.)</td> </tr> <tr> <td></td> <td style="text-align: right;">5,042,003</td> </tr> <tr> <td></td> <td style="text-align: right;">12,152,116</td> </tr> <tr> <td></td> <td style="text-align: right;">11,934,293</td> </tr> </table>		(Amount in Rs.)		5,042,003		12,152,116		11,934,293
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NOTICE (Contd.)

3. **Recognition or awards**
- HRD Excellence Award 2002 by the National HRD Network
 - PHDCCI Distinguished Entrepreneurship Award 2000
 - Ernst & Young Master Entrepreneur of the Year award 1999
 - Bank of India Award for Excellence in Management 1999
 - Dataquest IT Man of the Year 1998 award for his pioneering role in creating a new computer literate generation
 - IIT Delhi Distinguished Alumnus Award 1995
 - Bank of India Award for Excellence in Management 1999
 - IIT Delhi Distinguished Alumnus award 1999
 - Mr. Rajendran has contributed significantly to the Company's initiative to receive various awards from time to time
4. **Job profile and his suitability**
- Mr. Pawar being the Chairman and Managing Director of the Company provides leadership and strategic inputs to the Company in addition to supervising the functional head of corporate Development, Strategic HR and Corporate Communications.
- Mr. Thadani being the Chief Executive Officer and Whole-time Director of the Company is responsible for leading NIIT's strategic alliance initiative, the technology partnership initiative and leveraging growth opportunities in addition to overseeing the finance, legal and secretarial, investor relations functions and Global Learning Business.
- Mr. Rajendran being the Chief Operating Officer and Whole-time Director of the Company assists the CEO in the management of operations of the Company and in addition, he leads the corporate teams engaged in Human Resources, Commercial Services, Information Resources and Legal Services.
5. **Remuneration proposed**
- As per details given in the Item No. 11 to 13 of the explanatory statement
6. **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)**
- The remuneration payable to the Managing Director and Whole-time Directors has been benchmarked with the remuneration being drawn by similar positions in IT industry and has been considered by the Remuneration Committee of the Company at their meeting held on June 05, 2007.
7. **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any**
- The Managing Director and Whole-time Directors have no pecuniary relationship directly or indirectly with the Company except to the extent of their remuneration and shareholdings in the Company.

NOTICE (Contd.)

III. OTHER INFORMATION

1. Reasons of loss or inadequate profits : Not Applicable
2. Steps taken or proposed to be taken for improvement. : Not Applicable
3. Expected increase in productivity and profits in measurable terms : Not Applicable

Although the Company has shown growth and profit from its operations in the previous financial years and is expected to earn profits in the future years also, it is proposed to approve the resolutions given at item nos. 11, 12 and 13, in order to enable the Company to pay the minimum remuneration to its Managing Director and Whole-time Directors in the eventuality of loss/inadequacy of profits.

The payment of minimum remuneration to Mr. Rajendra S. Pawar, Mr. Vijay K. Thadani and Mr. P. Rajendran as stated above is subject to the approval of the Members.

The above may also be treated as an abstract of terms of remuneration under Section 302 of the Act, in respect of aforesaid Managing Director and Whole-time Directors.

Mr. Rajendra S. Pawar, Mr. Vijay K. Thadani and Mr. P. Rajendran may be deemed to be interested in the resolutions at Item Nos. 11, 12 and 13 respectively. None of the other Directors of the Company are in any way concerned or interested in the resolutions.

The Board commends the resolutions for your approval.

By Order of the Board
For **NIIT Limited**

Parveen Jain
*Company Secretary
& Legal Counsel*

Place : New Delhi
Dated : June 05, 2007