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REPORT OF THE AUDIT COMMITTEE OF NIIT LIMITED RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION BETWEEN PIPL MANAGEMENT CONSULTANCY AND INVESTMENT PRIVATE LIMITED ("AMALGAMATING COMPANY 1"), GLOBAL CONSULTANCY AND INVESTMENT PRIVATE LIMITED ("AMALGAMATING COMPANY 2"), NIIT LIMITED ("AMALGAMATED COMPANY"/"COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.

Present

Ms. Geeta Mathur	:	Chairperson (Independent Director)
Mr. Surendra Singh	:	Member (Independent Director)
Mr. Vijay K Thadani	:	Member

In attendance

Mr. Amit Roy	:	Chief Financial Officer
Mr. Deepak Bansal	:	Company Secretary
Mr. Ashok Arora	:	Group Finance Advisor
Mr. Sanjal Mal	:	Senior Vice-President and Head- Group Strategic Finances

1. Background:

The Audit Committee of the Company at the meeting held on March 24, 2017, has considered and reviewed the draft Scheme of Amalgamation ("Scheme") proposed between PIPL Management Consultancy and Investment Private Limited ("Amalgamating Company 1"), Global Consultancy and Investment Private Limited ("Amalgamating Company 2"), NIIT Limited ("Amalgamated Company"/"Company") and their respective shareholders and creditors under the provisions of section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with relevant rules framed thereunder.

The Securities and Exchange Board of India vide its circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("Circular") has, amongst other requirements, sought a report from the Audit Committee of the listed company, recommending the draft Scheme, after taking into consideration Valuer's Report on Share Entitlement Ratio and the Fairness Opinion. This report of the Audit Committee is made in order to comply with such provisions of the said Circular.

Mr. Vijay K Thadani, being an interested member recused himself from the meeting.

The following documents were placed before the Audit Committee:

- Draft Scheme, duly initialled by the Chairperson of the Audit Committee for the purpose of identification;

CERTIFIED TRUE COPY

Deepak Bansal

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- b. Valuer's Report on Share Entitlement Ratio dated March 22, 2017 as obtained from M/s. SSPA & CO. Chartered Accountants ("**Valuer's Report**"); and
- c. Fairness Opinion dated March 23, 2017 as obtained from M/s. Fortress Capital Management Services Pvt. Ltd., a SEBI Registered Category I Merchant Banker ("**Fairness Opinion**").

2. Proposed Scheme of Amalgamation:

The Audit Committee considered and observed the following in relation to the Scheme:

- a. The receipt of letters dated March 15, 2017 ("**Proposal Letters**") from Amalgamating Company 1 and Amalgamating Company 2 (both companies hold about 15.30% & 15.64% equity shares of the Company, respectively and forms part of the promoter/ promoter group) requesting for the aforesaid amalgamation of Amalgamating Company 1 and Amalgamating Company 2 into Amalgamated Company;
- b. That the proposed amalgamation is pursuant to succession planning of the promoters with an intent to streamline and simplify the promoters' shareholding in the Company, reduction of shareholding tiers and to demonstrate their direct engagement with the Company.
- c. The salient features of the Scheme are:
 - i. The transfer and vesting of Amalgamating Company 1 and Amalgamating Company 2 into Amalgamated Company, the consideration of which will be discharged by the Amalgamated Company by issuing its equity shares to each shareholder of the Amalgamating Company 1 and Amalgamating Company 2 in the following manner:
 - 1. 2,53,66,521 (Two Crore, Fifty Three Lakh, Sixty Six Thousand Five Hundred and Twenty One) fully paid up equity shares of the face value of Rs. 2/- (Rupees Two) each credited as fully paid up in the share capital of the Amalgamated Company in the proportion of the number of equity shares held by the shareholders in the Amalgamating Company 1; and
 - 2. 2,59,15,838 (Two Crore, Fifty Nine Lakh, Fifteen Thousand Eight Hundred and Thirty Eight) fully paid up equity shares of the face value of Rs. 2/- (Rupees Two) each credited as fully paid up in the share capital of the Amalgamated Company in the proportion of the number of equity shares held by the shareholders in the Amalgamating Company 2.
 - ii. That there would be no change in the total promoters' shareholding in the Company and the promoters would continue to hold the same percentage of shares of the Company, pre and post Scheme.
 - iii. That the Scheme shall be effective from the closing hours of March 31, 2017 or such other date as may be approved by the NCLT and / or the Concerned Authority ("**Appointed Date**").

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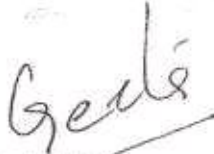
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- iv. That all cost and charges arising out of this proposed Scheme shall be borne by the promoters.

3. Recommendation of the Audit Committee:

After taking into account the Valuer's Report, Fairness Opinion and aforesaid points, the Audit Committee recommends the draft Scheme providing for the transfer and vesting of Amalgamating Company 1 and Amalgamating Company 2 into the Amalgamated Company to the Board for its approval and for favourable consideration by the stock exchange(s), Securities and Exchange Board of India (SEBI) and other regulatory authorities.

**By order of the Audit Committee
For and on behalf of NIIT Limited**



**Geeta Mathur
Chairperson
Audit Committee**

Date: March 24, 2017
Place: Noida

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