**GLOBALLOGIC INDIA LIMITED**

[F.Y. 2015-16]

**Audit Committee Mandate**

***In pursuance to Provisions of Section 177 of Companies Act, 2013 and rules made there under.***

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AUDIT COMMITTEE MANDATE

**1. Preamble**

The Audit Committee provides independent oversight and advice to help ensure its resources are used as effectively as possible. It supports in achieving its prudential responsibilities by evaluating and improving the effectiveness of financial management, risk management, control and governance processes. It also coordinates internal and external audits.

**2. Purpose**

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors including the Cost auditors, the performance of internal auditors and the Company's risk management policies.

The Board will revise this Mandate from time to time based on its assessment of the Company’s needs, legal and regulatory developments, and applicable best practices.

**3. Membership of the Committee**

Globallogic India Limited will constitute an Audit Committee of the Board consisting of three directors including at least two Independent Directors. It is intended that majority of members of Audit Committee including its Chairperson shall be persons with ability to read and understand the financial statements and a majority of the Committee at any time will be independent directors. The Chair of the Committee shall be designated by the Board from among the Committee members.

Consistent with the above, the Audit Committee of the Board currently has the following members:

1 (Independent Director)

2 (Independent Director)

3 (Director)

The Board may appoint such additional members to the Committee or remove and replace members of the Committee by resolution. Members of the Committee must attend Annual General Meetings and other meetings of the Board.

**4. Terms of Reference**

The terms of reference / powers of the Audit Committee specified in writing by the Board are as under:

1. **Powers of the Audit Committee:**
2. To investigate any activity within its terms of reference.
3. To seek information from any employee.
4. To obtain outside legal or other professional advice.
5. To secure attendance of outsiders with relevant expertise, if it considers necessary.
6. To scrutinize inter-corporate loans and investments;
7. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
8. The Audit Committee shall have power to investigate in matters of concern or matters referred to it by the Board and obtain professional advice from external sources and have full access to information contained in the records of the company.
9. Approval or any subsequent modification of transactions of the company with related parties;
10. **The role of the Audit Committee includes:**
11. Oversight 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.
12. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of Statutory Auditors/ Internal Auditor and fixation of audit fees.
13. Approval of payment to Statutory Auditors for any other services rendered by them as prescribed under the Act.
14. Review and monitor the auditor’s independence and performance, and effectiveness of audit process and examination of the financial statement and the auditors’ report thereon;
15. Valuation of undertakings or assets of the company, wherever it is necessary and evaluation of internal financial controls and risk management systems;
16. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
    1. Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of Section 134 of the Companies Act, 2013.
    2. Changes, if any, in accounting policies and practices and reasons for the same.
    3. Major accounting entries involving estimates based on the exercise of judgment by the management.
    4. Significant adjustments made in the financial statements arising out of audit findings.
    5. Disclosure of related party transactions.
    6. Qualifications in draft audit report.

7. Reviewing with the management, the performance of Statutory Auditors Internal Auditors, adequacy of internal control systems and reviewing the adequacy of internal audit function, if any

8. Discussion with Internal Auditors, any significant findings and follow up thereon.

9. Carrying out such other functions as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.

10. To review the following information:

* 1. The management discussion and analysis of financial condition and results of operations;
  2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  3. Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
  4. Internal audit reports relating to internal control weaknesses; and

e. The appointment, removal and terms of remuneration of Internal Auditors

11. Reviewing the financial statements wherever necessary in consultation with board

12. Establish a vigil mechanism for directors and employees to report genuine concerns.

13.The vigil mechanism shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee or the director nominated to play the role of Audit Committee, as the case may be, in exceptional cases.

**5. Meeting**

The Committee must meet atleast four times in a Year at appropriate intervals. Additional meetings may be called upon serving of proper notice at any time to address specific needs of the Company. The Committee may also take action from time to time by unanimous written consent. A Committee meeting may be called by the Committee Chairman, or any Committee member. The meeting must be held within business hours on a day which is not a public holiday.

Where any meeting of the Committee adjourns due to any reason the same shall stand adjourned till the next week at the same time and place on a day which is not a public holiday.

The extracts of the meeting must be recorded in the Minutes and shall be signed and confirmed by next meeting by the Chairman of the meeting or where such chairman cease to be chairman or committee member then by Chairman of the next meeting.

**6. Agenda and Notice**

Notice of the time and place of each meeting of the Committee must be served to each Committee member either by personal delivery, electronic mail, facsimile or other electronic means by not less than 7 clear days before the date of the meeting. However, whenever necessary Committee meetings may be held at any time at a shorter notice if all of the Committee members consent to hold meeting at a shorter notice or in case of urgency without serving upon notice where a Committee member participating in a Committee meeting is deemed to have waived notice of the meeting. The practice of the Committee is to provide notice of meetings to all directors in order that they may attend the meeting.

The Chairman/members of the Committee shall establish the agenda for each Committee meeting. The agenda of the business to be transacted at meeting shall be distributed to Committee members along with Notice. Each Committee member is free to request the inclusion of other agenda items.

**7. Quorum and Attendance**

A quorum for any Committee meeting shall be one-third of its total strength (any fraction contained in that one-third to be rounded off as one) or two members, whichever is higher. A Committee member who is unable to attend a Committee meeting in person may participate by telephone or teleconference or by video Conference. Participation through video conference shall be counted for quorum.

**8. Reporting**

The details of establishment of vigil mechanism and the composition of an Audit Committee and where the Board had not accepted any recommendation of the Audit Committee, the same shall be disclosed in the Board’s report along with the reasons therefore.

**9. Review**

The Board will at least once per year review the membership and policy of the Committee to determine its adequacy for current circumstances. Where necessary the Board may by resolution, alter the responsibilities, functions or membership of the Committee.

The Committee may also recommend to the Board the formal adoption of the revised policy for future operations of the Committee.

**10. Publishing on Website**

The details of establishment of vigil mechanism shall also be disclosed by the company on its website.