

## COMMITTEES OF THE BOARD

### AUDIT COMMITTEE

- i. The audit committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements entered into with the stock exchanges read with Section 177 of the Act.
- ii. The terms of reference of the audit committee are broadly as under:
  - Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - Recommend the appointment, remuneration and terms of appointment of auditors of the Company;
  - Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  - Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
    - Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section 3 of section 134 of the Act
    - Changes, if any, in accounting policies and practices and reasons for the same
    - Major accounting entries involving estimates based on the exercise of judgment by management
    - Significant adjustments made 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
    - Qualifications in the draft audit report
  - Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  - Review and monitor the auditors' independence and performance, and effectiveness of audit process;
  - Approval or any subsequent modification of transactions of the Company with related parties;
  - Scrutiny of inter-corporate loans and investments;
  - Valuation of undertakings or assets of the Company, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;
  - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - Discussion with internal auditors of any significant findings and follow up there on;
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
  - To review the functioning of whistle blower mechanism;
  - Approval of appointment of CFO;

- 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;
  - Carrying out any other function as is mentioned in the terms of reference of the audit committee;
  - Oversee financial reporting controls and process for material subsidiaries;
  - Oversee compliance with legal and regulatory requirements including the Trigyn Code of Conduct (“CoC”) for the company and its material subsidiaries;
  - To mandatorily review the following information:
    - Management discussion and analysis of financial condition and results of operations;
    - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
    - Management letters / letters of internal control weaknesses issued by the statutory auditors;
    - Internal audit reports relating to internal control weaknesses; and
    - The appointment, removal and terms of remuneration of the chief internal auditor.
- iii. The audit committee invites executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the secretary to the audit committee.
- iv. The composition of the audit committee and the details of meetings attended by its members are given below:

Name of the Member of the Audit Committee	Attendance at the Audit Committee Meetings	
	Held	Attended
Mr. Vivek Khare, Independent Director & Chairman of the Audit Committee	4	4
Mr. R. Ganapathi, Executive Director	4	4
Ms. P. Bhavana Rao, Executive Director	4	3
Mr. Ch. V.V. Prasad, Independent Director	4	4
Dr. B. R. Patil, Independent Director	4	3
Mr. A. R. Ansari, Independent Director	4	3

## **NOMINATION / REMUNERATION / COMPENSATION COMMITTEE**

- i. The Remuneration Committee of the Company was renamed as Nomination / Remuneration / Compensation Committee (Committee). The Committee acts as a Nomination and Remuneration Committee under Section 178(1) of the Companies Act, 2013 and as Compensation Committee under Regulation 5(2) of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- ii. The broad terms of reference of the nomination and Remuneration Committee are as under:
- Recommend to the board the set up and composition of the board and its committees, including the “formulation of the criteria for determining qualifications, positive attributes and independence of a director”. The committee will consider periodically reviewing the composition of the board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
  - Recommend to the board the appointment or reappointment of directors.
  - Devise a policy on board diversity.
  - Recommend to the board appointment of key managerial personnel (“KMP” as defined by the Act) and executive team members of the Company (as defined by this committee).
  - Carry out evaluation of every director’s performance and support the board and independent directors in evaluation of the performance of the board, its committees and individual directors. This shall include “formulation of criteria for evaluation of independent directors and the board”.

- Recommend to the board the remuneration policy for directors, executive team or key managerial personnel as well as the rest of the employees.
  - On an annual basis, recommend to the board the remuneration payable to the directors and oversee the remuneration to executive team or key managerial personnel of the Company.
  - Oversee familiarization programmes for directors.
  - Administration of employee stock options.
  - Oversee the human resource philosophy, human resource and people strategy and human resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the board, key managerial personnel and executive team).
  - Provide guidelines for remuneration of directors on material subsidiaries.
  - Recommend to the board on voting pattern for appointment and remuneration of directors on the boards of its material subsidiary companies.
  - Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.
- iii. The composition of the Nomination / Remuneration / Compensation Committee and the details of meetings attended by its members are given below:

Name of the Member of the Nomination / Remuneration / Compensation Committee	Attendance at the t Committee Meetings	
	Held	Attended
Mr. R. Ganapathi, Executive Director	2	2
Ms. P. Bhavana Rao, Executive Director	2	1
Mr. Ch. V.V. Prasad, Independent Director	2	2
Mr. Vivek Khare, Independent Director	2	2
Mr. Mohan Narayanan, Independent Director	2	2

iv. Remuneration policy:

Remuneration policy in the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our business model promotes customer centricity and requires employee mobility to address project needs. The remuneration policy supports such mobility through pay models that are compliant to local regulations. In each country where the Company operates, the remuneration structure is tailored to the regulations, practices and benchmarks prevalent in the IT industry.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its managing director and the executive directors. Annual increments are decided by the Nomination / Remuneration / Compensation Committee within the salary scale approved by the members of the Company and are effective April 1 each year. Nomination / Remuneration / Compensation Committee decides on the commission payable to the managing director and the executive directors out of the profits for the financial year and within the ceilings prescribed under the Act based on the performance of the Company as well as that of the managing director and each executive director.

v. Details of Remuneration paid to Directors during 2014 – 2015 is as given below:

Names	Sitting fees (Rs.)	Remuneration including Salary & Perquisites (Rs.)	Contribution to PF	Service Contracts	Notice Period	Stock Options
Mr. R Ganapathi	-	5,761,000	600,000	01-04-2012 to 31-03-2015*	1 month	-

Ms. Bhavana Rao	-	1,203,000	144,000	01-04-2012 to 31-03-2015*	1 Month	-
Mr. Ch. V.V. Prasad	95,000	-	-	-	-	-
Mr. Vivek Khare	95,000	-	-	-	-	-
Dr. B. R. Patil	65,000	-	-	-	-	-
Mr.A.R.Ansari	65,000	-	-	-	-	-
Mr.Mohan Narayanan	55,000	-	-	-	-	-

\* The Executive Directors were re-appointed for a term of three years in the 28<sup>th</sup> Annual General Meeting of the members of the Company. The remuneration with effect from April 1, 2015 is as under:

**Mr. R. Ganapathi** - Salary –Rs. 50,00,000/- per annum (Rupees Fifty Lakhs Only per annum).

Perquisites: 1) Gratuity and Provident Fund as may be applicable, 2) Leave and encashment of unavailed leave as per the rules of the Company.

Minimum Remuneration: Notwithstanding anything to the contrary contained herein, where in any financial year, during the currency of the tenure of Mr. R. Ganapathi, the Company has no profits or its profits are inadequate, the Company will pay salary and perquisites as permitted under Schedule V of the Companies Act, 2013 above as minimum remuneration.

**Ms. Bhavana Rao** - Salary –Rs. 30,00,000/- per annum (Rupees Thirty Lakhs Only per annum).

Perquisites: 1. Gratuity and Provident Fund as may be applicable, 2) Leave and encashment of unavailed leave as per the rules of the Company.

Minimum Remuneration: Notwithstanding anything to the contrary contained herein, where in any financial year, during the currency of the tenure of Ms. Bhavana Rao, the Company has no profits or its profits are inadequate, the Company will pay salary and perquisites as permitted under Schedule V of the Companies Act, 2013 as minimum remuneration.

None of the directors are paid any variable component.

The brief terms of Service Contracts of the Executive Directors are as under:

Salary as mentioned above.

Perquisites: 1. Gratuity and Provident Fund as may be applicable, 2) Leave and encashment of unavailed leave as per the rules of the Company.

Directors are also entitled to reimbursement from the Company travelling, hotel and other expenses incurred by them in the course of business of the Company.

They shall not so long as they function as such, become interested or otherwise concerned in any selling agency of the Company in future without the prior approval of the Central Government / Company Law Board.

Notice period for termination is one month on either side. No severance fees is applicable on termination.

Mr. R. Ganapathi was granted 100,000 stock options on August 19, 2013 at the then prevailing market rate of Rs. 7.15 per share. The Board of Directors subject to approval of the member of the Company have amended the exercise price so as to ensure that exercise price is not below face value and in cases where the market price is below face value the face value shall be the exercise price. Thus the 100,000 stock options granted to Mr. R. Ganapathi is exercisable at Rs. 10/- per share. The options shall accrue over a period of 4 years equally and is exercisable after the end of one year from date of grant the number of options which have vested till then. Further, in the Remuneration / Nomination / Compensation Committee meeting held on May 26, 2015 further 250,000 stock options were granted to Mr. R. Ganapathi at an exercise price of Rs. 10/- per option and the entire options vest at the end of one year from the date of grant.

vi. Details of equity shares of the Company held by the directors as on March 31, 2015 are given below:

Names	No. of Equity Share
Mr. R Ganapathi	25,000

The Company has not issued any convertible debentures.

## STAKEHOLDERS RELATIONSHIP AND GRIEVANCE COMMITTEE

- i. The Company had a Shareholders and Investors Grievance Committee of directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend / notices / annual reports, etc. The nomenclature of the said committee was changed to Stakeholders Relationship and Grievance Committee in the light of provisions of the Companies Act, 2013 and revised clause 49 of the Listing Agreement.
- ii. One meeting of the stakeholders' relationship committee was held during the year on May 23, 2014.
- iii. The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members. are given below:

Name of the Member of the Stakeholders Relationship and Grievance Committee	Attendance at the t Committee Meeting	
	Held	Attended
Mr. R. Ganapathi, Executive Director	1	1
Ms. P. Bhavana Rao, Executive Director	1	-
Mr. Ch. V.V. Prasad, Independent Director	1	1
Mr. Vivek Khare, Independent Director	1	1
Dr. B. R. Patil, Independent Director	1	1
Mr. A. R. Ansari, Independent Director	1	1

The Committee elects the Chairman of the meeting from the Independent Directors present at the meeting

- iv. The shares of the Company are listed on Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. The trading thereof is done in demat mode.
- v. During the year, the Company has not received any complaint from Investor. No complaints were received from any of the Stock Exchanges or SEBI. No share transfers were pending as on March 31, 2015. There are no pending complaints.
- vi. Mr. Parthasarathy Iyengar, Vice President, Company Secretary, Head Legal & Admin also acts as the Compliance Officer of the Company.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In terms of the provisions of the Companies Act, 2013 we have constituted a Corporate Social Responsibility Committee (CSR Committee) comprising, Ms. Bhavana Rao, Chairperson of the Committee, Dr. Raja Mohan Rao, Member of the Committee and Mr. A. R. Ansari, (Independent Director) Member of the Committee.

The broad terms of reference of CSR committee is as follows:

- Formulate and recommend to the board, a corporate social responsibility (CSR) policy;
- Recommend the amount of expenditure to be incurred on the activities referred to above;
- Monitor the CSR policy of the Company from time to time;
- Oversee the Company's conduct with regard to its corporate and societal obligations and its reputation as a responsible corporate citizen; and
- Oversee activities impacting the quality of life of various stakeholders.

The copy of the CSR Policy can be viewed on the Company's website at:

<http://www.trigyn.com/Investors/CodesandPolicies/CorporateSocialResponsibility.aspx>

## **RISK MANAGEMENT COMMITTEE**

The board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Risk Management Committee comprising of following directors:

1. Ms. Bhavana Rao, Executive Director.
2. Mr. Atiq Ansari, Independent Director
3. Dr. B. R. Patil, Independent Director

The Committee shall place its risk assessment and minimization procedures before the Audit Committee of the Board of Directors of the Company and the Committee shall frame, implement and monitor the Risk Assessment Policy of the Company.

The Chairman for the Committee is selected from amongst the directors present in the meeting.

The Company Secretary acts as a Secretary to all the Committees of the Board and also acts as a Compliance Officer.