

AUDIT COMMITTEE CHARTER

(approved and effective as of February 21, 2005)

Purpose

Syntel, Inc. (the "Corporation") shall maintain an Audit Committee (the "Committee") which will assist the Board of Directors (the "Board") in fulfilling its oversight responsibilities with respect to (i) the financial reporting process of the Corporation and the audits of the Corporation's financial statements, (ii) the system of internal controls that management has established; (iii) the internal and independent audit process; (iv) compliance with legal and regulatory requirements; (v) preparation of the reports required by the rules of the Securities and Exchange Commission (the "SEC") to be included in the Corporation's annual proxy statement; and (vi) the independent auditor's qualifications and independence.

While the Committee has the duties and responsibilities set forth in this Charter, the role of the Committee is oversight. The Committee is not responsible for planning or conducting the audit or determining whether the Corporation's financial statements are complete and accurate and in accordance with applicable accounting rules. Such activities are the responsibility of management and the Corporation's independent auditors. The Committee does not itself prepare financial statements or perform audits or auditing services, and its members are not auditors, certifiers of the Corporation's financial statements or guarantors of the Corporation's independent auditors' reports. It is not the duty or responsibility of the Committee to ensure that the Corporation complies with all laws and regulations. The Committee and each of its members shall be entitled to rely on (a) the integrity of those persons and organizations within and outside of the Corporation from which it receives information, (b) the accuracy of the financial and other information provided to the Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board), and (c) representations made by management as to any audit and non-audit services provided by the independent auditors to the Corporation.

Membership

The Committee shall consist of at least three members of the Board. Committee members and the Chairperson of the Committee shall be recommended by the Corporation's Nominating and Corporate Governance Committee and appointed by the Board and may be removed by the Board, with or without cause. The members of the Committee shall meet the independence and experience requirements of the NASDAQ Stock Market.

Simultaneous service on the audit committees of more than three public companies will be reviewed by the Board for a determination of whether such service impairs the effective service of the Committee member. This determination will be reported in the Corporation's annual proxy statement.

Meetings

The Committee shall hold meetings once a quarter, or more frequently as determined by the Chairman of the Committee, and special meetings as necessary. An agenda listing matters to be considered shall be prepared and circulated to the Committee prior to each meeting along with any

materials related to agenda items. Minutes of each meeting shall be prepared afterwards. The Committee may retain special independent counsel or special accounting or other expert assistance to advise the Committee at the Committee's discretion. The Committee may request any officer or employee of the Corporation or the Corporation's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Chairperson of the Committee may represent the entire Committee for required quarterly discussions with the independent auditor.

A majority of the members of the Committee constitutes a quorum for the transaction of business at any meeting. The vote of a majority of the members of the Committee present at any meeting at which there is a quorum shall be necessary to approve the acts of the Committee. A member of the Committee may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can communicate with each other. Participation in a meeting in this manner constitutes presence in person at the meeting.

Responsibilities

The Committee shall make regular reports to the Board concerning its activities and findings. The Committee should have a clear understanding with the independent auditor that they must maintain an open and transparent relationship with the Committee, and that the ultimate accountability of the independent auditors is to the Committee.

The Committee's responsibilities include the following:

Internal committee processes/procedures:

1. Annually review and reassess the adequacy of this charter and submit it to the Board for approval.
2. Annually review the performance of the Committee and report to the Board the results of such evaluation.
3. Periodically, at the discretion of the Committee, review and recommend to the Board for approval the adequacy of insurance coverage.
4. Establish hiring policies for employees or former employees of the independent auditors.
5. Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters and for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
6. The Committee shall engage, and determine funding for independent counsel and other advisors, such as accountants, outside advisors, consultants or others, without Board approval, to assist in the conduct or an investigations or as the Committee determines appropriate to advise or assist in the performance of its duties.

Discussions with auditors:

1. Annually review with the independent auditors the scope and results of the independent audit and the opinions and recommendations of the independent auditors, including major issues regarding

accounting and auditing principles and practices as well as the adequacy of internal controls that could significantly affect the Corporation's financial statements.

2. Ensure that the independent auditors prepare and deliver annually to the Audit Committee a formal written statement delineating all relationships between such independent auditors and the Corporation, consistent with Independent Standards Board Standard No. 1; actively engage in a dialogue with the independent auditors with respect to all relationships or services disclosed in the Statement that may impact the auditors' objectivity and independence; and take, or recommend that the full board take, appropriate action to satisfy itself of the independent auditors' independence.
3. Discuss quarterly with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of their annual audit or quarterly reviews and any problems or difficulties the auditor may have encountered and any management letter provided by the auditor and the Corporation's response to the letter.
4. Review major changes to the Corporation's accounting principles and practices as suggested by management and discuss periodically with the independent auditor its judgments about the quality of the Corporation's accounting principles and financial reporting practices.
5. Receive periodic reports from the independent auditor regarding the auditors' independence, discuss such reports with the independent auditors, review the non-audit services performed by the independent auditors and the fees charged therefor to ensure that performance of those services does not impair the independence of the auditors, and, if in the Committee's opinion necessary, recommend that the Board of Directors take appropriate action to insure the independence of the auditor.
6. Review with independent accountants any audit problems or difficulties with management's response.

Discussions with management:

1. Meet at least annually with the chief financial officer, the internal auditor and the independent auditor in separate executive sessions to discuss any matters that the Committee or these persons believe should be discussed privately.
2. Periodically review the status of any legal matters, including inquiries received from regulators or government agencies, which may have a material financial impact on the Corporation or seriously affect the reputation of the Corporation.
3. Periodically review with management the programs and procedures to assure compliance with laws, regulations and corporate policy.
4. The Committee shall seek any information it requires from employees or external parties.
5. Employees and external parties will be directed to cooperate and comply with the Committee's requests.
6. Review summaries of reports to management prepared by the internal auditors and management's responses.
7. Meet periodically with management to review the Corporation's major financial risk exposures and the steps management has taken to monitor and control such risks.

Internal Control:

1. Review on a continuing basis the adequacy of internal controls, including meeting periodically with management and the independent auditors to review the adequacy of such controls and to review before release the disclosure regarding such system of internal controls

required under SEC rules to be contained in the Company's periodic filings and the attestations or reports by the independent auditors relating to such disclosure.

2. At least annually, obtain and review a report by the independent auditors describing: the accounting firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the accounting firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and all relationships between the independent auditors and the Company in order to assess the auditors' independence.
3. Obtain reports from management, the Corporation's internal auditor, and the independent auditor that the Corporation's subsidiaries and affiliated entities are in conformity with applicable legal requirements and the Corporation's code of ethical conduct.
4. At the discretion of the Committee, review executive officer travel and entertainment expenses, including executive perquisites, to assess the reasonableness and appropriate documentation of the expenses.

Auditor qualification and retention:

1. Annually review the qualifications and fees of candidates and then recommend to the Board the independent accounting firm to conduct the independent audit of the Corporation, which firm shall be ultimately accountable to the Committee, and periodically review the performance of the independent auditor and, if so determined by the Committee, recommend that the Board of Directors replace the independent auditor.
2. Approve guidelines for the retention of the independent auditors for audit and non-audit services and pre-approval of such services, as required by applicable laws or listing standards. Pre-approval authority may be delegated to one or more members of the Committee.
3. Approve in advance all audit and permissible non-audit services (other than de minimus non-audit services as defined under SEC rules) to be provided by the independent auditors.
4. Approve the appointment or dismissal of the internal auditor and periodically review with management the role and scope of the work performed by the internal auditor.
5. The Committee shall have the sole authority for the appointment, compensation, retention and oversight of the Corporation's independent auditors.
6. Require Auditor rotation every seven (7) years absent finding an overriding factor dictating non-rotation.

Financial reporting, SEC, media:

1. Review analyses prepared by management and the independent auditor of significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements.
2. Review with management and the independent auditor the financial statements to be included in the Form 10-Q and Form 10-K before filing them with the SEC.
3. Review and discuss the Corporation's earnings press releases as well as financial information and earnings guidance provided to analysts and rating agencies.
4. Review and approve any related-party transactions required to be disclosed in the Company's annual proxy statement pursuant to Item 404 of Regulation S-K promulgated under the Securities Exchange Act of 1934.

5. Confirm with the independent auditor that no illegal acts have been reported by the independent auditor as required by Section 10A of the Securities Exchange Act of 1934.
6. After preparation by management and review by the internal auditor and the independent auditor, approve the Committee report to be included in the Corporation's annual proxy statement, with the Committee's charter published as an appendix to the proxy statement at least every three years.

Audit Committee Charter revised as of 033004