

CORPORATE SOCIAL RESPONSIBILITY POLICY

As Required under the Companies Act, 2013 and Rules made thereunder, Formulated and recommended by the Corporate Social Responsibility Committee (“CSR Committee”) and approved by the Board of Directors of the Company.

POLICY FRAMEWORK

This Corporate Social Responsibility Policy (“the CSR Policy”) has been framed by Gallops Autohaus Private Limited (the Company) in accordance with the Section 135, Schedule VII of the Companies Act, 2013 and CSR Rules issued by the Ministry of Corporate Affairs on February 27, 2014.

Unless the context otherwise requires, the definitions mentioned in the notification dated February 27, 2014 and Companies Act 2013 and amendments made there under from time to time, shall apply to this CSR Policy.

PHILOSOPHY

India’s population growth rate is increasing day by day, putting pressure on the limited resources and leaving many Indians in absolute poverty this is further coupled with illiteracy which is yet another major hurdle in the economic development of the country. The Corporate Social Responsibility (CSR) was introduced in India to address these concerns. While there may be no single universally accepted definition of CSR, each definition that currently exists indicates the impact that businesses have on society at large and the societal expectations of them. Our Company has always committed to the cause of social service and has repeatedly channelized a part of its resources and activities such that it positively affects the society socially, ethically and also environmentally. Being a good corporate citizen is an integral part of GALLOPS. With the advent of the Companies Act 2013, constitution of corporate social responsibility policy became a mandatory requirement.

Therefore, GALLOPS seeks to formulate a robust CSR policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare and sustainable development of the society.

OBJECTIVE

With an Endeavour to achieve our vision and fulfill our commitment to be a socially responsible corporate citizen, the CSR policy has been formulated with the following objectives:

To lay down guidelines to embed CSR as a business process for development of the society.

To undertake projects/programmes which will enhance the quality of life and economic well-being of the communities in accordance with Schedule VII of the Companies Act, 2013 (“Act”) read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“Rules”).

APPLICABILITY

Our CSR policy has been developed in consonance to Section 135 of the Companies Act, 2013 on CSR and in accordance with the CSR rules notified by the Ministry of Corporate Affairs, Government of India in 2014. The Policy shall apply to all CSR projects/programmes undertaken by Our Company in India as per Schedule VII of the Act and as amended from time to time.

CSR Committee

The Company has constituted Corporate Social Responsibility Committee (“the Committee”) comprising of following two Directors:

1. Mr. Tanuj Rajkumar Pugalia - Chairman
2. Mr. Rajkumar Dharamchandji Pugalia - Member

The Responsibilities of CSR Committee includes

- Formulating and recommending to the Board of Directors the CSR Policy and indicating activities to be undertaken
- Recommending the amount of expenditure for the CSR activities
- And monitoring CSR activities from time to time.

Execution, Monitoring and Reporting

The CSR Committee shall:

- Prepare and propose the CSR plan with the execution modalities and implementation schedules to the Board.
- Periodically appraise the Board on the status of the CSR plan.
- Institute a transparent monitoring mechanism for implementation of the CSR projects, programmes or activities undertaken by the Company.

To fulfill the above responsibilities, the CSR Committee would be equipped with necessary resources. The CSR team has been set up to ensure effective implementation of the CSR activities. The team would submit status reports of the projects/programmes to the CSR Committee on a periodic basis.

Board of Directors of the Company may re-constitute the Committee, as and when required to do so, by following the sections, sub-sections, rules, regulations, notifications issued or to be issued, from time to time, by the Ministry of Corporate Affairs or the Central Government of India. The Committee shall exercise powers and perform the functions assigned to it by the Board of Directors of the Company pursuant to section 135 of the Companies Act, 2013 and CSR Rules notified with regard thereto.

CSR ACTIVITIES

The Company shall upon the recommendation of its CSR Committee and with necessary approval of the Board, undertake any one or more of the following activities, as part of its corporate social responsibility initiative, which are defined in Schedule VII of the Companies Act 2013;

1. Eradicating hunger, poverty and malnutrition;
2. Promoting and improving health care including preventive, maternal health care and sanitation and making available safe drinking water;
3. Promoting education, including special education;
4. Providing employment, enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
5. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
6. Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
7. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
8. Reducing child mortality;
9. Protection of national heritage, art and culture including restoration of heritage buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
10. Promote and development of sports and sporting activities including for the physically challenged or differently abled;
11. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
12. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
13. Rural development projects.
14. Provided that, the CSR projects and programs or activities that benefit only the employees of the Company and their relatives shall not be considered as CSR activities. Also, the CSR activities

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undertaken in India only will be taken into consideration, in order to satisfy the requirement of section 135 of the Companies Act 2013. Also contribution of any amount directly or indirectly to any political party under section 182 of the Act shall not be considered as CSR activity.

BUDGET FOR CSR ACTIVITY& CSR EXPENSES:

The Company shall allocate the budget for CSR activities. The minimum budgeted amount for a financial year shall be 2% of the average net profit of three immediate preceding financial years. The Company may allocate more fund/amount than the amount prescribed under section 135 of the Companies Act, 2013, for the CSR activities for any financial year. The Committee shall calculate the total fund for the CSR activities and recommend to the Board for the approval. The Board shall approve the total fund to be utilized for CSR activity for respective financial year.

CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the approved CSR activities.

IDENTIFICATION OF ACTIVITIES/PROJECTS:

Out of approved CSR activities, the Committee shall decide which activity/project should be given priority for the respective financial year. While arriving at the decision of the activity to be undertaken for the respective year, the Committee shall analyse the basic need of the community/ area in which the Organisation operates or at the place where its registered office is situated. The Committee shall record its findings and prioritised the CSR activities.

IMPLEMENTATION

The Company may undertake CSR activities through a registered trust or a registered society or an associate company or through such other trusts, NGOs, registered societies, etc. which have an established track record of three years of undertaking such projects/programmes. Company may collaborate with other companies for undertaking the CSR projects/programmes subject to fulfillment of separate reporting requirements as prescribed in the Rules.

ORGANISATIONAL RESPONSIBILITY:

At organisational level for implementation of agreed CSR activity, the committee may constitute an implementation team or authorised any of the Department of the Company to organize for the implementation of the CSR activity. The team or respective department shall monitor the implementation process from time to time, on behalf of the CSR committee and place a report to the Committee regarding the progress of the activity implementation, on a quarterly basis. The respective department or implementation team would be responsible for reporting of any irregularity to the Committee on immediate basis.

MONITORING BY THE BOARD:

The Board of Directors shall constantly monitor the implementation of the CSR activities. The CSR committee shall place a progress report, including details of expenses, before the Board on quarterly basis. The Board shall review the same and suggest recommendation, if any, to the committee with regard to implementation process.

COMPLIANCE AND REPORTING TO BOARD:

The Committee is responsible to undertake CSR activities as per the approved CSR Policy. Apart from quarterly reporting to the Board about the implementation of CSR activity, a detail report containing the implementation schedule, total budget allocated, actual expenses incur, surplus arising, if any, result achieved, further work to do in the concern CSR activity, Recommendation for the CSR activities for next year etc. should be placed before the Board for its consideration. Any surplus arising out of the fund allocated for CSR activity shall not be the part of the business profit of the Company.

REVIEW PERIODICITY AND AMENDMENT

Our CSR plan may be revised/modified/amended by the CSR Committee at such intervals as it may deem fit. The CSR committee shall review the policy every year unless such revision is necessitated earlier. All disclosures, display and reporting requirement related to CSR shall be made in accordance with the provisions of the Act and Rules made thereunder.