



CORPORATE SOCIAL RESPONSIBILITY POLICY

Document Control

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1. Background:

LenDenClub Group (which includes LenDen Club Techserve Private Limited and Innofin Solutions Private Limited), as market leaders, are the fastest-growing Peer to Peer lending platform in the country. LenDenClub Group is a confluence of investors and creditworthy borrowers looking to fulfil their monetary needs. LenDenClub Group fills this gap and bring these demographics together, i.e., Indian population not covered by traditional credit-providing institutions and investor class, looking to diversify their portfolio with investment options that yield high returns.

The Company has constituted the Corporate Social Responsibility (CSR) framework as per Section 135 of Companies Act, 2013, The Companies (Corporate Social Responsibility Policy) Rules, 2014 (Rules) and Schedule VII of Companies Act, 2013 as amended from time to time ('CSR Laws').

The Board will be responsible for formulating the CSR Policy and make recommendation on the CSR expenditure, activities and allocation of net profit for such activities.

2. Objectives:

- ◆ This policy aims to provide a broad framework, principles and guidelines for conduct of CSR activities of the company. This policy will serve as a guiding document to help identify, execute and monitor CSR projects.
- ◆ The CSR Policy would function as a self-regulating mechanism for the Company's CSR activities and enable adherence to laws, ethical standards and international practices in this regard.

3. Scope:

- ◆ This policy will apply to all projects/programs undertaken as a part of the Company's CSR activities and will be developed, reviewed and updated with reference to relevant codes of corporate governance and international standards or best practices.

4. CSR Vision

Through sustainable measures, actively contribute to the Social, Economic and Environmental Development of communities by ensuring participation from communities and thereby creating value for the stakeholders.

5. CSR Eligibility and Budget:

- As per the provisions of the Act, the Company shall undertake CSR initiatives if the following limits are exceeded during the immediately preceding financial year shall undertake CSR activities
 - Net worth of INR 500 crore or more, or
 - Turnover of INR 1000 crore or more, or
 - Net profit of INR 5 crore or more

- The company shall endeavor to spend in every financial year, at least 2% of its average net profits made during the 3 immediately preceding financial years in pursuance of this CSR Policy and in the manner as specified in Section 135 of the Companies Act, 2013 and the Rules made thereunder from time to time.
- The 'Net Profit' shall be calculated in accordance with the provisions of section 198.
- The Board shall determine total budget for the CSR projects annually in accordance with the goals and priorities of the Company.
- **CSR Committee**
 - In case when the eligible CSR spend exceeds INR 50 lakh, the Board shall form a CSR Committee comprising of 2 or more directors.
 - CSR Committee shall discharge the roles of Board as outlined in the policy, however the oversight, necessary approvals and reporting shall be reserved with the Board.
 - The Company shall also display the details of composition of CSR Committee on its website (if applicable).

6. CSR Programs/Projects:

To provide a focused and structured approach to the program, the Company will focus its support and CSR spends on activities outlined in Schedule VII of the Companies Act 2013.

7. Role of the Board:

- ◆ The Board will play the following roles in fulfilling the Company's CSR objectives:
 - Formulating and recommending a CSR policy which shall indicate the activities to be undertaken by the Company in areas or subject as specified in Schedule VII of Companies Act, 2013.
 - Recommend the amount of annual expenditure to be incurred on the CSR activities.
 - Review and recommend certain CSR projects/programs as ongoing projects in accordance with the CSR Rules.
 - Monitoring CSR activities from time to time.
 - Review the impact assessment reports of CSR projects.
 - Annually review of status of the CSR activities and contributions made by the Corporation.
 - Implementation of the ongoing projects.
 - Ensuring that the funds are utilised for approved CSR purposes and the activities are undertaken.
 - Delegate the overall execution of the policy and day-to-day administration to CSR team or such other officers as may be designated by the Board.

8. Annual Action Plan:

- The Board, at the beginning of every financial year shall formulate and recommend, an annual action plan comprising of an amount to be spent during the said financial year, the CSR activities upon which the company would focus during the financial year including exploring new CSR projects and monitoring the implementation of ongoing CSR projects.
- The annual action plan shall include the following:

- The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - The manner of execution of such projects or programmes as specified in sub-rule (1) of Rule 4;
 - The mechanism of utilisation of funds and implementation schedules for the projects or programmes;
 - Monitoring and reporting mechanism for the projects or programmes;
 - Details of need and impact assessment, if any, for the projects undertaken by the company.
- ◆ The Board may alter the annual action plan at any time during the financial year based on reasonable justification to that effect.

9. CSR Expenditure:

- The disbursement of funds will be as per the agreed commercial terms with the third party engaged for CSR activity or as recommended by the Board or CSR Committee (if applicable).
- The terms, conditions and timing of disbursement will form part of the agreement with the third party implementing the project.
- In case the Company fails to spend such amount, the Board shall stipulate the reasons for not spending the amount in the CSR Report and transfer such unspent amount to a Fund specified in Schedule VII, within a period of 6 months of the expiry of the financial years.
- In case the Company spends an amount in excess of the required spending as per the provisions, such excess amount may be set off up to 3 succeeding financial years.
- The excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
- Further, a Board resolution shall be passed for set off of excess expenses.

10. Ongoing Projects

- The Company may choose to undertake a multi-year project (an 'Ongoing Project') in fulfilment of its CSR obligations. Ongoing project means and includes:
 - a multi-year project undertaken by the Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced.
 - Such a project, whose duration has been increased beyond a year by the board on the basis of plausible justification even though it was not originally authorised as a multiyear project.
- The unspent amount shall be deposited to the "Unspent Corporate Social Responsibility Account" in any bank within 30 days from the end of financial year. It shall be used within a period of three financial years from the date of such transfer. The Company shall also provide the reasons for not spending the amounts in its Board report.

11. Monitoring and Impact Assessment:

- The company's CSR activities will be driven by the Board or the person(s) identified by Board. The Board will play a significant role in ensuring that the CSR Policy is embedded across the Company's operations and CSR projects are in line with the policy.
- The Board of Directors will satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner approved by it, and the Chief Financial Officer will certify the same to that effect if required.
- The Board will ensure a transparent monitoring for ensuring effective implementation of the projects/ programs/activities proposed to be undertaken by the company.
- Monitoring will include visits, meetings and progress/ status reporting by the project teams.
- The CSR projects' impact assessments shall be carried out in accordance with the Board's recommendations. The Board shall also be presented with the CSR Report and its impact.

12. Disclosures and Transparency:

- Significant CSR activities and achievements will be reported as a part of the Director's Report in the company's Annual Report as per the CSR Laws and also as per any other statutory and regulatory reporting requirements.
- The company shall disclose the CSR policy, projects and composition of CSR Committee (if applicable) as approved by the Board on their website.
- Board / Employee shall not derive any direct / indirect benefit through the CSR initiatives.
 - Any conflict / benefit should be disclosed at the time of evaluation of the initiative.
 - In case the Board member / employee subsequently becomes interested in the project such disclosure shall be made within 2 working days.

13. Review and Amendments:

The process owner shall review this policy to incorporate any changes in practice, acts, rules and regulations on a regular basis and at least once a year. Revised policy shall be shared by the process owner with the Internal Controls Team for Board approval.

"Any revisions to this policy based on applicable Policy and Guidelines issued by the Regulator shall be considered effective from the date of such issue".