

PRESS RELEASE
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ICRA ESG Ratings Limited assigns its first ESG rating to InCred Financial Services Limited

ICRA ESG Ratings Limited (ICRA ESG), a wholly-owned subsidiary of ICRA Limited, has reached an important milestone with the assignment of its first Environmental, Social, and Governance (ESG) rating to InCred Financial Services Limited. InCred Financial Services Limited, a Non-Banking Financial Company (NBFC) focused on personal loans, student loans, and business loans, etc. has been assigned a rating of **[ICRA ESG] Impact 57, Moderate**. Please view the brief rating rationale [here](#).

ICRA ESG had received a registration as a Category-I ESG Rating Provider (ERP) from the Securities and Exchange Board of India (SEBI) earlier during this fiscal. ICRA ESG was formerly known as Pragati Development Consulting Services Limited (PDCSL).

The ICRA ESG-assigned ratings help investors assess the non-financial risks and opportunities associated with entities and facilitate making better investment decisions, paving the way for a more sustainable and responsible investment landscape. These ratings also help the rated entity to gain a better understanding and diagnostics of its ESG impact and accordingly plan and execute its future sustainability actions.

ICRA ESG offers Impact, Transition, and Combined ratings to entities as per the regulatory framework prescribed by SEBI, on a rating scale that ranges from 0 - 100. The ESG Impact Rating reflects the state of a rated entity's ESG profile in terms of the impact that its business activities create on the environment and the society against the backdrop of its governance practices. In comparison, an ESG Transition Rating is an opinion on the plans and the progress being made by a rated entity towards transitioning to a more evolved ESG profile including achieving the net zero goals. A Combined ESG Rating provides a composite assessment of both the impact as well as the transition profile of the entity. To assign these ratings, ICRA ESG not only relies on the publicly-available disclosures and other information, but also engages closely with multiple stakeholders within the rated entity. This approach ensures that the ESG rating decisions are not merely an outcome of mechanised, templatised, or model-driven architectures, but also incorporate various qualitative considerations that seek to enhance the reliability of the ratings for the investors.

Commenting on the development, Mr. Ramnath Krishnan, MD & Group CEO of ICRA Limited, said, "The adoption of ESG ratings in India will serve as a catalyst for driving positive change and promoting a more inclusive and environmentally conscious business environment. This advancement elevates the ICRA Group to the select ranks of Indian entities delivering holistic risk-monitoring solutions, including ESG ratings and scores. It marks a pivotal step in our commitment to promoting sustainable development and responsible investing."

Mr. L. Shivakumar, CEO of ICRA ESG Ratings, added, "Our ESG ratings will serve as a crucial tool for entities to benchmark their performance, strengthen their ESG practices, identify areas for improvement, and align their strategies with the country's journey towards the net zero transition. We believe mature ESG practices are essential for risk management and long-term value creation. ICRA's ESG ratings could enable more informed resource allocation towards this cause."

About ICRA ESG Ratings Limited:

ICRA ESG Ratings Ltd (ICRA ESG), is a Category-I ESG Ratings Provider (ERP) licensed by the Securities and Exchange Board of India. ICRA ESG provides comprehensive ESG assessments, offering a holistic view of an entity's state and progress towards sustainability. Our approach covers not only the conventional metrics but also incorporates a nuanced evaluation of an entity's commitment to and transition towards sustainability. ICRA ESG is a wholly owned subsidiary of ICRA Limited (ICRA), one of India's leading Credit Rating Agencies, with a track record of over three decades. The ultimate parent company of international Credit Rating Agency Moody's Investors Service is the indirect largest shareholder of ICRA.

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