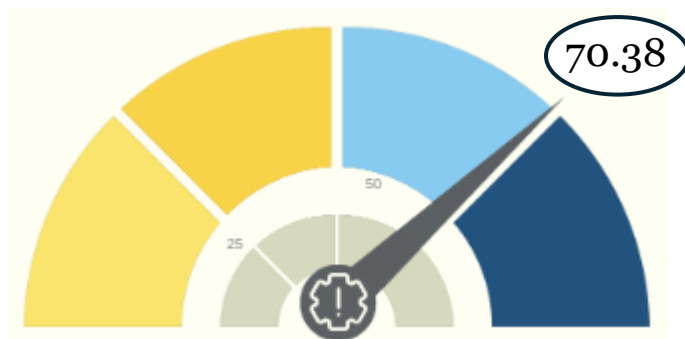


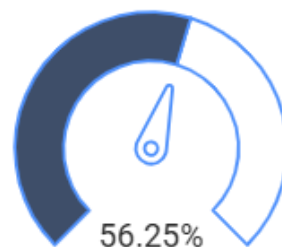
ESG ASSESTMENT

7th May, 2025

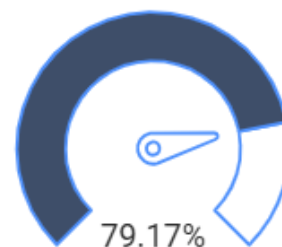
VCCL	Previous Score	Current Score	Assessment	Assessment Movement
ESG Assessment	Nil	70.38	Average	Nil



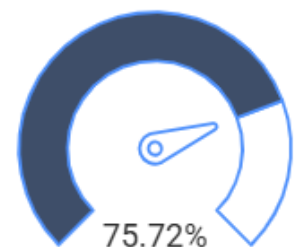
ESG Performance Metrics



Environment



Social



Governance

ESG Metrix

IAR Scale	AAA	AA	A	BBB	BB	B	CCC
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ESG Metrix

IAR AAA	Leader	Exceptional ESG performance; fully integrated into strategy and operations.
IAR AA	Leader	Strong ESG practices; above average with proactive risk and stakeholder focus.
IAR A	Average	Meets ESG norms; consistent but lacks advanced integration or innovation.
IAR BBB	Average	Addresses ESG issues; performance is average with limited strategic alignment.
IAR BB	Average	Basic ESG efforts; policies exist but weak in execution and impact.
IAR B	Laggard	Poor ESG practices; reactive approach with low transparency or control.
IAR CCC	Laggard	No or very weak ESG practices; high risk, no clear mitigation.

Rational

On 7th May 2025, **Infomerics Analytics and Ratings (IAR)** assigned **Vedika Credit Capital Ltd.**, a non-deposit-taking NBFC-MFI, an **ESG score of 70.38 out of 100**, placing it in the “**Average**”. under its inaugural ESG evaluation. As there was no previous score for comparison; however, the result reflects a strong commitment to social responsibility and sound governance, with environmental practices identified as a key area for further development.

Vedika, operational since 1995 and registered with the RBI since 1998, operates across 192 branches in 7 Indian states, serving over 400,000 clients with a gross AUM of INR 1,452.29 crores (FY 2024–25). Its core focus lies in promoting financial inclusion for women, primarily through Joint Liability Group (JLG) and individual microfinance loans. Under the leadership of Managing Director Gautam Jain, the company has built a robust social performance profile. Its ESG social score is notably reinforced by its outreach to 98.28% underserved clients, with a majority being women. A 2025 internal impact survey (with a 97.3% response rate) showed 95% of clients reporting an improvement in quality of life, attributed to access to microcredit, capacity-building programs, and health and literacy initiatives.

Vedika’s CSR activities focus on financial literacy, women’s empowerment, and community development, further strengthening its social impact. Internally, the company emphasizes employee well-being, offering mental health support, inclusive hiring policies, and leadership development programs. This focus has translated into high employee morale, as evidenced by a 91% employee satisfaction rate in a 2025 survey with a 99% response rate.

From a governance perspective, Vedika demonstrates strengths such as transparent disclosures, board diversity, and active oversight mechanisms, including the presence of an ESG Committee.

On the environmental front, the company has implemented several energy-efficient practices, including cloud-based infrastructure, digital loan processing, remote work models, and general waste reduction. However, it lacks baseline data and systematic tracking for carbon emissions, energy and water usage, and waste generation, which constrains its environmental performance. The emphasis remains on outputs (e.g., number of trees planted, digital initiatives) rather than measurable long-term outcomes (e.g., emissions reduced, energy saved), limiting the visibility of impact.

IAR’s ESG Assessment combines financial analysis, ESG disclosures, management discussions, and alignment with BRSR Standard. Vedika’s “Average” Assessment reflects its strong social and governance practices while outlining clear opportunities to enhance its environmental performance for future score improvement.

Key Assessment Drivers

- Integration of ESG into Business Strategy
- Transparency & Disclosure
- Governance Oversight

Strength

Employee Well-being Measures:

Vedika places a strong emphasis on fostering a positive workplace culture that supports both physical and mental well-being. To promote this, the organization has implemented various initiatives, including internal engagement programs that encourage team bonding and collaboration, as well as dedicated mental health resources aimed at supporting employees' emotional resilience and overall wellness. These efforts reflect Vedika's commitment to creating a supportive and inclusive work environment where employees can thrive.

Work Force Management Guidelines:

Vedika is committed to building a diverse and inclusive workforce through its inclusive hiring practices, ensuring equal opportunities for individuals from all backgrounds. The organization also invests in comprehensive training programs that not only enhance technical competencies but also emphasize ethical conduct and integrity in the workplace. Additionally, Vedika actively promotes gender diversity through targeted initiatives, aiming to create a balanced and equitable environment across all levels of the organization.

Energy – Efficient and Low- Emission Operation:

Vedika has embraced digital infrastructure as a key strategy to reduce paper consumption and minimize its carbon footprint. By shifting toward cloud-based systems and encouraging remote working, the organization enhances operational sustainability while also offering greater flexibility to its workforce. These digital transformations not only contribute to environmental conservation but also support efficient, scalable, and resilient business operations. Vedika has expanded its loan portfolio to include WASH (Water, Sanitation, and Hygiene) and Electric Vehicle (EV) loans—two critical sectors that align with environmental sustainability and promote community well-being.

Community Engagement:

Vedika's Corporate Social Responsibility (CSR) initiatives are centered on promoting financial literacy, particularly among underserved communities, to foster economic inclusion and informed financial decision-making. A key focus area within these efforts is the empowerment of women through targeted microfinance services, enabling them to build financial independence, support their families, and contribute to their communities' development. These programs reflect Vedika's broader commitment to social impact and equitable growth.

Weakness

Limited Quantitative Metrics:

The company currently lacks a system for tracking key environmental indicators such as carbon emissions, energy consumption, and waste generation. This absence of quantitative data limits the organization's ability to set measurable reduction targets, monitor environmental impact effectively, and demonstrate tangible progress in its sustainability efforts.

Environmental Disclosure Gaps:

While low-emission operations are mentioned, there are no detailed insights provided on energy consumption or carbon footprint baselines.

Focus on Output Rather than Out Come:

The company currently places greater emphasis on the outputs of ESG initiatives—for example, highlighting the number of health camps conducted—rather than the actual outcomes achieved. To more effectively demonstrate the impact and effectiveness of Vedika's ESG efforts, it is recommended to shift the focus toward measurable outcomes, such as improvements in community health indicators resulting from these activities.

Assessment Sensitivities:

Positive Factor:

Vedika Finance's ESG score has strong potential for improvement if the company takes proactive steps to systematically track and disclose its environmental impact. While the current ESG report highlights initiatives like digitization and energy-efficient operations, introducing concrete policies focused on emission reduction, renewable energy usage, and water conservation and Vedika has expanded its loan portfolio to include WASH (Water, Sanitation, and Hygiene) and Electric Vehicle (EV) loans—two critical sectors that align with environmental sustainability and promote community well-being would significantly enhance its environmental performance. Furthermore, setting clear, measurable, and time-bound ESG targets—such as carbon reduction goals or resource efficiency benchmarks—would demonstrate long-term commitment and accountability. Aligning these initiatives with globally recognized ESG frameworks would not only improve transparency but also position Vedika as a forward-thinking, sustainable financial institution in the eyes of stakeholders and Assessment agencies.

Negative Factor:

The company's ESG score may be negatively affected if there is a noticeable increase in employee turnover, indicating potential internal dissatisfaction or weak workforce management. Additionally, the imposition of regulatory fines or involvement in major litigation—particularly related to client handling, compliance failures, or ethical concerns—could significantly harm Vedika Finance's reputation and operational integrity. Such events would contradict the commitments to transparency, employee well-being, and responsible governance outlined in the ESG report, potentially leading to a reassessment of its ESG performance.

Analytical Approach

Analytical Approach	Comments
Methodology	ESG Methodology
Scale	ESG Metrix
Last review date	NA
Data Availability	Satisfactory
Assessment Boundaries	IAR has based its ESG Assessment on the consolidated financial and non-financial disclosures of Vedika Finance Ltd., incorporated Assessment relevant ESG data shared by the company. The Assessment process included multiple detailed discussions with key members of Vedika's management team to understand the company's ESG framework, strategic priorities, and on-ground implementation of sustainability initiatives.

About the Company

Vedika Credit Capital Ltd. is a non-deposit-taking, Non-Banking Financial Company – Microfinance Institution (NBFC-MFI) that plays a pivotal role in advancing financial inclusion across India. With a clear focus on underserved and economically vulnerable communities, the company is committed to empowering individuals—particularly women—through access to formal financial services. Vedika was initially incorporated as a Private Limited Company and later transitioned into a Public Limited Company in November 1995, marking a significant milestone in its institutional growth. It has been registered with the Reserve Bank of India (RBI) since March 1998, Assessment under regulatory supervision while aligning its services with national financial inclusion objectives.

Since 2007, Vedika has specialized in offering microfinance products tailored to the needs of low-income households, especially in rural and semi-urban areas. Its core offerings include **Joint Liability Group (JLG) loans** and **individual loans**, which are designed to support women borrowers—an essential segment identified in the RBI's inclusive finance framework. These loan products are intended to facilitate income-generative Assessment activities such as small-scale trade, agriculture, livestock management, and home-based enterprises. By channeling funds directly to women entrepreneurs, Vedika not only provides access to capital but also helps improve household incomes, economic resilience, and community well-being.

The company's operational model is rooted in the principles of responsible lending, financial education, and social impact. Its services are designed to reduce dependency on informal lending channels, enhance credit discipline, and enable long-term financial stability for its clients. Over the years, Vedika has expanded its outreach through a wide network of branches and trained field staff, offering personalized and accessible financial solutions. Through this mission-driven approach, Vedika Credit Capital Ltd. continues to strengthen its role as a trusted financial partner to thousands of women across India, contributing to the broader goals of socio-economic development and inclusive growth.

Operations and Impact Headquartered in Ranchi, Jharkhand, Vedika operates through 192 branches across seven states: Bihar (43 branches), Jharkhand (22), West Bengal (59), Uttar Pradesh (17), Assam (17), Odisha (15), and Tripura (19). The company impacts over 400,000 members, predominantly women, rural, and tribal communities, by providing accessible financial solutions. Its diverse loan portfolio includes JLG loans (INR 21,400 to INR 70,000, 28.5% interest, 12-30 months tenure), Micro Enterprise Loans (INR 1-3 lakh, 12-36 months), WASH Loans (INR 1 lakh, 28.5% interest, 12-36 months), and ERickshaw Loans (12-24 months). In FY 2024-25, Vedikas Assets Under Management (AUM) reached INR 1452.29 crores, with a Capital to Risk Assets Ratio (CRAR) of 30.15% and Profit After Tax (PAT) of INR 29.81 crores, reflecting financial resilience. The 2025 Customer Satisfaction Survey (97.3% response) reported 95% of clients experienced improved quality of life, with a 70.85% repeat customer rate.

Under the leadership of Managing Director Gautam Jain, Director Vikram Jain, and CFO Abhishek Agarwal, Vedika aligns its operations with Environmental, Social, and Governance (ESG) principles. Environmental efforts include a Tree Plantation Program, Green Office Practices (e.g., paperless workflows, LED lighting), and e-waste management. Vedika has expanded its loan portfolio to include WASH (Water, Sanitation, and Hygiene) and Electric Vehicle (EV) loans—two critical sectors that align with environmental sustainability and promote community well-being. Socially, Vedika serves 98.28% underserved clients and supports community welfare through CSR initiatives like health camps and tribal school development in Jharkhand. Governance is strengthened by SEBI/RBI compliance, a diverse Board, and policies like Anti-Bribery and Cyber Security (ISO/IEC 27001-compliant). The company employs 1,664 fulltime staff, with 91% employee satisfaction (2025 survey, 99% response), fostering a discrimination-free workplace.

Key Management Details

S.No.	Name	Designation	DIN No.
1.	Mr. Gautam Jain	Managing Director	00367524
2.	Mr. Vikram Jain	Whole Time Director	00367570
3.	Mr. Deep Kumar Hessa	Director	03452241
4.	Mr. Maqsoodul Hasan Ansari	Independent Director	08188472
5.	Mr. Mukul Praween Ekka	Nominee Director	10862200
6.	Mr. Hari Babu Shukla	Independent Director	09595868

Source of Information

To determine the assessment effectively, IAR (Infomerics Analytics & Research) has conducted a thorough assessment of various information sources, including the company's official annual reports, detailed policy documents, and any supplementary materials provided by the organization. This comprehensive process involves a careful evaluation of feedback and comments directly received from the company, ensuring that the analysis captures a holistic view of both the financial standing and the non-financial aspects of its operations. By integrating Assessment these diverse data streams, IAR aims to achieve a well-rounded perspective, considering not only quantitative figures but also qualitative factors such as governance practices and social impact initiatives. This approach facilitates a more accurate and nuanced assessment of the company's overall performance and sustainability

Assessment History of Past Years

S. NO.	Parameters	FY 2025	FY 2024
1.	ESG Assessment	None	None

Relationship Contact

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INFOMERICS ANALYTICS & RESEARCH (IAR)



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