



ICRA

ICRA Limited

September 13, 2019

**The BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001, India  
**Scrip Code: 532835**

**The National Stock Exchange of India Limited**  
Exchange Plaza,  
Plot no. C/1, G Block  
Bandra-Kurla Complex  
Bandra (East)  
Mumbai - 400 051, India  
**Symbol: ICRA**

Dear Sir/Madam,

**Sub: - Disclosure under regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Representation of Mr. Naresh Takkar under section 169(4) of the Companies Act, 2013**

Please refer to our letter dated August 31, 2019 enclosing the addendum to the Notice of Twenty-Eighth Annual General Meeting for adding an additional agenda for removal of Mr. Naresh Takkar as Director of ICRA Limited (the “Company”).

Pursuant to Section 169(4) of the Companies Act, 2013, Mr. Naresh Takkar has sent his representation in writing to the Company requesting the Company to circulate the said representation to the Members of the Company. Accordingly, the Company is circulating the representation of Mr. Takkar to all the Members. A copy of the representation will also be made available on the website of the Company at [www.icra.in](http://www.icra.in).

Pursuant to regulation 30 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of the said representation.

This is for your kind information and record.

Regards,

Sincerely,

(S. Shakeb Rahman)  
Company Secretary & Compliance Officer

Encl.: As Above



ICRA

A MOODY'S INVESTORS  
SERVICE COMPANY

## REPRESENTATION OF MR. NARESH TAKKAR (DIN: 00253288) UNDER SECTION 169(4) OF THE COMPANIES ACT, 2013

ICRA Limited (the "**Company**") had issued a Notice dated August 22, 2019 for convening the **Twenty-Eighth** Annual General Meeting in terms of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014. The Notice has been despatched to all the Members of the Company in due compliance with the provisions of the Companies Act, 2013 read with the Rules framed thereunder.

Subsequent to the issuance of the Notice, the Company had received a special notice dated August 29, 2019, pursuant to Section 115 of the Companies Act, 2013 read with Rule 23 of the Companies (Management and Administration) Rules, 2014, from its shareholder, Moody's Singapore Pte Ltd, who is identified as a promoter of the Company under the stock exchange disclosures ("**Promoter Shareholder**" and such notice, the "**Special Notice**"). The Promoter Shareholder had, pursuant to the Special Notice and in recognition of the legal rights vested in it as a shareholder of the Company, requested to include an additional agenda for consideration at the ensuing general meeting of the Members of the Company for removal of Mr. Naresh Takkar as Director of the Company.

In light of the above, an addendum to the Notice dated August 22, 2019 has been issued and despatched to all the Members of the Company for adding an additional agenda for removal of Mr. Naresh Takkar as Director of the Company, to be discussed and considered at the Twenty Eighth Annual General Meeting ("**Addendum**").

Pursuant to Section 169(4) of the Companies Act, 2013, Mr. Naresh Takkar has sent his representation in writing to the Company requesting the Company to circulate the said representation to the Members of the Company. Please find enclosed the representation of Mr. Takkar. A copy of the representation is also available on the website of the Company at [www.icra.in](http://www.icra.in).

Please note that Mr. Takkar's representation is being circulated in compliance with the Company's obligation under Section 169(4) of the Companies Act, 2013. The Company, the Board, the key managerial personnel and any officers of the Company have not verified the statements made in the said representation and hence, do not take any responsibility for the same. Additionally, the Company has not verified whether any statements provided by Mr. Takkar are in compliance with any confidentiality obligations and whether appropriate authorisations have been obtained in this regard and hence do not take any responsibility for the same.

A copy of the said representation dated September 12, 2019 is also available for inspection by the Members at the Registered Office of the Company as per the terms of the Notice dated August 22, 2019 including the Addendum circulated to the Members of the Company, up to the date of the meeting.

For ICRA Limited

(S. Shakeb Rahman)  
Company Secretary & Compliance Officer

Place: Gurugram  
Date: September 13, 2019

CIN: L74999DL1991PLC042749  
Registered Office: 1105, Kailash Building, 11th Floor, 26,  
Kasturba Gandhi Marg, New Delhi 110 001

Telephone No.: +91.11.23357940-45  
Website: [www.icra.in](http://www.icra.in)  
Email ID: [investors@icraindia.com](mailto:investors@icraindia.com)

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12 September, 2019

The Board of Directors  
ICRA Limited  
Kailash Building, KG Marg  
New Delhi - 110001.

**Re. Representation under Section 169 of the Companies Act, 2013**

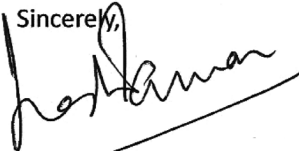
Dear Sir/Madam:

Please refer to the Special Notice moved by Moody's Singapore Pte Ltd. dated 29 August, 2019 proposing my removal from the office of Director of the company due to termination of my employment by the Board.

Pursuant to Section 169 (4), I am entitled to make a representation in writing to the shareholders of the company. I attach my representation to this letter. Please have this circulated to all the shareholders. I am providing you my representation well on time so that it can be sent to all the shareholders in advance.

Thank you,

Sincerely,



Naresh Takkar

Encl. as above

cc. Company Secretary, ICRA Limited

## Representation under Section 169 of the Companies Act, 2013

Dear Shareholders:

I have had the privilege of being associated with ICRA for more than 27 years and being the Group Chief Executive Officer and Managing Director of ICRA's illustrious Board since January, 2015. I have also had the privilege of working through the ranks of ICRA starting in 1991 as an analyst. Over the years I have served in various positions across functions including Analytical, Regional Management, Chief Rating Officer and have been a member of the Board since 1999. Imbibing the ICRA culture of integrity, objectivity and fair play, we have built ICRA as an institution of which the entire ICRA Group and our shareholders, can rightly be proud.

Currently, ICRA rates more than 4000 entities including some very prominent names in its client list across both public and private sectors. ICRA commands a leading position in niche areas viz. structured finance where there is scope for quality differentiation in an otherwise largely commoditized market. Similarly among institutional investors ICRA is regarded as a leading rating agency, and issues rated by ICRA command most competitive spreads. ICRA's ratings track record in terms of rating accuracy, default and stability rates compares with the best in the industry. ICRA may not be the largest in market share, or revenue or the most profitable, or the fastest growing in the industry, but has always focussed on being prudent, and a responsible agency predicated on values and analytical rigour.

At ICRA, integrity and sincerity is a way of life for the employees with emphasis on the substance than just the form. We practice sound governance every day rather than use it as rhetoric. This is reflected in significant business that gets sacrificed each year due to our unwillingness to dilute our standards to meet many clients' unrealistic ratings expectations leading to business and market share loss to competition. It is not just a coincidence that ICRA's share in the large stressed assets in the first two lists of cases referred to NCLT under Insolvency and Bankruptcy Code is one of the lowest. Our reliability and the trust that we enjoy is reflected in our high standing which is duly recognised by the market, including leading investors, rated entities, intermediaries, regulators, government agencies and media. It is primarily because of ICRA's reputation and market standing that Moody's invested in our company, and over time, acquired a majority stake after extensive due diligence.

Pardon me if I say that my own standing in the financial market is recognised not only within ICRA and by our very fine team, but also by the RBI, SEBI, Government and Industry associations where I have also had the privilege to be on various prestigious committees. Indeed, if I may say so, it was because of my sincere efforts and consistent performance track record, that ICRA's management and Board considered it fit to enhance my

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email: naresh.takkar@outlook.com

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organizational responsibilities and steadily promote me through the ranks over the decades, and the present majority owners Moody's saw fit to elevate me to the position of MD & CEO. It's a matter of personal pride for me that over the years I have helped recruit, guide and train some of the finest analysts and management team in the industry. May I place on record that I am very proud of my rectitude, and my integrity, both personal & financial.

Moody's, our majority owners and our Board have also contributed significantly to ICRA's position over the years. Besides playing a key role in formulation of ICRA's business strategy and policies, Moody's exercise a close oversight over all aspects of ICRA's business and operations, with the key functions including Credit Policy, Compliance, Internal Audit, Legal, HR, Business Planning and Finance, having a dotted line reporting to Moody's senior managers with complete access of detailed information relating to ICRA's business and operations. Additionally under a technical support agreement with Moody's, employees of both the organizations especially the analytical, compliance & control and commercial functions engage with each other regularly from which the ICRA team benefits from the experience and guidance by Moody's employees. ICRA Board works very closely with Moody's and exercises tight control on every facet of our business including guiding/approving : business strategy, business plans and investments, manpower planning, senior level recruitments, compensation policies, management bonuses, incentives, promotions and succession planning. Since November 2016 as per SEBI requirement, review of each Rating Committee's decisions are required to be presented to the Board. Additionally, ICRA operations are subjected to various internal audits, SEBI audits and inspections besides very extensive and detailed internal audit by Moody's covering various aspects of ICRA business and operations.

As MD and CEO of ICRA I had the overall responsibility of achieving Business targets, as well as maintaining high rating quality, market reputation and franchise strength of the company. The role required maintaining a fine balance between business and qualitative aspects while delivering on business strategy and targets as approved by the Board, managing relationships to ensure excellence in customer servicing, overall responsibility of Credit Policy, grooming and mentoring of talent and oversight of Corporate functions. And indeed I have delivered well on all those parameters over the years, in a highly competitive environment as reflected in our market standing, financial performance and quality and accuracy of ICRA Ratings. The Board is aware that I took regular guidance both from Moody's and ICRA Board and faithfully carried out all my responsibilities as MD, and as Group CEO of ICRA. I don't recall a single instance where the correctness of my decision, or the rectitude with which I functioned, was ever adversely hinted at, leave alone brought before the Board formally or informally. All matters were faithfully brought to the Board's notice and its various Committees. My consistent and highly successful track record was duly acknowledged and highly rated/appreciated by the Board every year, including my last performance appraisal which was done in 2018.



I come now to perhaps the unstated immediate cause of the Board's regrettable action. It is true that IL&FS group ratings has been a highly regrettable failure. Our ratings team never expected and did not foresee such malfeasance by the group which was owned by such large and respectable institutional shareholders, overseen by highly experienced and reputed Board members, and the financial statements audited by auditors with such high repute and international standing. Given all these factors, management plans, policies and representations were relied upon with greater confidence. ICRA, and for that matter no rating agency is either expected or equipped to carry out investigations or forensic audits. ICRA followed all its regular processes and practices, but couldn't be expected to anticipate and prevent what happened at IL&FS. ICRA since its inception, institutionalized checks and balances where all its rating decisions are assigned by the Rating Committees, and each Rating Committee member has an equal vote, with a right to record dissent, and no individual has a veto right. There are strict guidelines for dealing with conflict of interest for all the Analytical and Rating Committee members.

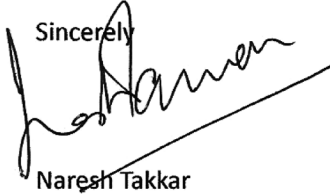
It will be gross injustice to the significant role and stupendous efforts of Moody's, ICRA Board members and ICRA team, if I take all the credit for our success over the years - similarly it would be grossly incorrect and unfair, indeed illegal, if I am singled out and solely held responsible for any collective failure.

ICRA received anonymous representations sometime in November 2018. From day one, I fully supported independent investigations. However, during the last few months I had serious concerns about the lack of transparency, fairness and independence of the investigations, and also the Board's reluctance to deal with the same. After repeated requests I was allowed to inspect the representations on 24 August 2019, for the first time. I found the allegations completely baseless, and vague. Since my access to all of ICRA's documents, emails, etc was barred way prior to the representations being shown to me, I was constrained to request the Board to provide me with back-up data and information to enable me to respond to the allegations in my best capacity. This request as well as my various concerns about the Board's conduct and its investigations, have not been responded to till date.

After 27 years of dedicated service to the company where I served the company with utmost sincerity I feel highly disappointed and aggrieved at the grossly unfair manner in which ICRA Board has wrongly dealt with me, first by sending me on forced administrative leave from 01 July 2019, ignoring my offer to go on voluntary leave, in not responding to various concerns I shared with the Board, and some of which were conveniently termed retaliatory allegations by the Board, and finally culminating into the most unfortunate decision to wrongfully terminate my services without assigning any reason. This unwarranted, unfair and illegal action has completely damaged my reputation and social standing. This is something the shareholders must ponder and ask of the decision makers. I reserve all my legal rights and remedies available to me, for such injustice rendered to me.

To conclude, I would like to thank all ICRA shareholders who gave me the opportunity and full support in leading the company. I also thank all the present and past employees of ICRA who are a group of wonderful and talented people who extended their support during my long journey at ICRA. My best wishes to ICRA and everyone associated with the company. I sincerely hope ICRA will be able to regain its glory, and continue to pursue its mission with even greater fortitude to be the most respectable rating agency, and analytical firm.

Thank you,

Sincerely  
  
Naresh Takkar



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