

**ICL Fincorp Limited**

CIN: U65191TN1991PLC021815

Reg.Off: No.61/1, VGP Complex, First
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Tamil Nadu – 600083

Ph: 044 24863775

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Thrissur, Kerala – 680121

Ph: 0480 - 2828071, 2831305

Website: www.iclfincorp.com

E-mail: info@iclfincorp.com

Date: 09.01.2024

Letter of offer

*(For private circulation to the eligible equity shareholders of ICL Fincorp
Limited only)*

**OFFER FOR 94,78,712 EQUITY SHARES OF 10/- EACH FOR CASH AT
PREMIUM OF Rs. 15/- EACH AGGREGATING TO RS. 23,69,67,800/- ON
RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF THE
COMPANY IN THE RATIO OF 1:5 i.e, 1 EQUITY SHARE FOR EVERY 5
EQUITY SHARE HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS AS ON
JANUARY 05, 2024 (“RECORD DATE”)**

Dear member,

The Company in order to augment its financial resources and to give a fillip to the fresh loan disbursements and to the ongoing expansion and diversification activities have decided to infuse further investment in the form of fresh equity capital by way of rights issue. The infusion of equity is also intended to bring an ideal balance in the leverage ratio of the Company.

I. Offer

The Board of Directors passed a resolution at its meeting held on 09th day of January, 2024, approving the aforesaid rights issue of 94,78,712 equity shares at Rs.25/- each for cash (face value of Rs.10/- and premium of Rs.15/-) on rights basis to the existing equity shareholders of the Company in the ratio of 1:5 i.e, 1 equity share for every 5 fully paid-up equity share(s) held by the eligible equity shareholders. These shares are being offered to those shareholders whose name appears in Register of Members of the

Company as on January 05, 2024, being the record date fixed by the Board of Directors. The issue shall remain open for a period of 13 days commencing from January 13, 2024 till the closure of working hours ie. 05.00 p.m. on January 25, 2024.

The new equity shares now being offered are subject to the terms and conditions of this 'offer letter' and as per the applicable provisions of Companies Act, 2013, the Memorandum and Articles of Association of the Company and Reserve Bank of India regulations issued from time to time.

II. Summary of business

The Company is a leading Non-Banking Financial Company engaged in the business of providing gold and business loan products for the past 32 years. The Company was incorporated in 1991 and its registered office is located at Chennai with corporate office at Irinjalakuda, Thrissur, Kerala. The organization is headed by Mr. K.G. Anilkumar, Chairman and Managing Director and a dynamic business man with around 35 years of rich experience in the financial sector. In April 2013, the Company opened its 1st branch in Annamanada and has now expanded to 278 branches as on the date of the Letter of Offer. Currently the Company has a strong workforce of 1000 plus dedicated employees in the organization. The Company through its unique lending and financing solutions, enable the customers to pursue ambitious growth strategies and also act as a helping hand for the section of society which do not have access to funds.

The total asset size of the Company crossed Rs.500 Crores during the FY 2022-23 and the Company became categorized as a Systemically Important Non-Deposit Taking Non-Banking Financial Company (NBFC-ND-SI) from Non- Systemically Important Non-Deposit Taking Non-Banking Financial Company (NBFC-ND-NSI). During the current year, the Company also successfully completed its first ever Public Issue of NCDs for an aggregate amount of Rs. 100 Crores. With the overwhelming demand from the investors, the Issue got oversubscribed on the 4th day of the issue period and got pre-closed before the issue closure date. The NCDs got Listed on the BSE effective from December 15, 2023.

The Company is committed to a policy of consistently providing quality products and services that help broadening the customer base of the Company. During the span of 32 years the Company has been able to increase its geographic presence to around 8 states in the Country and is committed towards its aim to become a Pan India Non-Banking Financial Company through sound financial management, talented human resource

pool and tapping the available business opportunities that are in line with policies and strategies.

III. Object of the issue

The Company intends to utilize the proceeds from issue towards funding the following objects:

- General corporate purposes.
- For the purpose of onward lending, financing and for repayment/prepayment of principal and interest on existing borrowings of the Company.

The Management of the Company reserves the absolute authority for the utilization of net proceeds realized from the issue and the proportion of utilization for the above purposes will be determined accordingly.

IV. Intention and extent of participation by Promoter and Promoter Group

Promoters/ Promoter group may subscribe to the issue based on the rights entitlement and are also eligible to subscribe to additional shares in accordance with the terms and conditions of the Letter of Offer to the Issue.

V. Summary of related party transactions

The link for related party transactions entered into by the Company in the last three financial years is as provided hereunder:

[https:// www.iclfincorp.com/annual-reports](https://www.iclfincorp.com/annual-reports)

VI. Promoter(s)

- | | | |
|--------------------------|---|--------------------|
| 1. Mr. K.G. Anilkumar | - | Managing Director |
| 2. Ms. Umadevi Anilkumar | - | Wholetime Director |

VII. Financial Summary and highlights for last three financial years.

Standalone Financial Summary

(In Rs.)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Total Income	1,10,88,82,705	88,52,59,949	75,99,11,373
Total Expense	1,06,56,37,998	85,89,72,636	73,67,87,893
Profit/Loss before depreciation and interest	4,32,44,707	2,62,87,313	2,31,23,480
Less Current Income Tax	2,13,77,730	1,41,14,784	1,05,50,240
Less Deferred Tax	(85,38,785)	(71,96,765)	(14,90,469)
(Excess)/Short provision of Previous Years	(9,23,343)	(6,51,658)	(1,70,640)
Net Profit/Loss after Tax	3,13,29,105	2,00,20,952	1,42,34,349
Earnings per share (Basic)	0.66	0.45	0.32
Earnings per share (Diluted)	0.66	0.45	0.32

Consolidated Financial Summary
Rs.)**(In**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Total Income	1,12,63,82,833	89,43,41,640	76,34,91,730
Total Expense	1,08,39,80,859	85,71,10,707	72,12,88,905
Profit/Loss before depreciation and Interest	4,24,01,964	3,72,30,934	4,22,02,825
Less Current Income Tax	2,14,13,010	1,73,13,137	1,50,14,536
Less Deferred Tax	(90,54,020)	(69,57,251)	(7,36,974)
(Excess)/Short provision of Previous Years	(3,19,375)	(2,68,786)	(28,536)
Net Profit/Loss after Tax	3,03,62,349	2,71,43,834	2,79,53,799
Earnings per share (Basic)	0.64	0.61	0.63
Earnings per share (Diluted)	0.64	0.61	0.63

The link for the detailed financial position of the Company for the last three financial years is as given below:

<https://www.iclfincorp.com/annual-reports>

VIII. Schedule

Record Date	05.01.2024

Date of offer	09.01.2024
Issue opens on	13.01.2024
Issue closes on	25.01.2024

IX. Principal terms and conditions

The Principal terms and conditions are as follows:

1. *Basis of offer:* As per the provisions of section 62(1) of the Companies Act, 2013 where at any time, a Company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered to persons who, at the date of offer, are holders of equity shares of the Company in proportion, as nearly as circumstances admit, to the paid-up share capital of those shares. Accordingly, the entitlement of the existing shareholders and/or affiliates under the proposed offer is as stated above.
2. *Offer:* The equity shares are being offered on a right basis to the eligible equity shareholders in the ratio of 1:5 i.e, 1 equity share for every 5 fully paid-up equity share(s) held by the eligible equity shareholders held as on the record date. For equity shares being offered on a rights basis under this issue, if the shareholding of any of the eligible equity shareholders is less than 5 equity shares or is not in multiples of 5, the fractional entitlement of such eligible equity shareholders shall be ignored for computation of the rights entitlements. However, eligible equity shareholders whose fractional entitlements are being ignored earlier will be given preference in the allotment of one additional rights equity share each, if such eligible equity shareholders have applied for additional rights equity shares over and above their rights entitlements, if any.
3. Where two or more persons are registered as the holders of any equity shares, they shall be deemed (so far as the Company is concerned) to hold the same as joint-holders with benefits of survivorship, subject to provisions contained in the Articles.
4. The equity shares issued under this rights issue and purchased by Non- Resident Indians shall be subject to the same conditions including restrictions in regard to the repatriability as are applicable to the previously held equity shares against which equity shares under the rights issue are issued. The Board of Directors may at its absolute

discretion, agree to such terms and conditions as may be stipulated by Reserve Bank of India while approving the allotment of equity shares, payment of dividend etc. to the equity shareholders who are Non-Resident Indians.

5. *Face Value*: The new equity shares shall be of face value of Rs. 10/- each.
6. *Offer Price*: The offer price is Rs. 25/- per equity share.
7. *Premium*: Rs. 15/- per equity share
8. *Terms of payment*: The full amount of Rs. 25/- per equity share shall be payable on application. Applicants shall deposit with the Company 100% of the consideration amount along with application form on or before issue closure date i.e. January 25, 2024.
9. *Mode of payment*: Share application money shall be paid by way of account payee cheque/internet banking facility issued in the name of "ICL Fincorp Ltd - Share Application" and in the case of foreign investors, the payment should be in accordance with the provisions/rules/ regulations under the Foreign Exchange Management Act, 1999 and Reserve Bank of India Act, 1934.
10. *Ranking*: The new shares shall rank pari-passu inter-se, i.e. without any preference or priority of one over the other or any of them and will rank pari-passu with the existing equity shares of the Company in all respects.
11. The *current capital Structure* of the Company is as under:

The present authorized and paid up share capital of the Company are as follows:

(In Rs.)

Particulars	Authorized Share Capital	Paid Up Share Capital
Equity shares	100,00,00,000	47,39,35,610
Preference shares	50,00,00,000	2,84,00,000

Total Share Capital	150,00,00,000	50,23,35,610
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12. The *ISIN* number of the equity shares of the Company is **INE01CY01013**.
13. *Nomination:* In terms of section 72 of the Companies Act, 2013, nomination facility is available in case of equity shares. The applicant can nominate any person by providing the relevant details in the nomination form as part of application form. The sole equity shareholder or first equity shareholder, along with other joint equity shareholders, being individual(s) may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the equity shares. Person(s), being a nominee, becoming entitled to the equity shares by reason of the death of the original equity shareholder(s), shall be entitled to the same rights to which he/she would be entitled if he/she were the registered holder of the equity shares. Where the nominee is a minor, the equity shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the equity share(s), in the event of death of the said holder, during the minority of the nominee. A nomination shall stand rescinded upon the sale/disposal of the equity share(s) by the person nominating. In case the allotment of equity shares is in dematerialized form, there is no need to make a separate nomination for the equity shares to be allotted in this rights issue. Nominations registered with respective depository participant of the applicant would prevail. If the applicant requires changing the nomination, they are requested to inform their respective depository participant.
14. The equity shares are being offered for subscription for cash to those existing equity shareholders, whose names appear as registered owners of the Company as on 05.01.2024 (record date).
15. *Refund*, if any, shall be made within 30 days from the closure of the issue.
16. The equity shareholders will be having the following seven options:
 - a. Apply for rights entitlement in full;
 - b. Apply for rights entitlement in part (rejecting the other part);

- c. Apply for his rights entitlement in full and apply for additional rights equity shares;
 - d. Renounce his entire rights entitlement to one or more renouncees;
 - e. Apply for rights entitlement in part and renounce the other part.
 - f. Reject rights entitlement in full.
 - g. Renounce part of his offer and reject the other part.
17. For resident Indian shareholders, application should be made only on the enclosed application provided by the Company. The enclosed application form should be completed in all respects, as explained in the instructions indicated in the composite application form. Payment shall be made by cheque/net banking facility (RTGS/ NEFT) through any bank where the applicant/renouncee is having account in his/her name. For non-resident shareholders, applications form will be same as provided to the resident applicants and applications received from the non-resident equity shareholders for the allotment of equity shares shall, inter alia, be subject to the conditions as may be imposed from time to time by the Reserve Bank of India, in the matter of refund of application moneys, allotment of equity shares, payment of dividends etc. For NRIs holding shares on non-repatriation basis, payment can only be made by way of cheque/net banking facility (RTGS/NEFT) on non-resident ordinary (NRO) account.
18. You may respond to this offer as per the details mentioned in point No.16. You may apply for the equity shares offered wholly or in part by filling in the enclosed application form and submitting the same along with the application money to the Company on or before issue closure date i.e. January 25, 2024. The composite application form should be complete in all respects, as explained in the 'General Instructions' indicated in the composite application form. The composite application form should not be detached under any circumstances, otherwise the application(s) will be rejected forthwith.
19. You are also eligible to apply for additional equity shares over and above the number of equity shares offered to you provided you have applied for all the shares offered to you without renouncing them in full or in part. If you desire to apply for additional equity shares, you may fill in the number of additional equity shares in the application form.

20. You may renounce all or any of the equity shares. You are entitled to renounce in favour of any individual(s), limited companies, or statutory corporations/institutions as follows:

If you wish to renounce this offer in whole, please complete the application form enclosed with the letter of offer for the number of equity shares renounced and deliver the application form duly signed to the person(s) in whose favour the equity shares are so renounced. The person(s), in whose favour the offer has been renounced (renouncees) should complete and sign the Part D to the application. If you wish to apply for equity shares jointly with any person(s) who is/are not already joint holder(s) with you, then it would amount to renunciation and the procedure of renunciation as mentioned above shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure as stated above shall have to be followed. Further, this right of renunciation is subject to the express condition that the Board shall be entitled in its absolute and unqualified discretion to reject any such request for allotment of equity shares from renouncee(s) without assigning any reason thereof, save where the equity shares have been renounced in favour of a person who is already a member of the Company.

21. Please note that the composite application form must not be used by any person(s) other than those in whose favour this offer has been made. If used, this will render the application invalid.
22. Composite application forms duly completed together with cheque/internet banking proof (RTGS/NEFT) for the application money must be submitted before the close of the subscription to the Company or to the nearest branches of the Company. The applications should strictly adhere to these instructions. Failure to do so could result in the application being liable to be rejected by the Company.
23. The last date for receipt of application form together with the amount payable on application is January 25, 2024. If the relevant application form together with amount payable thereunder is not received by the Company on or before the aforesaid last date, the offer contained in this letter of offer shall be deemed to have been declined and the Board shall be at liberty to dispose of the equity shares as offered in such manner, which is not disadvantageous to the shareholders and the Company and in a manner as permitted by law.

24. The basis of allotment shall be finalised by the Board or Committee authorised by the Board in the following order of priority:
- a. Allotment to the shareholders/renouncees who have applied for their rights entitlement either in full or in part.
 - b. In case of surplus shares available, allotment to the original shareholders who have applied for additional shares, provided that they have applied for all the shares offered to them.
 - c. In case of oversubscription, the allotment would be made on the ratio of the original holding of the applicant as on the record date. If the surplus shares are still available, allotment will be done to the renouncees who have applied for additional shares, provided that they have applied for all the shares offered to them.
 - d. Allotment to any other person by the Board or Committee authorised by the Board will be in their absolute discretion, or as they may deem fit, provided there is surplus shares available as mentioned in above point number C.
25. Shareholders holding shares in the demat form shall be allotted shares in the demat form, and shareholders holding shares in physical holding as on record date are required to demat their holding on or before closure date of offer. An applicant who seeks allotment in demat mode only, must mention the beneficiary account number maintained with any of the Depository Participants of NSDL or CDSL in the application. Such applicants must provide the relevant details (including the beneficiary account number and Depository Participant's ID number) in the application form. Names in the application form should be identical to those appearing in the account details in the depository. In case of joint holders, the name should necessarily be in the same sequence as they appear in the account details in the depository. No separate application for demat and physical shares is to be made. The applicant is responsible for the correctness of the applicants' demographic details given in the share application form vis-a-vis those with his/her DP. Equity shares allotted in demat mode will be credited directly to the respective beneficiary account.
26. *Impersonation:* Attention of the applicants is specifically drawn to the provisions of sub-section (1) of section 38 of the Companies Act, 2013 which is reproduced below:

Any person who—

- a) makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its securities; or*
- b) makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) otherwise induces directly or indirectly a Company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under “section 447.”

27. Copy of annual report for financial year ended 2022-23 available on the website of the Company at:

<https://www.iclfincorp.com/annual-reports>

28. For any query in filling the form/non-receipt of letter of offer/application form/allotment advice etc., shareholders may contact the nearest branches of the Company as well as to the following address;

Company Secretary

ICL Fincorp Limited

Main Road, Irinjalakuda, Thrissur – 680121

Ph No. 0480 2828071, 2831305

E-mail Id: rightissue@iclfincorp.com

X. Management

The Board of Directors presently consists of 6 Directors including Managing Director, one Executive Director, two Non – Executive Directors and two Independent Directors. The following table sets forth details regarding the Board of Directors and Key Managerial Personnel as on the date of this letter of offer:

Sl. No.	Name and Designation	DIN/PAN
1.	K.G. Anilkumar Managing Director	00766739
	Umadevi Anilkumar	06434467

2.	Wholetime Director	
3.	K.K Wilson Non-Executive Director	02526733
4.	Sreejith S. Pillai Non-Executive Director	05315692
5.	Shinto Stanly Independent Director	06534505
6.	A.A. Balan Independent Director	01996253
7.	Madhavankutty T. Chief Financial Officer	ACXPT7620E
8.	Visakh.T.V Company Secretary	AVWPV0702B

XI. General Risks

Equity investments are long term investments and investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in the issue unless they can afford to take the risk attached to such investments. For taking an investment decision, the investors must rely on their own examination of the issuer and the issue, including the risks involved.

XII. Issuer's absolute responsibility

The Company, having made all reasonable inquiries, accepts responsibility for and confirm that this letter of offer contains all information with regard to the Company and the issue, which is material in the context of the issue, that the information contained in this letter of offer is true and correct in all materials aspects and is not misleading in any material respect, that the opinion and intentions expressed herein are honestly held and that there are no other facts, the omission of which this letter of offer as a whole, or any such information or the expression of any such opinions or intentions, misleading in any material respect.

XIII. Notice to members

The letter of offer, the application form, the rights entitlement letter and any other material relating to the issue (collectively, the “issue materials”) will be sent/dispatched only to the eligible equity shareholders who have provided an Indian address to the Company. In case such eligible equity shareholders have provided their valid e-mail address, the issue materials will be sent only to their valid e-mail address and in case such eligible equity shareholders have not provided their e-mail address, then the issue materials will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. The Company will not send the issue materials to those overseas shareholders who do not update records with their Indian address or the address of their duly authorised representative in India, prior to the date of dispatch of the issue materials. Further, the letter of offer will be provided to those who make a request in this regard. The Company and Registrar & Share Transfer Agent will not be liable for non-dispatch of physical copies of issue materials.

XIV. Declaration

We hereby certify that no statement made in this letter of offer contravenes any of the provisions of the Companies Act, 2013 or the rules made thereunder or as the case may be. We further certify that all the legal requirements connected with the issue as also the regulations, guidelines, instructions, etc., issued by Reserve Bank of India, Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this letter of offer are true and correct.

For **ICL Fincorp Limited**

K.G Anilkumar
Managing Director
DIN: 00766739