Press release

TO THE CUSOMTERS, CREDITORS, INVESTORS, SHAREHOLDERS AND STAKEHOLDERS OF MANNAPURAM FINANCE LIMITED

February 11, 2012, Valapad, Thrissur: Manappuram Finance Limited ("**MAFIL**") is a leading gold loan company with its headquarters in Thrissur, Kerala.

A press release ("**Release**") has recently been issued by the Reserve Bank of India ("**RBI**") in relation to the acceptance of public deposits at MAFIL's branches and offices and the issuance of deposit receipts in the name of Manappuram Agro Farms ("**MAGRO**"), a sole proprietary concern of Mr. V.P. Nandakumar, who is the executive chairman of the Company.

We wish to clarify that the Company has not accepted any deposits from the public since March 22, 2011, in compliance with its status as a non-deposit accepting Non Banking Finance Company evidenced by certificate of registration bearing No. B-16.00029 dated July 4, 2011.

In compliance with the directions of the RBI, the Company shall completely disassociate its name, officials, manpower, infrastructure, systems etc. from MAGRO and other entities owned or controlled by Mr. Nandakumar or his family.

The Board of Directors of the Company has directed thenCompany to take all steps and measures as is required to address and alleviate all concerns raised by the Reserve Bank of India in both letter and spirit. Mr. Nandakumar has informed the Board of Directors of the Company that he has issued public notices in Malayalam dailies undertaking to honour all obligations to MAGRO's depositors and that no inconvenience would be caused to them.

Further, as directed by the RBI we wish to inform you that the following are the entities in the group that are regulated by the RBI: Manappuram Finance Limited and Manappuram Asset Finance Limited.

The Company reaffirms to all its public shareholders, both domestic and international, debenture holders and all other financial investors that the Company has taken and is committed to taking all steps and measures as required to address and alleviate all concerns raised by the Reserve Bank of India and Mr. Nandakumar has personally committed to the Board of the Company to offer his fullest support and cooperation as is required by the Company's Board in this regard.

Prime copy
For Manappuram Finance Limited
Rajesh Kumar.K
Company Secretary

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In a meeting on 10 February 2012, the Board of the Company constituted an independent committee of its members, under the chairmanship of Mr. Jagdish Capoor (former Deputy Governor of the Reserve Bank of India and former Chairman of HDFC Bank) to review all relevant aspects of the operations, systems, controls and organization structure including Board composition and effectiveness to enhance governance in the Company. The committee will appoint leading independent legal counsel and other advisors as appropriate to assist with conducting its review. Further, the Company will retain a leading accounting firm to supplement the in-house internal audit team. Leading law firm, Amarchand Mangaldas and internationally reputed accounting firm, KPMG will be assisting in the independent review exercise by the committee.

As an institution, Manappuram conducts its business in accordance with all applicable laws and strives to deliver the highest value to all its stakeholders. Manappuram wishes to reassure its shareholders, creditors, customers and stakeholders that the issuance of the Release has not had an impact on its availability or price of liquidity and the Company expects its business momentum to continue in line with recent performance. Manappuram will strive to continue to deliver value for its stakeholders in line with its track record of excellence, in full compliance with the directions of the Reserve Bank of India and all applicable laws.

Sd/-
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True copy.

For Manappuram Finance Limited

Rajesh Kumar.K
Company Secretary

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