



MANAPPURAM FINANCE LIMITED

Make Life Easy

REF:SEC/SE/44/2023-24

05-05-2023

The Managing Director National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra - East, Mumbai - 400 051 NSE Symbol : MANAPPURAM	The General Manager BSE Limited Department of Corporate Services, Rotunda Building, 1st Floor, Mumbai Samachar Marg, Fort, Mumbai - 400 001 BSE Scrip Code -: 531213
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Sub: Intimation under regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

We have been informed by our promoter, Mr. VP Nandakumar, that he has received an order of freezing his personal asset on May 4, 2023 under section 17 (1-A) of the Prevention of Money Laundering Act, 2002, These include 19,29,01,996 equity shares in the Company held by him.

Request you to kindly take the same on your record

Thanking you.

Yours Faithfully,

For Manappuram Finance Limited

Manoj Kumar V.R

Company Secretary

India's First Listed and Highest Credit Rated Gold Loan Company

Registered & Corporate Office : (CIN-L65910KL1992PLC006623) IV/470A (old) W638A(New), Manappuram House, Valapad, Thrissur, Kerala - 680 567, India
Tel : 0487 - 3050100, 3050108 Fax : 0487 - 2399298 E mail : mail@manappuram.com Website : www.manappuram.com

V.P. Nandakumar

PADMASAROJ
Vazhappully House
Kothakulam Beach Road
Valapad – 680 567
Thrissur District
Phone: 0487 3050444

May 4, 2023

To,

The Board of directors

And the Compliance Officer,

Manappuram Finance Limited

W - 4/ 638 A Manappuram House Chavakkad KL 680567

Dear Sirs and Madam,

1. As you are aware, officials of the ED had visited the registered office of Manappuram on May 3, 2023 and May 4, 2023. They recorded statements from me.(the “**ED Visit**”).
2. The ED Visit has nothing to do with the affairs of the Company but pertains to a 10 year-old matter of my erstwhile proprietorship Manappuram Agro Farms (“**Magro**”), which is no longer in existence. The freezing order itself clarifies that the ED’s search operation was directed at Agrofarm. Steps taken by me in this regard has largely been accepted by Reserve bank of India vide its letter dated January 01, 2015.
3. The ED Visit appears to be the outcome of a proceeding before the Hon’ble High Court of Kerala wherein my lawyers have been instructed to try and promptly close the matter in accordance with all applicable laws.
4. On May 4, 2023 I received an order of freezing under section 17 (1-A) of the Prevention of Money Laundering Act, 2002 in respect of certain assets. These include 19,29,01,996 equity shares in the Company. This order is patently high-handed, arbitrary and unreasonable for many reasons. Firstly, the total amount of pending deposits to which the matter pertains (as I explain below) is less than Rupees Ten Lakhs which is lying lying in escrow Account. Secondly, the shares that have been frozen by the Enforcement Directorate (“**ED**”) are worth approximately Rupees 2000 Crores, but the value attributed to them is around Rupees 140 Crores. I am reviewing my legal options in this matter, but I wanted to provide you a written update on the matter.
5. A summary of the relevant facts is set out below for your reference:

V.P. Nandakumar

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- a. I was the sole proprietor of a concern called Manappuram Agro Farms (“**Magro**”) until 2015-16. which was primarily engaged in the non-financial services business of agriculture (including eco-farming) in Thrissur.
- b. Magro used to accept deposits from people residing at Valapad and its neighbouring areas where my family has done business for over 60 years. It would pay interest on these deposits and use the funds so raised in its primary business of agriculture. The total quantum of deposits outstanding as on 1st Feb 2012 was INR 143.85 Crores which was fully and duly accounted for in Magro’s books.
- c. Since the principal business of Magro was agriculture, it accepted deposits in the *bona fide* belief that this was permissible under law. However, based on communications from the RBI in 2012, Magro stopped accepting, renewing and soliciting deposits.
- d. Eventually, Magro decided to repay all its deposits. In this regard, Magro issued public notices in leading Malayalam dailies *viz.*, Mathrubhumi and Malayala Manorama on February 6, 2012 informing the public that Magro has stopped accepting and renewing deposits and that all depositors could withdraw their deposits as they matured or on pre-closure basis without losing interest at the contracted rates.
- e. In March 2012, I raised an amount of INR 159,45,62,582 through sale of shares in [the Company] for repayment of the deposit amounts.
- f. An amount of INR 34,56,35,131 was repaid between February 1, 2012 and March 16, 2012 to those depositors who came forward to claim their amounts. The unclaimed balance of the deposits as of 17.03.2012 along with accumulated interest was INR 119,18,33,132. This was deposited in an escrow account with Punjab National Bank in its branch at Paramekavu Devasom BL, Palace Road, Thrissur, Kerala – 680005.
- g. All subsequent repayments to the depositors were to be made out of the escrow account through banking channels. Monthly report of progress of repayment of deposits were collected by RBI and their latest inspection report mentions that as of September 30, 2022 only INR 9.29 Lakhs was outstanding to be repaid which was kept in an escrow pending receipt of claims by the relevant depositors.
- h. To enable the repayment of all deposits, permission was sought from RBI for the Company to allow Magro to maintain a small presence at the [Company’s] branches for 90 days from February 10, 2012 for the sole purpose of repaying the deposits raised by Magro to its customers. [Pursuant to receipt of RBI’s approval],33

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branches of the Company were identified wherein the former staff of Magro was retained.

- i. Magro has never suspended or delayed repayments to any of its depositors.
 - j. As on December 31, 2022, Magro has repaid deposits of a total amount of INR 143.76 Crores and the total outstanding amount remaining in the escrow amount is only INR 9,24,693. This balance is outstanding only because certain depositors have failed to claim their respective deposits.
 - k. These matters are old and widely known. RBI, SEBI and Registrar of Companies have separately conducted their enquiries. There have been no adverse findings made by any of these regulators on the grounds of any misappropriation of amounts collected from the depositors.
 - l. After a lapse of more than 10 years, a certain individual lodged an FIR with the Valappad police station in relation to the aforesaid acceptance of deposits.
 - m. The ED Visit is pursuant to this FIR. A petition has been filed on my behalf before the Hon'ble High Court of Kerala seeking that the relevant FIR be quashed. In this regard, the court has passed an interim order directing that no coercive proceedings be taken against the accused.
6. The FIR is a malicious abuse of process by an individual who has a long-standing grouse against my family and me. I am certain that its frivolity will eventually be established before the courts. Meanwhile, I am fully cooperating with the Enforcement Directorate as I am very clear that there is no illegality of any kind at all. The alleged matter of the deposits has already been examined in detail by all the concerned regulators and there has been no adverse order passed against me or Magro as already mentioned above.

Should you have any further questions on this matter, please do let me know.

Yours sincerely,

V.P. Nandakumar