

FOR IMMEDIATE RELEASE
16 FEBRUARY 2010

**ELEPHANT CAPITAL PLC (“ELEPHANT CAPITAL” OR “THE COMPANY”)
UPDATE ON KRAMMER LOAN**

On 22 October 2009, Elephant Capital announced that a loan of £3.7 million (the “Krammer Loan”) which had been advanced by Tusk Investments Fund 1 (a wholly owned subsidiary of Elephant Capital plc) to Krammer Holdings Pte., Ltd (“Krammer”) and which was repayable on 28 June 2009 had not been repaid by that date, and that accrued interest of £333,690 pertaining to the year to 28 June 2009 had also not been received. The Krammer Loan was secured by shares which Tusk Investments Fund 1 held in Elephant Capital 1 (the “Guarantee Shares”), representing 60% ownership of Elephant Capital 1. Elephant Capital 1’s sole asset is 2,258,447 shares in Mahindra Forgings Limited.

In the same announcement, Elephant Capital stated its intention to settle the transaction immediately, by assuming control of the Guarantee Shares, and disclosed that the write-down associated with this transaction would be for up to £2.8 million, which included unpaid interest of £333,690. Elephant Capital has now agreed a Deed of Settlement with Krammer, according to which the full amount of the interest owing of £333,690 will now be recovered in three separate instalments, with the final instalment falling due by 30 June 2011. The Deed of Settlement further assigns formal ownership of the Guarantee Shares, to Elephant Capital, effective 2 February 2010, and sets out a mechanism by which the principal amount of the Krammer Loan will be settled within five years. Investors should be aware that the value of the Guarantee Shares, which stood at £1.3 million at the time of our announcement on 22 October 2009, has since risen to £2.0 million, reflecting a 44% increase in the share price of Mahindra Forgings over that time period, and that any further upside relating to the value of the Guarantee Shares will be attributable to Elephant Capital only. Further, Elephant Capital is afforded protection on the downside by the mechanism for the recovery of the principal amount of the Krammer Loan as set out in the Deed of Settlement.

As a consequence of the above, Elephant Capital’s effective position in Mahindra Forgings Limited has increased from 1.3 million to 2.7 million, and our corresponding position in that company has increased from 1.9% to 3.9%.

Investors are encouraged to read our announcement of 22 October for full detail on the structure of the loan.

For further information please contact:

Joanna Allen Elephant Capital plc	+91 (0) 11 4320 8000
Nandita Sahgal / Tom Sheldon Seymour Pierce Limited	+44 (0) 20 7107 8000
Mark Edwards / Nicola Cronk Buchanan Communications	+44 (0) 20 7466 5000

Notes to editors:

Elephant Capital plc

Elephant Capital plc (previously named Promethean India plc) was launched in April 2007 as an AIM listed fund. The fund invests in private and public equity investments in India and is advised by an India-based advisory team. Six investments have been made to date across a range of sectors including Hospitality, Automotive, Education, Building Materials, Mobile Banking Services and Online Media and Broadcasting.