

PRIME SECURITIES LIMITED

Ashford Centre, 7th Floor, Shankarrao Naram Marg,
Opp. Peninsula Corporate Park, Lower Parel, Mumbai - 400 013, India
Tel. : +91-22-2498 1515 Fax : 2497 0777



October 16, 2013

✓ **Corporate Relationship Department**
✓ **Bombay Stock Exchange Limited**
Phiroze Jeejeebhoy Towers, Dalal Street,
Fort, Mumbai 400001

Capital Markets-Listing
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra Kurla Complex, Bandra (East),
Mumbai 400051

Dear Sirs,

Sub: Press Release of Prime Broking Company (India) Limited

Please find enclosed a press release issued by Prime Broking Company (India) Limited (PBCIL), a 100% subsidiary of Prime Securities Limited. This relates to matter of extreme importance in the ongoing dispute of Prime Broking with the National Stock Exchange of India Limited (NSE) and its 100% subsidiary, National Securities Clearing Corporation Limited (NSCCL).

This is for your information and records.

Thanking you,

Yours faithfully,
For Prime Securities Limited


Authorized Signatory

PRIME BROKING COMPANY (INDIA) LIMITED

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PRESS RELEASE FROM PRIME BROKING COMPANY (INDIA) LIMITED

The National Securities Clearing Corporation Limited ("NSCCL"), (a wholly owned subsidiary of National Stock Exchange ("NSE")), has communicated to us by letter dated October 15, 2013, that we have been declared a defaulter, without setting out reasons for the action taken. They say a detailed order of the relevant authority would be sent in due course. We are shocked by this arbitrary and high-handed action of NSCCL.

Over the last several months, we have attempted to communicate to NSCCL as well as NSE, our points of view on various issues and disputes that have arisen on the subject. Regrettably, NSCCL and NSE have ignored all our submissions and efforts and with a pre-determined approach, have sought to exercise their considerable powers arbitrarily. We have raised a set of bonafide claims against the NSCCL and NSE, while disputing their alleged claims. NSCCL and NSE have been unwilling to consider any of the various claims and the several grievances that we have raised.

We have highlighted areas they have been shockingly remiss in, including their fiduciary handling of collateral and risk management; their actions have included withholding of our pay-outs, our client pay-outs and invocation of our bank guarantees. NSCCL's and NSE's actions, while being capricious and arbitrary, have resulted in the shutting down of our broking business and severely crippled the functioning of the wealth management business, causing great hardship and distress to over 25,000 shareholders of Prime Securities (parent company of Prime Broking) and hundreds of our wealth management customers.

We have found the NSCCL's and NSE's actions and response to be high-handed, arbitrary and unilateral, lacking transparency, patently unfair and against principles of natural justice and thus, totally unbecoming of a regulator.

We are taking all necessary legal steps to seek justice and file our claims against NSCCL and NSE.

