

PRIME SECURITIES LIMITED

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July 22, 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: Communication to Shareholders regarding recent media reports

Lately some newspaper reports have appeared regarding some issues associated with us and our subsidiaries namely, Prime Broking Company (India) Limited ("Prime Broking"), Primesec Investments Limited ("Primesec") and Prime Research & Advisory Limited ("Prime Research"). In this regard, we wish to clarify the following:

1. Prime Broking had filed a writ on July 2, 2013 in the Bombay High Court against the National Stock Exchange of India Limited ("NSE") relating to some issues arising in the Futures & Options (F&O) segment. The Hon'ble High Court was pleased to record NSE's assurance to the Court that no show cause notice had been issued and Prime Broking would be given the opportunity of dealing with the same in accordance with the procedure prescribed by the bye-laws, rules and regulations of NSE and only thereafter NSE would consider initiating action, if any. As of date no show cause notice has been issued.
2. Prime Broking has approached the Securities Appellate Tribunal ("SAT") on June 26, 2013 against NSE's action of withholding client payouts. Contrary to some media reports, SAT has not denied the said appeal but has admitted the appeal and has set a date in early August for the next hearing.
3. On July 18, 2013, the NSE has placed a trading ban on Prime Securities Limited ("Prime Securities"), Prime Research and Primesec as part of an NSE investigation in the trading of shares of Gitanjali Gems Limited ("Gitanjali"). These Prime Group entities are in the process of appealing against the trading ban.

Further, we wish to categorically state that no entity belonging to Prime Securities holds any proprietary position in Gitanjali shares. In fact Prime Research has not transacted in



Gitanjali shares ever, Prime Securities last transacted on April 24, 2012 and Primesec last transacted on December 3, 2012 in Gitanjali shares,

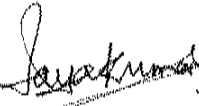
4. NSE has approached the Bombay High Court against an EOW order to freeze shares of Gitanjali that have been pledged by Prime Broking with the NSE. Prime Broking is a respondent in the matter and the matter is sub judice,
5. Pay-outs of certain shares sold by Primesec, Prime Research and Prime Securities through various brokers on February 25, 2013 have been withheld by the exchanges without any stated reason. The companies are seeking appropriate legal remedy.

We wish to reassure the shareholders that the Company is making every effort to protect and safeguard their interests.

Thanking you,

Yours faithfully,

For **Prime Securities Limited**


N. Jayakumar
Managing Director

