



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
(Securities Market Division)

SECP

No. SMD-South/MSW/INV-SS/2011

July 11, 2011

The Chief Executive,
Equity Master Securities (Pvt.) Ltd.,
Room No.410, 411, Stock Exchange Building,
19-Khayaban-e-Aiwan-e-Iqbal,
Lahore.

Subject: Evidence of Pre-Existing Interest in the scrip of Japan Power Generation Limited ("JPGL")

Dear Sir,

This is with reference to your letter dated June 22, 2011 in response to our letter of even number dated June 20, 2011 on the subject noted above.

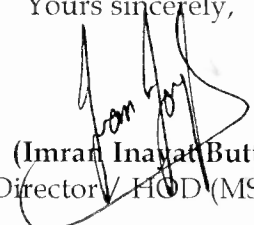
2. In this regard, please note that the explanation provided by you in the aforementioned letter does not contain sufficient justification for placing of sale orders without having pre-existing interest in your client's account.

3 It is pertinent to mention here that shares sold in client account were not eligible for short sale as provided in clause 8 (i) of the Regulations Governing Short Selling under Ready Market, 2002. Further, pre-existing interest submitted by you in form of a letter signed by another client can't be accepted as legal document between the two parties in context of pre-existing interest.

3. Please note that Code of Conduct set forth under the third schedule of the Brokers and Agents Registration Rules, 2001 ("the Rules") makes it binding on the brokers of the exchanges to conduct their business with due diligence, care and skill failing which appropriate action can be taken against the broker under Rule 8 (a) and (b) of the Rules.

4. The execution of sales in the scrip of JPGL in your client's account through your terminal does not depict that you conducted your business with due care and skill which is a violation of Code of Conduct. However, on this occasion taking a lenient view, you are strictly warned to abstain from trading in such manner in future failing which appropriate action will be taken.

Yours sincerely,


(Imran Inayat Butt)
Director / HOD (MSCI)

CC: Managing Director,
Lahore Stock Exchange (Guarantee) Limited.