



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
Securities Market Division

No. SMD/CO.62/02/2011

June 20, 2011

Syed Adil Gilani,
Chairman,
Transparency International-Pakistan,
5-C, 2nd Floor, Khayabane-Ittehad,
Phase VII, Defense Housing Authority,
Karachi

Subject: COMPLAINT AGAINST M/S PAKGEN POWER LIMITED- OFFER FOR SALE OF SHARES


Dear Sir,

Reference your letter dated June 15, 2011 on the subject noted above.

2. In this regard, it is stated that the quantum of premium charged by the issuers on issue of shares through public offering is a deregulated area and the Securities and Exchange Commission of Pakistan has no role in fixing it. However, under the law an offer of shares to the general public at premium, is required to be underwritten and the underwriters should be independent and include at least two financial institutions. Fixing the quantum of premium/the offer price has been deregulated since the year 1995 to make the process more transparent and to empower the market forces to determine the quantum of premium instead of the regulator. Pakgen Power Limited (the Company) has profitable track record for the last many years and fulfills all the requirements of rule 9 of the Companies (Issue of Capital) Rules, 1996 for charging premium.

3. As regard to non-disclosure of the alleged risks in the prospectus, it is stated that the same has been taken up with the Company and response received from them will be shared with you.

Yours truly,


Amir M. Khan Afridi
Director (CI)