

**NOTICE FOR ALL LISTED COMPANIES****Subject: CRITERIA FOR SELECTION OF TOP 25 COMPANIES FOR THE YEAR 2005**

All the listed companies are hereby informed that the Governing Board of Directors of the Karachi Stock Exchange (Guarantee) Limited recently reviewed the criteria for selection of Top Companies. It has now been decided that the following revised criteria shall be applicable for selection of Top Companies **from the year 2005**.

1) PREREQUISITES FOR SELECTION OF TOP COMPANIES:

- a) A minimum distribution of 40% (including at least 15% cash dividend) for the year;
- b) A minimum of 500 shareholders;
- c) The company has joined the CDS after it's securities have been declared as eligible securities by the Central Depository Company of Pakistan Limited; and
- d) The company should not be under violation of the Listing Regulations.

2) THE COMPANIES THAT QUALIFY ABOVE PREREQUISITES WILL BE SELECTED ON THE BASIS OF HIGHEST MARKS OBTAINED AS PER THE FOLLOWING CRITERIA:

a)	Distribution: Out of current years profit only. In case dividend/ bonus is paid out of prior years earnings/ reserves, then the dividend/ bonus shall be adjusted proportionately.	25%
b)	Return on Equity: On the basis of before tax-profit	25%
c)	Turnover of shares: Transactions that are executed on Karachi Automated Trading System (KATS)	10%
d)	Total Number of Shareholders:	5%
e)	Corporate Social Responsibilities:	2.5%
	i) Monetary donation(s) as percentage of after tax profit disclosed in the annual accounts (minimum 1% of after tax profit will qualify for full marks)	
	ii) Other corporate social contribution(s) confirmed by the company	2.5%
f)	The remaining 30% shall be allocated as follows:	
	- Announcement of half-yearly result within one month.	5%
	- Holding of Board Meeting for the consideration of accounts within one month of the close of financial year.	5%