



NOTICE FOR ALL MEMBERS

LIST OF ELIGIBLE SECURITIES FOR TRADING IN CASH SETTLED FUTURES CONTRACT MARKET

The Management of the Exchange with the prior approval of the Securities & Exchange Commission of Pakistan has approved the revised list of Eligible Securities for trading in Cash Settled Futures Contracts selected on the basis of following criteria. The new list will be implemented w.e.f. December 2009 contract.

1. Companies that have average daily impact cost of less than 1%, based on daily Impact Cost on an order size of Rs. 500,000, during the review period.
2. Companies that have traded on more than 90% of the trading days during the last three months of review period.
3. Companies having average daily turnover of more than 250,000 shares during the review period.
4. Companies that have market price above par in at least 50% of the review period.
5. Companies that have free float of more than 20% of issued capital or 45 million free float shares.
6. Operating profit before tax in each of the last two years of operations.
7. Securities of Asset Management Companies, Mutual Funds and Brokerage Houses shall not be eligible.
8. Companies that do not have negative opinion in Auditor's report on the Companies Financial Statements (last audited report).
9. Companies that are not subject to any investigation by any regulatory body.
10. Companies not on the defaulter counter and have no pending inquiry against them by the authorities.
11. Free Float of the company must be in dematerialized form on CDS.

The list of approved Eligible Securities is enclosed herewith for information.

Members are requested to note the above.


SHAFQAT ALI

General Manager Risk

- Copy to:**
01. The Executive Director (SMD), Securities & Exchange Commission of Pakistan
 02. The Managing Director, Karachi Stock Exchange (Guarantee) Limited
 03. The Managing Director, Lahore Stock Exchange (Guarantee) Limited
 04. The Managing Director, Islamabad Stock Exchange (Guarantee) Limited
 05. The Chief Executive, Central Depository Company of Pakistan Limited
 06. The Chief Executive, National Clearing Company of Pakistan Limited
 07. The General Manager, (I.T. Division, **Operations, Law**), KSE
 08. DGM (MCSD, C&SD)
 09. Notice Board
 10. KSE Website