

THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

KSE/N-6665

N O T I C E

November 19, 2009

Reproduced hereunder, letter received from **CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED** for information of members of the Exchange.

(Copy of the same is also available on our Website www.kse.com.pk).

**CIRCULAR**

To: All CDS Account Holders/Participants

CC: Commissioner, Securities and Exchange Commission of Pakistan
Executive Director (SMD), Securities and Exchange Commission of Pakistan
Managing Director, The Karachi Stock Exchange (Guarantee) Limited
Managing Director, Lahore Stock Exchange (Guarantee) Limited
Managing Director, Islamabad Stock Exchange (Guarantee) Limited
Chief Executive Officer, Mutual Fund Association of Pakistan

From: Kamran Qazi
CFO & Company Secretary

Date: Karachi, November 17, 2009

Subject: Conditions Attached to the Underlying Securities Transactions - Clarification

Dear Account Holders/Participants,

We refer to notice of the Karachi Stock Exchange to its members-bearing reference no. KSE/N-6333 dated November 02, 2009 requiring reporting of off-market transactions in the TFCs to KSE.

In this regard CDC is pleased to clarify that such requirement is already covered under clause (h) of Regulation 9.1.1 read with Regulation 9.6 of the CDC Regulations which provide that in case of any Free Delivery Transaction in the Central Depository System ("CDS") made by way of an Intra-Account Delivery Transaction or an Inter-Account Delivery Transaction on the basis of an off-market transaction in Book-entry Securities represented by any type or class of securities of an Issuer that are traded on a Stock Exchange including (without limitation) shares, preference shares, debentures, term finance certificates, musharika certificates, sukuk, Government Securities etc., such off-market transaction shall be reported to the Stock Exchange through a Stock Broker.

While making such Free Delivery Transactions in the CDS, Participant shall ensure that proper reason code is used as assigned to off-market transactions in the CDS.

For further information, please contact our Customer Support Services at 0800-23275 or send an email at info@cdcpak.com

Regards,

[Handwritten signature]